

Strategic Risk Register Report Quarter 2 2019/20

CYNGOR SIR POWYS COUNTY COUNCIL

CABINET EXECUTIVE

DATE: Tuesday 5th November 2019

REPORT AUTHOR: Executive Leader County Councillor Rosemarie Harris (*Portfolio Holder for Risk Management*)

REPORT FOR: Decision

1. Summary

1.1 This report sets out the council's latest position on managing its key risks, including those on the Strategic Risk Register and those posed by Brexit. It also outlines risks recommended for escalation to the Strategic Risk Register. **1.2** Our Strategic Risk Register is key to safeguarding the organisation and building resilience into our services. At a time when the council is facing unprecedented challenges, the effective management of risk is needed more than ever. A risk-managed approach to decision making will help us to achieve the well-being objectives in Vision 2025 and deliver services more efficiently, using innovative and cost-effective means.

2. Strategic Risk Register

2.1 As at the end of quarter 2 2019-20, there are nine risks on the strategic risk register, all of which have been carried forward from quarter 1 2019-20. During quarter 2, all nine strategic risks have been re-assessed and re-scored using the new 5x5 Risk Matrix that Cabinet agreed in July 2019. All risk owners have also been asked to provide a short summary of progress since quarter 1, to give assurance that mitigating actions are being actioned and monitored.

2.2 Click here ¹for full details of the strategic risks and the mitigating actions identified to control them.

2.3 Click here ² to view a heat map which presents the results of the quarter 2 risk assessment process visually. It highlights that two out of the nine risks are placed within the 'major' impact category and none with 'catastrophic' impact.

3. Escalation of risks

3.1 During Quarter 2, the following two risks have been identified and it is recommended that they are escalated to the Strategic Risk Register for monitoring. The reason for this is that Estyn advised that the Powys Local Government Education Service is causing significant concern and issued 5 statutory recommendation that require immediate attention.

- 1. The council will be unable to manage the schools budget without extra resource and finance and this will affect every individual school in Powys that has a deficit budget.** If the school fails to do a budget deficit plan, warning letters will be issued to the schools and the Authority will consider whether to withdraw delegation. Should this occur, the Local Authority LA will have to resource financial advice and manage the schools budget for each school that has their delegated funding removed. This would need to be specialist advice from a service that is under-resourced so there may be financial implications.
- 2. The council fails to make the necessary improvements in response to Estyn recommendations.** Failure to implement these recommendations will result in Estyn continuing to monitor the education service in Powys.

4. Utilisation of JCAD

4.1 The electronic risk management software (JCAD Core) continues to be used across the organisation to record and monitor strategic and service risks. At the end of quarter 2, only two services (Finance and Legal and Democratic Services) are still in the process of transferring to JCAD. These services are currently being supported by the Transformation and Communications team to ensure consistency in the application of JCAD. The council's Transformation Delivery Programme is also being supported to use JCAD for the monitoring of risks.

¹<https://powyscc.sharepoint.com/:w/s/services/SPP/ops/EbljRY5XPzFJh7cP812dO2UBc3b2tkXZlmCHb0knUW3lnQ?e=ss3Obl>

²https://powyscc.sharepoint.com/:w/s/services/SPP/ops/EfOYbKlXbdRGr4ZC21u-LpoB9Z_HOkUHwWoMSMXsOGKW6w?e=El7qhE

5. Brexit risks

5.1 In parallel to the council's risk management process, the Brexit Coordination Group have been working with all services to complete Brexit Impact Assessments, and in doing so have identified risks that Brexit poses to their service. This process has identified 99 risks (4 of which are deemed opportunity risks). Services have considered these risks, and where appropriate put mitigation in place.

5.2 From the 99 service level risks, 11 have been identified as requiring attention at a strategic level. These can be summarised as follows: - Increased demand for service - Relocation from the EU to Powys of families - estimated at 500 - Fuel shortages - Loss of access to external (EU) funding programmes - Reduced income to Powys County Council - External market factors - GDPR Compliance - Potential financial crash - Unable to recruit/retain staff (EU Nationals) - Employee workload - Delays/disruption to food and/or essential supplies More information regarding these 11 Strategic Brexit Risks is available by contacting Greg Thomas (greg.thomas2@powys.gov.uk³).

5.3 It should be noted that although the council may be unable to address many of the Brexit issues directly, it needs to consider how potential impact can be mitigated. In addition, these assessments capture the situation at a particular point in time, Brexit is a dynamic process, which the council should continue to plan and respond to as more information becomes available.

6. Options Considered / Available

N/A

7. Preferred Choice and Reasons

N/A

8. Impact Assessment

Is an impact assessment required? No.

9. Corporate Improvement Plan

The Strategic Risk Register outlines the key risks to the Council's 'business as usual' activities, as well as risk to delivery of objectives contained within the Corporate Improvement Plan.

10. Local Members

This report impacts all Members equally and does not affect local Members individually.

³<mailto:greg.thomas2@powys.gov.uk>

11. Other Front Line Services

Does the recommendation impact on other services run by the council or on behalf of the council? Yes

12. Communications

12.1 Communications - The reports are of public interest and require proactive communication activity.

13. Support Services (Legal, Finance, Corporate Property, HR, ICT, Business Services)

13.1 Legal – N/A

13.2 Finance – N/A

14. Scrutiny

Has this report been scrutinised? No

15. Data Protection

This report does not involve the processing of personal data.

16. Statutory Officers

16.1 The Head of Finance (Section 151 Officer) – The 151 Officer notes the content of the report.

16.2 Monitoring Officer – The Solicitor to the council (Monitoring Officer) notes the content of the report.

17. Members' Interests

The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest, they should declare it at the start of the meeting and complete the relevant notification form.

18. Recommendations

Recommendations

That:

- Cabinet notes the current Strategic Risk Register and is satisfied with progress against mitigating action for quarter 2.
- Cabinet approves the following two risks to be escalated to the Strategic Risk Register:
 - **The council will be unable to manage the schools budget without extra resource and finance and this will affect every individual school in Powys that has a deficit budget.**
 - **The council fails to make the necessary improvements in response to Estyn recommendations.**
- Cabinet notes the Brexit strategic level risks and continues to plan and respond as appropriate.

Reason for Recommendations

To ensure appropriate understanding and management of strategic risks which could prevent us from achieving our objectives. To ensure a risk managed approach to decision making and good governance of the Council.

Policy

Relevant policy: Risk Management Strategy/toolkit

Within Policy: Yes

Within Budget: Yes

Relevant Local Members: N/A

Person(s) To Implement Decision: N/A

Date By When Decision To Be Implemented: N/A

Is a review of the impact of the decision required? No

If yes, date of review: N/A

Person responsible for the review: N/A

Date review to be presented to Portfolio Holder/ Cabinet for information or further action: N/A

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TRANSFORMATION AND
COMMUNICATIONS TEAM