

CYNGOR SIR POWYS COUNTY COUNCIL.

CABINET EXECUTIVE
Tuesday, 26^h July 2022

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

REPORT TITLE: **Strategic Risk Register Report Quarter 1 2022/2023**

REPORT FOR: **Decision**

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).

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 Stronger, Fairer, Greener: Our Corporate plan, deliver services more efficiently and using innovative and cost-effective means.

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

SLT review of Strategic Risk Register

- 3.2 SLT had a session on the strategic risk register on Wednesday 13th July where all the current and potential strategic risks, as well as global risks were discussed.

Key areas of risks to be continually monitored by SLT and Cabinet were identified as:

Health and safety

Social services (insufficient capacity to respond to the longer-term demand in children's and adults' services in timely manner, WCCIS unreliability, risk of social care provider failure and budgets)

Council budget/increased costs (living and economy)

Recruitment and retention including demography
Climate and nature emergency (biodiversity)
Compliance with GDPR and DPA
Cyber security
Regulatory/Inspections

Some of this progressive work is reflected in this report with further detailed work taking place over the next few months. This includes dedicated SLT sessions on Health and Safety, Recruitment and Retention including demography, Climate and Nature Emergency, Budget/Increased Costs to consider the risk, their intersectionality, consequences and the strategic mitigation required.

Review of progress to mitigate Strategic Risks

- 3.3 As at the end of quarter 1 2022-2023, 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.
- 3.4 Please see appendix A for full details of the 15 strategic risks including the mitigating actions identified to control them and progress reviews.
- 3.5 Please see appendix B to view a heat map which presents the results of the quarter 1 risk assessment process visually. It highlights (for the residual risks) the following:

One out of the fifteen risks has a probability of 'likely' and an impact of 'catastrophic'.

Also, three risks have a probability of 'likely' and an impact of 'major'.

Escalation of risks to the Strategic Risk Register

- 3.6 Housing services would like to escalate:

HO0034 'Unable to provide or enable the development of enough additional homes to fulfil housing market demand'.

With potential consequences as follows:

- Economic dislocation and contraction arising from challenges recruiting and retaining staff in the context of not being able to increase the total number of homes in Powys
- Increased demand for homelessness services, with limited options to find homes for these clients, exacerbated by a diminishing ability to add to the net number of homes available in Powys
- Increased number of households registering with 'Homes in Powys' for social housing as limited new supply of all types of homes increases the cost of existing accommodation

- Contraction in locally based construction capability and capacity arising from limited opportunities to develop and build new homes

Current mitigation:

- Focus of development and enabling capacity on directly providing and enabling additional homes in areas of Powys where phosphate management has not resulted in a moratorium on new development.
- Policy and process changes across the Council to encourage and support the re-purposing of existing commercial and retail buildings and sites into homes
- Making productive use of Council-owned land and property assets to enable the development by the Council of affordable, secure homes
- Promotion by Housing Services of 'package deals' to attract direct investment by private developers of new homes, including social housing
- Development of a range of housing specifications to be able to take advantage of both private and public investment offers
- Encouragement for all agencies involved in enacting a satisfactory phosphate management regime to come to a workable and practical agreement as soon as possible

De-escalation of risks off the Strategic Risk Register

- 3.7 Property, Planning and Public Protection would like to de-escalate the following risk from the Strategic Risk Register and onto the services own to be managed:

PPPP007 'Heart of Wales Property Services (HOWPS) being unable to undertake contracted work in a timely and cost-effective manner'.

Heart of Wales Property Services (HOWPS) has now been integrated back into the Council as property services. Repair and maintenance work on Powys buildings and schools are now being carried out by Council staff following the successful transfer from Heart of Wales Property Service. All repairs and maintenance on the Council's housing stock, corporate buildings and schools will be carried out by staff, previously employed by Heart of Wales Property Services. Outstanding repairs recorded or started by HoWPS before the June deadline have been passed to the Council to complete however this still remains a risk due to backlog but one that the service can manage.

- 3.8 Highways Transport and Recycling would like to de-escalate the following risk from the Strategic Risk Register and onto the services own to be managed:

HTR0016 'Shortage of lorry and bus drivers'.

The initial shortage of lorry and bus drivers has been managed successfully and is now at a level the service can manage the risk and the supporting risk controls, through their own service risk register’.

COVID-19 risk register

- 3.9 The Council has been transitioning from business-critical activity to ‘business as usual’ and the ‘new normal’. As a result, services have incorporated, any COVID-19 risks into their own service registers to be managed and the COVID-19 risk register has been closed. However, the Council will continue to monitor the situation carefully and response accordingly.

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 2023/24 and beyond in their Service Integrated Business Plans.

5. Legal implications

- 5.1 Legal: the recommendations can be accepted from a legal point of view
- 5.2 The Head of Legal and Democratic Services (Monitoring Officer) has commented as follows: “ I note the legal comment and have nothing to add to the report”.

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 Register and is satisfied with progress against mitigating actions for quarter 1, approves escalation of HO0034 (detailed under point 3.6) to the Strategic Risk Register and de-escalation of PPPP007 and HTR0016 (detailed under points 3.7 & 3.8) from 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**

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