

**CYNGOR SIR POWYS COUNTY COUNCIL.**

**CABINET EXECUTIVE**

**Tuesday, 5<sup>th</sup> July 2022**

**REPORT AUTHOR:** County Councillor David Thomas Cabinet Member for Finance and Corporate Transformation

**REPORT TITLE:** Strategic Risk Register Report Quarter 4 2021/2022

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**REPORT FOR:** Decision

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**1. Purpose**

- 1.1 The purpose of this report is to set out the Council's latest position on managing its key risks, contained in the Strategic Risk Register (SRR). It also outlines the arrangements put in place by the Council for managing the remaining key risks relating to the COVID-19 pandemic.

**2. Background**

- 2.1 Our Strategic Risk Register is key to safeguarding the organisation and building resilience into our services. At a time when the Council has faced and is still 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, deliver services more efficiently and using innovative and cost-effective means, and help the Council manage its COVID-19 response and recovery.

**3. Advice**

- 3.1 To ensure a risk managed approach to decision making and good governance of the Council, it is proposed that Cabinet:

- Review progress to mitigate strategic risks
- Review progress to mitigate COVID-19 risks

**Review of progress to mitigate Strategic Risks**

- 3.2 As at the end of quarter 4 2021-2022, there are 15 risks on the strategic risk register and all strategic risk owners have been asked to provide a short summary of progress since last quarter, to give assurance that mitigating actions are being actioned and monitored.
- 3.3 Please see appendix A for full details of the 15 strategic risks including the mitigating actions identified to control them and progress reviews.

- 3.4 Please see appendix B to view a heat map which presents the results of the quarter 4 risk assessment process visually. It highlights (for the residual risks) the following:

One out of the fifteen risks have a probability of 'almost certain' and impact category of 'major'.

Also, two risks has a probability of 'likely' and an impact of 'catastrophic'.

Two risks have a probability of 'likely' and an impact of 'major'.

#### Escalation of risks to the Strategic Risk Register

- 3.5 Financial Services with EMTs approval, have revised the following risk with a current residual probability of 'likely' and impact of 'moderate':

PROC0008: Russian Invasion and Other Market Pressures leading to Increased risks of price variations and labour & material shortage caused by rising inflation.

The potential consequences are as follows:

- Effect on capital and revenue budget but mainly effecting supplies of materials relating to any contract or project.
- Unable to deliver statutory and non-statutory services which could result in a backlog of work, reputational damaged, quality of buildings and knock-on consequences.
- Examples of a key consequence: delayed or cancelled housing development reduces capacity to address homelessness and other housing needs, delays or affordability of delivery of schools' transformation, direct increase in fuel and energy costs, impact on steel prices and construction, food price – especially grain, possible further impact on food prices if there is fertiliser disruption, impact to supply of copper, aluminium, nickel etc and disruption to air and rail freight routes to Asia

Current mitigation in place is as follows:

- Develop a Process for approval by S151 officers for minimising effect of Price Increases
- Material substitution
- Value engineering
- Ukraine Cell Set up to report to Gold on consequences and to manage

- 3.6 Children and Adults Services with EMTs approval have placed the following risk on the Strategic Risk Register with an inherent probability of 'almost certain' and impact of 'catastrophic' and a current residual probability of 'likely' and impact of 'catastrophic':

ASC0069: If there is insufficient capacity to respond to the longer-term demand in children's and adults' services in timely manner

The potential consequences are as follows:

- The Local Authority will be unable to discharge its statutory duty and safeguard children, young people and adults.

Current mitigation in place is as follows:

- Rota in Children's Services for Section 47 assessments
- Agency Staff and Managed Team in both Adults and Children's Services
- Increase inhouse domiciliary care capacity
- Prioritise Adult Social services critical functions in line with business continuity planning

#### COVID-19 risk register

- 3.11 In order to effectively identify and manage risks relating specifically to the COVID-19 pandemic, a separate risk register was created to provide clarity and oversight for Gold and Silver Command. These risks are reviewed and monitored regularly and have been separated into response and recovery risks, using a matrix developed specifically for assessing COVID-19 related risks.
- 3.12 The Council has been transitioning from business-critical activity to 'business as usual' and the 'new normal'. As a result, services have incorporated, where possible any COVID-19 risks into their own service registers to be managed, significantly reducing the number risks on COVID-19 risk register. The intention is to eventually close the COVID-19 risk register and categorised them by risk nature in the services own risk register. Council will continue to monitor the situation carefully and response accordingly.
- 3.13 Please see appendix C to view a heat map which presents the results of the quarter 4 risk assessment process visually. Currently there are 7 risks recorded on the COVID-19 risk register, a drop of 12 since last quarter. There are no risks that sit in the upper right pink quadrant of the heatmap. The register is still monitored by Gold and Silver Command on a weekly basis.

#### **4. Resource Implications**

- 4.1 There are no direct resource implications in relation to this report however all risk owners need to consider the resource implications of managing the risk and decide if the best course of action is to tolerate or treat.
- 4.2 The Strategic Risk Register outlines the key risks to the Council's activities, as well as risk to delivery of objectives contained within the

Corporate Improvement Plan. There are no direct financial implications from the report although these may arise as new risks are identified on an on-going basis.

The Head of Finance (Section 151 Officer) notes the comment above, financial implications are identified through the relevant service and are considered through the financial management processes in line with the authorities' financial regulations. All services are considering the financial impact of any risks that are expected to continue into 2022/23 and beyond in their Service Integrated Business Plans.

## **5. Legal implications**

5.1 Legal: Been requested

5.2 The Head of Legal and Democratic Services (Monitoring Officer) comment sought.

## **6. Data Protection**

6.1 N/A

## **7. Comment from local member(s)**

7.1 N/A

## **8. Integrated Impact Assessment**

8.1 N/A. The Service Risk Register is not setting out any changes or proposals to service delivery.

## **9. Recommendation**

**It is recommended that Cabinet notes the current Strategic Risk and COVID-19 Risk Registers and is satisfied with progress against mitigating actions for quarter 4, approves the revision of PROC0008 and escalation of ASC0069 (detailed under points 3.5 & 3.6) to the Strategic Risk Register.**

**The recommendation above will ensure:**

- **Appropriate understanding and management of strategic risks which could prevent us from achieving our objectives**
- **A risk managed approach to decision making and good governance of the Council**
- **The risk related to Powys residents, services and Council staff as a result of a COVID-19 (Coronavirus) epidemic is monitored and reviewed regularly.**

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