

Leicester  
City Council

### **MEETING OF THE AUDIT AND RISK COMMITTEE**

**DATE: WEDNESDAY, 23 SEPTEMBER 2020**

**TIME: 4:00 pm**

**PLACE: Teams Virtual Meeting**

### **Members of the Committee**

Councillor Pantling (Chair)

Councillor O'Donnell (Vice-Chair)

Councillors Bajaj, Joshi, Kaur Saini, Dr. Moore and Rahman

One Non-Group vacancy (to be notified)

Members of the Committee are summoned to attend the above meeting to consider the items of business listed overleaf.

for Monitoring Officer

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## Information for members of the public

**PLEASE NOTE** that any member of the press and public may listen in to proceedings at this 'virtual' meeting via a weblink which will be publicised on the Council website at least 24hrs before the meeting. Members of the press and public may tweet, blog etc. during the live broadcast as they would be able to during a regular Committee meeting at City Hall / Town Hall. It is important, however, that Councillors can discuss and take decisions without disruption, so the only participants in this virtual meeting will be the Councillors concerned, the officers advising the Committee and any objectors and applicants relevant to the applications to be considered.

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If you have any queries about any of the above or the business to be discussed, please contact Ed Brown, Democratic Support on (0116) 454 3833 or email [edmund.brown@leicester.gov.uk](mailto:edmund.brown@leicester.gov.uk).

For Press Enquiries - please phone the **Communications Unit on 0116 454 4151**

## **PUBLIC SESSION**

### **AGENDA**

**NOTE: THIS MEETING WILL BE A VIRTUAL MEETING USING MS TEAMS LIVE EVENT**

The public link to view this meeting is:- <https://tinyurl.com/y2tv6a2w>

**1. APOLOGIES FOR ABSENCE**

**2. DECLARATIONS OF INTEREST**

Members are asked to declare any interests they may have in the business to be discussed.

**3. MINUTES OF THE PREVIOUS MEETING**

**Appendix A  
(Pages 1 - 10)**

The Minutes of the previous meeting of the Audit and Risk Committee held on 22 July 2020 have been circulated, and Members will be asked to confirm them as a correct record.

**4. ANNUAL REPORT OF THE AUDIT AND RISK COMMITTEE TO COUNCIL COVERING THE MUNICIPAL YEAR 2019-20**

**Appendix B  
(Pages 11 - 16)**

The Director of Finance submits a report presenting to the Council the annual report of the Audit and Risk Committee setting out the Committee's achievements over the municipal year 2019/20.

**5. ANNUAL INSURANCE REPORT 2020**

**Appendix C  
(Pages 17 - 26)**

The Director of Finance submits a report presenting an overview of the Council's internal and external insurance arrangements and providing information on the claims received in recent years, and the results of the claims handling process.

**6. ANNUAL REPORT ON THE NATIONAL FRAUD INITIATIVE (NFI)**

**Appendix D  
(Pages 27 - 32)**

The Director of Finance submits a report which provides information on the National Fraud Initiative (NFI) exercises currently underway.

**7. STRATEGIC AND OPERATIONAL RISK  
REGISTERS/HEALTH AND SAFETY DATA**

**Appendix E  
(Pages 33 - 70)**

The Director of Delivery, Communications and Political Governance submits a report presenting an update on the Strategic and Operational Risk Registers and Health & Safety data.

**8. PRIVATE SESSION**

**Members of the Public to Note**

**Under the law the committee is entitled to consider certain items in private where in the circumstances the public interest in maintaining the matter exempt from publication outweighs the public interest in disclosing the information. Members of the public will be asked to leave the meeting when such items are discussed.**

The Committee is recommended to consider the following reports in private on the grounds it will contain “exempt” information as defined by the Local Government (Access to Information) Act 1985, as amended, and consequently makes the following resolution:

“that the press and public be excluded during consideration of the following report in accordance with the provisions of Section 100A(4) of the Local Government Act 1972, as amended, because it involves the likely disclosure of “exempt” information, as defined in the Paragraph detailed below of Part 1 of Schedule 12A of the Act, and taking all the circumstances into account, it is considered that the public interest in maintaining the information as exempt outweighs the public interest in disclosing the information.”

**Paragraph 3**

Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The following reports concern the strength of internal controls of the City Council’s financial and management processes and includes references to material weaknesses and areas thereby vulnerable to fraud or other irregularity.

It is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

**Item 10**

**PROGRESS AGAINST THE 2019-20 AND 2020-21 INTERNAL AUDIT PLANS**

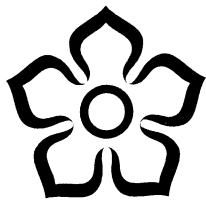
**9. PROGRESS AGAINST THE 2019-20 AND 2020-21  
INTERNAL AUDIT PLANS**

**Appendix F**  
**(Pages 71 - 88)**

The Internal Auditor submits a report, which to provides a summary of progress against the 2019-20 and 2020-21 Internal Audit Plans including information on resources used to progress the plans and a summary on high importance recommendations and progress with implementing them.

**10. ANY OTHER URGENT BUSINESS**





Leicester  
City Council

# Appendix A

## Minutes of the Virtual Meeting of the AUDIT AND RISK COMMITTEE

Held: WEDNESDAY, 22 JULY 2020 at 4:00 pm

### P R E S E N T:

Councillor Pantling (Chair)  
Councillor O'Donnell (Vice Chair)

Councillor Joshi  
Councillor Kaur Saini

Councillor Dr Moore  
Councillor Rahman

\* \* \* \* \*

#### **41. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

#### **42. DECLARATIONS OF INTEREST**

There were no declarations of interest.

#### **43. MINUTES OF THE PREVIOUS MEETING**

Two amendments were suggested on an item on the minutes from the previous meeting:

28. GRANT THORNTON – EXTERNAL AUDIT PLAN – YEAR ENDING 31 MARCH 2020.

With regard to the Audit Fee the Chief Accountant noted that an additional fee had been agreed with the PSAA of £20,350.

Grant Patterson of Grant Thornton had noted that the minutes had not reflected a fourth significant risk in respect of Covid-19. As such a fourth bullet point would be added to the previous minutes.

#### **RESOLVED:**

Subject to the above amendments, the minutes of the meeting held on 17 June 2020 be confirmed as a correct record.

Councillor Dr Moore noted a matter arising from Item 27. She enquired as to whether the extrapolation of error data for the general population had been calculated and whether the members of the Committee could see this extrapolation if it had been.

The Chief Accountant reported that more detail on the data was available and offered to email it to all Committee members.

Councillor Dr Moore further requested that virtual meetings be identified as such in future minutes.

#### **44. DRAFT ANNUAL GOVERNANCE STATEMENT 2019 - 2020**

The Chief Accountant submitted a report, which provided an opportunity for the Committee to comment on the Council's Draft Annual Governance Statement 2019-2020.

It was reported that the Statement would be brought back to the Committee for formal approval as part of the Statement of Accounts.

It was reported that the Council was required to publish, as part of its financial accounts reporting, an Annual Governance Statement. The intention of the Statement was to provide assurance that the Council operated in accordance with the law and had due regard to proper standards of behaviour and safeguarded the 'public purse'.

It was noted that the Statement had provided an update on progress made on issues identified in the previous year such as cybersecurity, the medium-term financial strategy and the letter from OFSTED on Special Educational Needs and Disabilities. It also outlined new issues and issues outstanding at the end of 2019/20, as such the medium-term financial strategy remained in the statement.

The pressures on resources and services brought about by Covid-19 were acknowledged.

The Chief Accountant offered to set up an informal Questions and Answers session with Members and also offered one-to-one meetings to go into more detail on the issues involved.

Councillor Dr Moore raised the issue of the Covid-19 pandemic and asked the Committee to consider issues in the key pledges in the City Mayor's strategic vision and which should be prioritised in the context of the pandemic. Specifically, she suggested that the issue of 'Health and Care' be higher among the bullet points.

Referring to the point on 'A Safe and Inclusive Leicester', she suggested this could include the issue of Black Lives Matter and as such could be higher on the list.

With regard to the point on 'A Fair City', she requested further precise clarification as to what this meant.

Councillor Dr Moore further requested that a plan currently being devised by Cllr Clarke on the issue of factories in Leicester be included in the list of pledges when completed.

Referring to the section which discussed the bodies that supported the review processes and delivery, she suggested that the Standards Committee be added to this particularly with regard to supporting the codes and rules laid out in the report.

The Chief Accountant responded noting that there was no particular order to the pledges, and it could be difficult to get a consensus on the priorities. She further noted that the document focussed on what had been completed rather than looking at priorities for the future. She added that she would be happy to include the Standards Committee on the list of supporting bodies.

Grant Patterson added that whilst the Annual Governance statement was primarily backward-looking, it would be signed off with the data publication of accounts in September, and as such it would need to stay under review until then for any significant issues that may arise up until that point.

The Chair thanked the Chief Accountant for her offer of a Questions and Answers session.

RESOLVED:

That the Draft Annual Governance Statement 2019-2020 be noted.

#### **45. DRAFT STATUTORY STATEMENT OF ACCOUNTS 2019 - 2020**

The Chief Accountant submitted a report, which provided an opportunity for the Committee to comment on the Council's Draft Statement of Accounts 2019-2020 before being brought back to the Committee for formal approval.

It was acknowledged that whilst this would usually be signed off in July, this had been delayed by the Covid-19 pandemic and as such it was likely to come back to the Committee in November to be signed off and become a formal document. This was in line with national arrangements.

It was noted that it had been a difficult year for accounts due to estimates having to be made and the effect of the Covid-19 pandemic on financial and property markets. As such it was noted that the pension fund liabilities had been estimated at the end of January, but it was now necessary to wait for the final figures to come through for the end of March. It was hoped that what had been happening with the markets at the end of March had been taken into full account, but this would not be known until the figures were published by the pension fund, and as such this was subject to change as some of the assets were measured at market value. Further valuation changes to the date of

signing the accounts might also become necessary.

This difficulty in the accounts was given as a reason as to why the report from Grant Thornton had been included highlighting some of these issues.

Looking at key issues in the accounts, the Chief Accountant noted:

- In the prior-period adjustments two schools which were now academies had not been removed as assets from the accounts and as such this had needed to be done retrospectively. This had no effect on the Council's financial position.
- With regard to the Officers' Remuneration it was noted that the £50,000 threshold for inclusion had not increased as salaries had increased with inflation and as such more people had been included.
- Pension liability had decreased from the previous year, however, it was acknowledged that this fluctuated between years as it was based on estimates taking into account issues such as mortality, inflation and the conditions of the markets (as already noted).

The Chief Accountant further offered informal Question and Answers sessions and one-to-one sessions with Councillors.

Councillor Dr Moore thanked the Chief Accountant for the statement.

Councillor Dr Moore raised the question as to whether there was provision in the current Capital Programme to address the recently highlighted issues in the local textile sector. She further asked as to whether there could be funds in the budget to respond to the Black Lives Matter movement, such as funding for education, training or investigation into recruitment practices.

The Chief Accountant responded that this report concerned Capital funds spent in the previous year, and that new provision in the current or future capital and revenue budgets would need to be discussed by councillors with the City Mayor.

Councillor Dr Moore further requested clarification on what the Leicester North-West Major Transport Project was.

The Chief Accountant clarified that it mostly concerned highway works in the area and creating better connections. The Chief Accountant offered to send a link to the Capital Programme outturn report on the agenda of the forthcoming Overview Select Committee (OSC) meeting to Councillor Dr Moore.

Councillor Dr Moore further requested that a simplified digest of the information in the report be produced, containing a breakdown for the spending for the year and a comparison with spending for previous years on certain areas such as Adult Social Care.

The Chief Accountant noted with the statutory accounts it was difficult to do

year on year comparisons on department spend as this includes items such as depreciation and pension liability changes. As such comparing spend on Adult Social Care or indeed any other service it is recommended to look at the Overview Select Committee (OSC) for the following week. The Chief Accountant offered to send a link to the Revenue Outturn Report to members of the Committee.

Councillor Joshi referred to the pension liability and the pension deficit and noted that the deficit had been around £650m, then rose to £812m in the previous year and then fell again to £606m. He asked as to the reason for this drop and what the projection would be for the next year.

He further noted that on the 2019/20 Spend by Category the biggest spend was on Adult Social Care at 36%. He asked as to the effect Covid-19 had on this budget for the coming year.

Following on the issue of Covid-19, Councillor Joshi drew attention to the source of funding where business rates were the biggest source of funding at 43%. He noted that businesses had been forced to shut due to Covid-19 and some were waiting to open. He asked as to how business rates would be collected from these businesses struggling to pay the rates and facing financial crisis.

With regard to pension liability, the Chief Accountant reported that Leicestershire County Council aimed to recover this over a 20-year period. There could be large fluctuations from time to time due to factors such as the assumed effect of inflation on pay and pensions, assumed mortality rates and projected returns on investments. The estimate on inflation had been reduced for the coming years. She added that some assets performed better than anticipated which brought the unfunded liability down. She further indicated that small percentages can result in large changes for unfunded liability.

With regard to the spending on Adult Social Care, the Chief Accountant reported that the OSC had been receiving regular reports on how Covid-19 was affecting the Council and additional spending was being seen in Adult Social Care. It was as yet unknown how to forecast how this would change on a more permanent basis, and it was reported that OSC would be receiving regular reports during the upcoming year. She further reported that the Council was in a relatively good financial position compared to many other councils, some of which are introducing emergency spending controls.

In relation to business rates, the Chief Accountant noted that whilst collection of rates had dropped off slightly, in the case of smaller and retail businesses they were receiving business rate relief from central government this year. This means the Council were receiving the money directly from the government. She further reported that money had been received from the government for business grants.

Councillor Joshi further enquired as to whether the 2% allocated to reserves had needed to be used.

The Chief Accountant responded that this had not yet been the case, however, there was a managed reserve strategy aimed at funding the budget gap each year. She added that it was not yet known what reserves would be needed for the current financial year, however this was being closely monitored and more would be known towards September.

The Deputy Director of Finance confirmed that small businesses with properties of rateable value of less than £15,000 would not pay business rates this year and businesses in retail, hospitality and leisure would have a one-year rates holiday regardless of rateable value. He added that around £70m had been paid from the business grant scheme to around 6,000 businesses with £10,000 going to most small businesses that pay rates. He further added that many businesses in the retail, hospitality and leisure sectors had received £10,000 or £25,000. He however expressed concern over whether the government would continue the retail, hospitality and leisure relief schemes in future years, and hence reflected concerns over the future of some businesses and their ability to pay business rates.

Councillor Kaur Saini enquired as to what Corporate Items referred to in the context of the Comprehensive Income and Expenditure Statement.

The Chief Accountant clarified that this referred to charges that affected the whole organisation and were controlled centrally, giving the example of banking charges.

RESOLVED:

That the Draft Statutory Statement of Accounts 2019-2020 be noted.

#### **46. FEE SCALE FOR THE AUDIT 2020 - 2021 AND UPDATE 2019 - 2020**

The Chief Accountant referred to the audit fees letter from Public Sector Audit Appointments (PSAA), a copy of which was submitted with the agenda. It was noted in the letter that it had been agreed with audit firms that it was more efficient for the PSAA to write out to audited bodies directly rather than through the external auditor.

It was reported that the scale fee for both the 2019/20 and 2020/21 audits would be £112,884 for each. However, it was noted as it was reported earlier in the meeting the 2019/20 fee was higher than stated in this letter and this is envisaged to be the same for the 2020/21 fee. It was explained that the PSAA went out to procurement on set criteria and the auditing standards had changed. In addition to this the way the asset valuation and value for money assessment worked was likely to change.

Grant Patterson of Grant Thornton commented explaining that the PSAA were required under statute to issue the letter by a certain point in time and they were still working through fee variations. He also indicated that as a firm Grant Thornton had proposed increases of around 20-30% driven by workloads and

risk in the light of enhanced audit standards, whereas some firms had been arguing for a 100% increase. He added that there was a conversation going on between auditors, PSAA and the sector as a whole. He assured the Committee that Grant Thornton would coordinate with the Deputy Director of Finance, the Chief Accountant and the Director of Finance to ensure that the Committee was properly informed going forward.

RESOLVED:

That the Annual Fees Letter for 2019-2020 be noted.

**47. REGULATION OF INVESTIGATORY POWERS ACT 2000 - BI-ANNUAL PERFORMANCE REPORT JANUARY 2020 - JUNE 2020**

The City Barrister and Head of Standards submitted a report, which advised on the performance of the Council in authorising Regulation of Investigation Powers Act (RIPA) applications, from 1st January 2020 to 30th June 2020.

It was reported that the Council applied for 0 (nil) Directed Surveillance Authorisations and 0 (nil) Communications Data Authorisations in the period.

It was further reported that the Council's RIPA Monitoring Officer had attended an online refresher training course hosted by the National Anti-Fraud Network in April 2020 and that the Information Commissioner's Office had issued its quarterly newsletter.

RESOLVED:

That the report be received and noted.

**48. COUNTER-FRAUD ANNUAL REPORT 2019 - 20**

The Director of Finance submitted a report, which provided information on counter-fraud activities during 2018-19.

In discussing the report, it was noted that:

- The team were now fully staffed with qualified investigators.
- The Council had led the regional intelligence hub using Government funding for all local authorities in Leicester, Leicestershire and Rutland, collating and matching a range of data. The majority of district council member authorities had decided that the project would not in future be funded by them directly, so it had come to an end in June 2020.
- Utilising data matching software the team had identified 24 properties that despite being declared as empty for Council Tax purposes, they were in fact occupied. This had attracted £160,459 in additional funding for the authority.
- The team had identified over £1.8m of loss avoidance and income compared to £1.3m the previous year. This was in comparison to the running costs of the team which was approximately £400,000.

Councillor Joshi congratulated the team on receiving the money on the

declared empty properties and enquired as to what actions were taken against these people trying to avoid council tax.

Stuart Limb, Corporate Investigations Manager, clarified that in these cases Council Tax Liability was corrected and pursued for the money owed.

RESOLVED:

That the report be received and noted.

#### **49. PROCUREMENT ANNUAL REPORT 2019 - 2020**

The City Barrister and Head of Standards submitted a report which informed the Committee of the activity of the procurement function of the Council over the previous financial year and evidenced compliance with the requirements of the Contract Procedure Rules.

It was noted that the Council had adopted new Contract Procedure Rules in March 2020, and the report fulfilled a requirement of these rules to produce an annual report after each financial year.

The report looked at the procurement that had been conducted as well as highlighting key achievements and contracts awarded covering all divisions and considered contributions to the response to Covid-19 and the lockdown. It gave a breakdown of the contracts on the procurement plan for the previous year and how they had progressed. Some contracts were not featured in the plan as they were either below the threshold or began in 2019.

There had been some delays in procurements that were set to change this year and some things on the plan had been delayed for various reasons connected to Covid-19 such as staffing or market availability or the lack of ability to access sites for quotes. These issues had required reactive action to a range of new requirements such as Personal Protective Equipment and social distancing materials.

The report contained an update in terms of social value and the living wage and information surrounding waivers.

Councillor O'Donnell enquired as to whether Brexit would change procurement standards or whether the current legislation would apply.

Neil Bayliss, Head of Procurement, responded that EU regulations were now part of UK law and as such were required to be followed for the time being. There would eventually be the opportunity for the government to pass changes over time and as such there may be a government review of potential changes in the short-to-medium term. This would depend on trade deals with the EU and other trading blocs and whether such a deal would require open procurement. He concluded that there may be some changes over time, but there would likely be a similar continuation of rules.

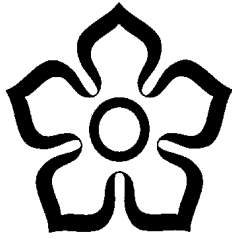
RESOLVED:

That the report be noted.

**50. ANY OTHER URGENT BUSINESS**

There being no further items of urgent business the meeting closed at 17:09pm





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**WARDS AFFECTED:**  
ALL

## **FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:**

**Audit and Risk Committee**  
**Council**

**23rd September 2020**  
**TBC**

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**Annual Report of the Audit and Risk Committee to Council**  
**covering the municipal year 2019-20**

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### **Report of the Director of Finance**

#### **1 PURPOSE OF REPORT**

- 1.1 To present to the Council the annual report of the Audit and Risk Committee setting out the Committee's achievements over the municipal year 2019/20.
- 1.2 This report was presented to the Committee for approval at its meeting on 23<sup>rd</sup> September 2020.

#### **2 RECOMMENDATIONS**

- 2.1 Audit and Risk Committee is recommended to approve this report for submission to the Council.
- 2.2 Council is recommended to receive this report.

#### **3 SUMMARY**

- 3.1 The Committee's terms of reference approved by Council require the submission of an annual report on its activities, conduct, business and effectiveness. Moreover, the CIPFA\* guidance on Audit Committees states that the audit committee should be held to account on a regular basis by Council, and that the preparation of an annual report can be helpful in this regard. (\* CIPFA – the Chartered Institute of Public Finance and Accountancy)
- 3.2 The Audit and Risk Committee considered a wide range of business in fulfilment of its central role as part of the Council's system of corporate governance, risk management, fraud and internal control. It conducted its business in an appropriate manner through a programme of meetings and fulfilled the expectations placed upon it.

## 4 REPORT

- 4.1 The Committee's terms of reference are regularly reviewed. They formally confer upon it the role of 'the board' for the purposes of the *Public Sector Internal Audit Standards*, (the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework, interpreted and adopted for local government by CIPFA) as the recognised professional standards for local authority internal audit.
- 4.2 During the municipal year 2019/20, the Committee met on four occasions. The fifth meeting of the year was cancelled due to the Covid-19 pandemic. All meetings were properly constituted and quorate. The Committee's terms of reference require it to meet at least three times a year. The Head of Finance and Leicestershire County Council's Head of Internal Audit and Assurance Service attended meetings of the Committee. In addition, and in the interests of providing the full range of legal, constitutional and financial advice and expertise, the Committee was supported by the Director of Finance and the City Barrister & Head of Standards or their representatives.
- 4.3 CIPFA has a publication *Audit Committees – Practical Guidance for Local Authorities*, providing guidance on function and operation of audit committees. The position statement within the guidance, notes "*audit committees are a key component of an authority's governance framework. Their function is to provide an independent and high-level resource to support good governance and strong public financial management.*"
- 4.4 Further to this it notes the purpose of the governance committee is to provide those charged with governance independent assurance of the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance processes.
- 4.5 It is considered that Audit and Risk Committee met the requirements for an effective Audit Committee. In summary the reasons for this are:
- The Committee meets regularly, and its chair and membership are sufficiently independent of other functions in the Council. Meetings are conducted constructively and are free and open and are not subject to political influences;
  - The Committee's terms of reference provide a sufficient spread of responsibilities covering internal and external audit, risk management and governance;
  - The Committee plays a sufficient role in the management of Internal Audit, including approval of the audit plan, review of Internal Audit's performance and the outcomes of audit work and management's response to that; and
  - The Committee received reports from Grant Thornton as the Council's external auditor and maintains an overview of the external audit process including the fees charged.
- 4.6 However, it is acknowledged that Committee members need suitable training. Arrangements continue to be made to provide training on a relevant topic

immediately before meetings of the Committee. The Committee is subject, of course, to some turnover of membership each municipal year, an inevitable consequence of the political environment in a local authority. Should this happen, training for new members is offered.

- 4.7 The Committee has continued to make an important contribution to the effectiveness of the City Council's internal control and corporate governance frameworks. It is a central component of the Council's system of internal control. The key outcomes from the Committee's work included:

4.8.1. Internal Audit

- The Committee considered the Internal Audit annual plan and monitored its delivery and outcomes during the year. The Committee also received the Internal Audit annual report and opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control.
- The Committee reserves the right to summon relevant officers to attend its meetings to discuss in more depth specific issues raised by Internal Audit reports. This has helped to maintain the profile of the Committee and its role in promoting adherence to procedures and improved internal control.

4.8.2 Counter-Fraud

- The Committee maintained an effective overview of the Council's measures to combat fraud and financial irregularity. Specifically, the Committee:
  - Considered counter-fraud reports, which brought together the various strands of counter-fraud work with data on the various types of work carried out by the teams involved.
  - Reviewed and supported the Council's participation in the National Fraud Initiative.

4.8.3 External Audit

- The Committee considered the external auditor's plans and progress and the outcomes of this work, with particular reference to the annual audit of the Council's statutory financial statements.

4.8.4 Risk Management

- The Committee maintained a regular overview of the risk management arrangements including the Council's strategic and operational risk registers and 'horizon-scanning' for potential emerging risks to the Council and its services. The Committee were unable to review Risk Management Strategy and Policy and Corporate Business Continuity Management Strategy in the year due to the cancelled meeting in March. This was delayed to the June 2020 meeting.

#### 4.8.5 Corporate Governance

- The Committee fulfilled the responsibilities of 'the board' for the purposes of the City Council's conformance to the *Public Sector Internal Audit Standards* in terms of overseeing the Council's arrangements for audit, the management of risk and the corporate governance assurance framework.
- The Committee maintained its oversight of the Council's corporate governance arrangements. The Council's updated assurance framework, which maps out the process for collating the various sources of assurance and preparing the Council's statutory Annual Governance Statement, was reviewed and approved by the Committee.
- The Committee approved the Annual Governance Statement for 2018/19.
- This annual report to Council is part of the governance arrangements, through giving a summary of the Committee's work and contribution to the good governance of the City Council and demonstrating the associated accountability.

#### 4.8.6 Financial reporting

- The Committee received and approved the Council's statutory Statement of Accounts for 2018/19 and associated external audit reports. It approved the Council's letter of representation, by means of which the City Council gives assurance to the external auditor; there were no significant items that were not reflected in the Council's accounting statements.
- The external auditor's Annual Governance Report was issued to the Committee as 'those charged with governance' and considered accordingly. In this report, the auditor confirmed that his audit opinion on the Council's financial statements would be 'unqualified'.

#### 4.8.7 Other Work

- During the year the Committee also received updates and reports on the following areas:
  - Insurance
  - Corporate complaints
  - Corporate complaints
  - Developments in Audit & Governance

### 5. **Conclusions**

- 5.1 The Committee fulfilled all of the requirements of its terms of reference and the good practice guidance issued by CIPFA.
- 5.2 It is the view of the Director of Finance that the Audit & Risk Committee made a significant contribution to the good governance of the City Council. Through its work, it has reinforced the Council's systems of internal control and internal

audit and has given valuable support to the arrangements for corporate governance, legal compliance and the management of risk.

- 5.3 Each year, following any changes in membership, there is a need to support members with relevant training and briefings on technically complex subjects, particularly in the context of the governance of a large local authority and especially during a period of continued financial stringency and change. The effectiveness of the Committee is enhanced by having members who have sufficient expertise and experience, attributes which benefit from some continuity of membership.

## **6. FINANCIAL, LEGAL AND OTHER IMPLICATIONS**

### **6.1 Financial Implications**

An adequate and effective Audit & Risk Committee is a central component in the governance and assurance processes intended to help ensure that the Council operates efficiently, cost effectively and with integrity. Its support for the processes of audit and internal control will help the Council as it continues to face the financially challenging times.

*Colin Sharpe, Head of Finance, ext. 37 4081*

### **6.2 Legal Implications**

The Audit & Risk Committee aids the fulfilment by the Council of its statutory responsibilities under the Accounts and Audit Regulations 2015 by considering the findings of a review of the effectiveness of the Council's system of internal control. It is an important part of the way the duties of the Director of Finance are met as the responsible financial officer under s151 of the Local Government Act 1972.

*Kamal Adatia, City Barrister & Head of Standards, x37 1401*

## 7. Other Implications

| OTHER IMPLICATIONS            | YES/NO | Paragraph references within supporting information  |
|-------------------------------|--------|---|
| Equal Opportunities           | No     |   |
| Policy                        | No     |   |
| Sustainable and Environmental | No     |   |
| Climate Change                | No     |   |
| Crime and Disorder            | Yes    | 4.6.2 – references to fraud and corruption  |
| Human Rights Act              | No     |   |
| Elderly/People on Low Income  | No     |   |
| Corporate Parenting           | No     |   |
| Health Inequalities           | No     |   |
| Risk Management               | Yes    | The whole report concerns the audit, risk management and governance process, a main purpose of which is to give assurance to Directors and this Committee that risks are being properly identified and managed appropriately by the business. |

## 8. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

Agendas and Minutes of the Audit & Risk Committee meetings

### REPORT AUTHOR

Amy Oliver, Chief Accountant

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## **Annual Insurance Report 2020**

Audit & Risk Committee

Date of meeting: 23<sup>rd</sup> September 2020

Lead director: Director of Finance

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### **Useful information**

- Ward(s) affected: All
- Report author: Catherine Taylor, Principal Accountant
- Author contact details: 0116 454 4056; Catherine.taylor@leicester.gov.uk
- Report version number: 1

## **1. Summary**

This report:

- presents an overview of the Council's internal and external insurance arrangements;
- provides information on the claims received in recent years, and the results of the claims handling process.

## **2. Recommended actions/decision**

The Committee is recommended to note the contents of the report, and the Council's approach to ensuring it is managing the financial risk associated with claims.

## **3. Background**

This report updates the information presented to Audit & Risk Committee on 24<sup>th</sup> July 2019.

## **4. Report**

### **4.1 Risk Financing**

- 4.1.1 Risk Financing may be defined as the process by which the Council ensures sufficient funds are available to pay for financial losses, using the most cost effective sources of finance. For insurable risks (it should be noted that not all risks are insurable) this requires a balance between the amount of risk the Council is prepared to take, and the premium payable. The overall approach to risk financing is set out in the Risk Management Policy.
- 4.1.2 The most significant decision which affects this cost:risk balance is the level of "deductible" (excess) that the Council meets from its own resources. As with household policies, we can save money by taking a higher excess. High deductibles, however, also expose the Council to greater risk. The deductible is generally on a "per claim" basis, although the risk can be reduced further by including an aggregate limit which caps the total annual amount of the Council's exposure. The Council accepts very high deductibles, bearing the full cost of most claims itself, through the insurance fund (see below). This is because the Council is big enough to accept a

lot more risk than individual householders, and sees its external insurance primarily as cover for catastrophes.

- 4.1.3 Robust risk management across the organisation will reduce both the amounts payable in self-insured amounts and the external premium charged. However, it is neither possible nor desirable to eliminate all risks from service delivery. An effective strategy for financing these residual risks is therefore required.

## **4.2 Insurance Fund**

- 4.2.1 From 2020/21, the annual costs of insurance are held as a corporate revenue budget, outside departmental budgets. This funds the costs of external premiums, deductible payments on claims, and claims handling costs. (In previous years, these costs were recharged to all Council departments, but this was simplified for the current year and departmental budgets were adjusted to compensate.) Schools also pay for relevant insurances from their delegated budgets. The annual budget has reduced by £0.5m from its previous like-for-like level as a result of reduced claim costs and external premiums after a tender exercise in 2018, which has reduced the pressure on the Council's overall budget position. As with all corporate budgets, this will be reviewed as part of the annual budget setting process to ensure the amount remains appropriate for 2021/22.
- 4.2.2 The Council also holds a corporate insurance fund to smooth out the impact of actual costs on the annual corporate revenue budget from year to year, and to ensure that funds are available to meet claims when they occur.
- 4.2.3 The Council's policy is to maintain sufficient funding to meet all claims on a "claims occurring" basis. This includes legal and other costs associated with defending the claim, as well as any compensation due to the claimant. As a minimum, therefore, the fund will hold:
- Amounts required for claims received but not yet settled;
  - Amounts required for claims relating to events that have occurred, but no claim has yet been notified to the Council (e.g. a person who is injured has 3 years to bring a claim against the Council in most cases).
- 4.2.4 The amount required in the fund at any time cannot be accurately calculated, and depends on a number of assumptions about liability and settlement amounts. The balance on the fund will be reviewed at least annually, informed by officers' assessments of specific large claims and historical data. Further assurance is provided by an external actuary's report, normally every 2 years.
- 4.2.5 The actuary's report commissioned in 2019 confirmed that there was a surplus on the fund, compared to the estimated amount required to meet claims. As a result, £5m was transferred out of the fund during 2019/20 to support the Council's capital programme.

4.2.6 As at 31<sup>st</sup> March 2020, the balance on the insurance fund was £12.3m. For accounting purposes, this is split between a provision (for “known” claims) and a earmarked reserve for other costs, but in practice it is managed as a single fund. Evidence from the 2019 actuarial review and subsequent claims received indicates that this amount will be sufficient to meet claims to date, and may allow for a surplus. If future reviews confirm a further surplus is available, this can be made available for other purposes.

### 4.3 External insurance

4.3.1 In financial terms, the most significant classes of insurance are Property, Motor and Combined Liability (Employers’ and Public Liability). The current insurance contract is in place until 30<sup>th</sup> September 2021, with an option to extend for a further 2 years. This provides some stability in costs, but it should be noted that the rates could still change under some circumstances. At the time of writing, the renewal of the insurance policies for the final year of the current contract is under way.

4.3.2 A summary of the current package of insurance is attached at Appendix One.

4.3.3 In the longer term, insurance rates will be affected by developments in the wider market. Some of the current issues include:

- Last year, the Government reviewed the “discount rate” used to calculate lump-sum settlements in personal injury cases. This is the interest rate that the recipient can expect to receive by investing the lump sum, based on low risk investments. In cases of serious, long-term injury, a small change in the discount rate can result in a large change in the amount due to the claimant. The rate increased from August 2019 (which *decreases* the cost of settling claims); however, this was less than the insurance industry had hoped for, which will put upwards pressure on premiums.
- Ongoing reforms to the statutory framework around personal injury cases, with a particular focus on reducing “whiplash” claims from motor accidents. If successful, these should reduce the cost to the insurance fund in the longer term; although some changes have now been delayed due to the pandemic.
- Liability claims relating to social care (both Children’s and Adults’), which have increased nationally in recent years. Case law in this area is still evolving, and many claims received date back several years and could not have been known about at the time – it is difficult to estimate the scale of the overall cost to local authorities and their insurers.
- Changes to Insurance Premium Tax (IPT), which has increased from 6% in 2015 to 12% currently, with ongoing expectations that it will increase further in future, particularly since the government may be looking to increase its tax revenue in future budgets. Unlike VAT, IPT cannot be reclaimed and is a real cost to the Council; also, changes to IPT are excluded from the rate certainty given by the 3-year insurance contract.

#### **4.4 Impacts of COVID-19**

4.4.1 As with all services, the COVID-19 pandemic has had significant impacts on the insurance market and on the Council's arrangements. Short-term actions have focused on ensuring cover is in place, and advising on the insurance implications of a rapidly-changing situation. This has included the implications of staff working from home, staff (and volunteers) using vehicles to support Council business, and working with private and voluntary sector organisations to deliver a co-ordinated response to the pandemic.

4.4.2 It is too early at this stage to estimate the overall impact of the pandemic on the insurance fund.

- The Council has not, to date, received any claims referring directly to COVID-19. However, the potential for these claims remains and is of concern to insurers nationally (e.g. claims alleging that an employee or member of the public contracted COVID-19 on Council premises);
- Progress on some existing claims has been delayed during lockdown, particularly among litigated claims. While this should not greatly affect the final costs, it makes forecasts more uncertain;
- Some types of claim may have *reduced* during lockdown restrictions – e.g. fewer vehicles on the roads leads to fewer motor incidents and reduced claims for pothole-type damage to vehicles;
- There is an ongoing risk that disruption to normal working practice and service levels will leave the Council open to claims that are not directly COVID-related. For example, if maintenance could not be carried out to its normal standard, the Council could be liable for damage or injury. As with all claims, robust procedures to identify and mitigate these risks will reduce the Council's liability. No particular impact of COVID-related disruption has not been reflected in the claims received to date, although the impact may take some time to be seen.

#### **4.5. Claims information**

4.5.1 The greatest numbers of claims arise from activities connected to Highways Maintenance; motor claims; and Housing services. This is because of the nature of these service areas, and should not necessarily be taken to suggest poor performance.

4.5.2 The following tables provide a summary of the claims received in significant categories, and the results of the claims investigations, from the past 3 years.

4.5.3 For Highways-related claims, repudiation rates (i.e. the proportion of claims where liability is successfully denied) are generally over 80%. While reliable comparator data are not currently available, informal discussions with other authorities suggest that this is a significantly better result than the East Midlands average. Successful repudiation of Highways claims requires evidence of a robust inspection and repairs process, which provides a legal defence to these claims.

### Public Liability – Highways – Personal Injury

| Financial Year | LCC at fault  | No fault      |
|----------------|---------------|---------------|
| 2017-18        | 13<br>(21.3%) | 48<br>(78.7%) |
| 2018-19        | 12<br>(17.9%) | 55<br>(82.1%) |
| 2019-20        | 6<br>(9.1%)   | 60<br>(90.9%) |

### Public Liability – Highways – Property Damage

| Financial Year | LCC at fault  | No fault      |
|----------------|---------------|---------------|
| 2017-18*       | 34<br>(45.9%) | 40<br>(54.1%) |
| 2018-19        | 10<br>(18.5%) | 44<br>(81.5%) |
| 2019-20        | 4<br>(9.1%)   | 40<br>(90.9%) |

\* The 2017-18 year included a period of severe winter weather (the “Beast from the East”) which caused damage to road surfaces and consequently affected the claims position.

### Motor Policy claims

| Financial Year | LCC at fault   | Third Party at fault | 50/50 fault | Theft / vandalism against LCC vehicles |
|----------------|----------------|----------------------|-------------|--|
| 2017-18        | 145<br>(66.2%) | 49<br>(22.4%)        | 3<br>(1.4%) | 22<br>(10.0%)                          |
| 2018-19        | 103<br>(59.5%) | 59<br>(34.1%)        | 3<br>(1.7%) | 8<br>(4.6%)                            |
| 2019-20        | 125<br>(70.6%) | 39<br>(22.0%)        | 5<br>(2.8%) | 8<br>(4.5%)                            |

The motor claims data implies a deterioration in the proportion of “fault” claims against the Council, although this is partly due to a reduction in the number of third-party fault incidents rather than an increase in incidents where the Council’s drivers were at fault. Work is ongoing to identify any underlying causes of this, and to obtain benchmarking data for comparisons with other authorities.

### Public Liability – Council Housing

| Financial Year | LCC at fault  | No fault       | Contractor at fault |
|----------------|---------------|----------------|---------------------|
| 2017-18        | 35<br>(25.4%) | 102<br>(73.9%) | 1<br>(0.7%)         |
| 2018-19        | 11<br>(9.9%)  | 98<br>(88.3%)  | 2<br>(1.8%)         |
| 2019-20        | 15<br>(13.3%) | 97<br>(85.8%)  | 1<br>(0.9%)         |

4.5.4 Complex claims will often not be finalised until some years after the incident. As a result, the cost of claims arising in 2019/20 will not be finally known for some years. The amount actually *paid* from the insurance fund in each year (regardless of when the claim originated) on each of the major types of claim is shown below. (This does not include amounts met by insurers on large claims):

| Policy Type                        | 2017-18<br>£000's | 2018-19<br>£000's | 2019-20<br>£000's | 3-year total<br>£000's |
|------------------------------------|-------------------|-------------------|-------------------|------------------------|
| General Property                   | 38.4              | 118.5             | 66.9              | 223.8                  |
| Commercial Property                | 35.7              | 23.2              | 0.3               | 59.2                   |
| Employer's Liability               | 202.1             | 298.9             | 508.5             | 1,009.5                |
| Public Liability                   | 503.1             | 1,102.4           | 518.4             | 2,123.9                |
| Officials / Professional Indemnity | 54.2              | 36.7              | 7.7               | 98.6                   |
| Motor                              | 464.0             | 601.9             | 353.2             | 1,419.1                |
| <b>Total</b>                       | <b>1,297.5</b>    | <b>2,181.6</b>    | <b>1,455.0</b>    | <b>4,934.1</b>         |

4.5.5 Amounts paid in an individual year are variable (for example, a number of larger public liability claims were settled in 2018/19, having been outstanding for some time; and some large historic employers' liability claims were paid in 2019/20). However, the general pattern is that public liability and motor claims consistently have the greatest costs to the Council. Employers' liability claims tend to be higher value per claim, but are fewer in number. Other classes of insurance claim have a relatively small financial impact in most years.

## **5. Financial, legal, equalities, climate emergency and other implications**

### **5.1 Financial implications**

The report is concerned throughout with financial implications.

### **5.2 Legal implications**

There are no legal implications arising from this report. (Emma Jackman, Head of Law, tel: 454 1426)

### **5.3 Equalities implications**

No Equality Impact Assessment has been carried out as this is a briefing report and no policy changes are proposed.

### **5.4 Other implications**

No other implications are noted as this is a briefing report and no policy changes are proposed.

## **6. Summary of appendices:**

Appendix One – Summary of External Insurance Cover

## **7. Is this a private report?**

No

## **8. Is this a “key decision”?**

No

## Summary of External Insurance Cover – from January 2019

|  | <b>Main features of cover</b>  | <b>Insurer</b> | <b>Deductible (per claim)</b>                      |
|--|--|----------------|--|
| General Property                                 | Buildings & contents insurance (including schools); including works in progress, and increased cost of working following a claim   | AIG            | £100,000 (general)<br>£1m for social housing stock |
| Industrial & Commercial Property                 | Buildings cover for properties owned by the Council and rented out to third parties (e.g. shops, industrial units).  | AIG            | £250   |
| Casualty (Combined Liability)                    | a) Employer's Liability – legal liability for injury / illness to employees (plus others carrying out Council business, e.g. elected Members and school governors). Employer's Liability insurance is a legal requirement.<br>b) Public Liability – claims for personal injury or property damage by external third parties<br>c) Professional Indemnity – claims alleging that professional services or advice have not been carried out correctly. | QBE            | £200,000<br><br>£200,000<br><br>£200,000           |
| General Motor Fleet                              | Comprehensive motor policy for Council vehicles. Motor insurance is a legal requirement.   | QBE            | £200,000   |
| Personal Accident / Travel and School Activities | Personal accident cover for employees on Council business; travel insurance for employees on Council business and for school trips   | Chubb          | N/A  |
| Engineering & Inspection                         | Inspection contract to meet statutory requirements on equipment; and associated insurance cover  | Aviva          | N/A  |
| Fine Arts  | Specialist cover for museum & art gallery collections  | Axa Art        | Nil  |

Please note that the table above presents only a broad summary of the insurance arrangements, and not the full detail of cover or exclusions.



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## **Annual Report on the National Fraud Initiative (NFI)**

Audit & Risk Committee

Date of meeting: 23<sup>rd</sup> September 2020

Lead Director: Alison Greenhill

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## Useful information

- Ward(s) affected: All
- Report author: Stuart Limb (Corporate Investigations Manager)
- Author contact details: 0116 454 2615 / 37 2615 [stuart.limb@leicester.gov.uk](mailto:stuart.limb@leicester.gov.uk)
- Report version number: v2.

### 1. Summary

- 1.1. The council participates in the Bi-Annual National Fraud Initiative (NFI) which involves data matching with external organisations, including other councils.
- 1.2 Data for the 2018/19 external NFI exercise was submitted to the Cabinet Office in October 2018 and data was available for checking from January 2019. This exercise has now been concluded and the Council will be due to submit fresh data for the next 2020/21 NFI exercise at the end of October 2020.

### 2. Recommended actions

- 2.1 The Committee is recommended to note the report.

### 3. Scrutiny / stakeholder engagement

- 3.1 None

### 4. Background and options with supporting evidence

- 4.1 The Council is required by law to submit its data to the NFI exercise which is hosted by the Cabinet Office and is bi-annual in its frequency. The data is submitted via a secure upload to the NFI portal in October and the results are made available in the following January. The matches are allocated to a lead officer in each business area to which the matches relate and they ensure that the matches are checked on a risk score basis. The results are uploaded on a case by case basis which the Cabinet Office collates and reports on nationally after each NFI project has closed.

### 5. Detailed report

- 5.1 The Council has participated in the National Fraud Initiative since it was introduced in 1996. The exercise has evolved over the years and is now web

based and managed by the Cabinet Office. The project involves electronically matching data from a number of sources in order to identify possible fraud or irregularity.

5.2 The Cabinet Office identifies matches and allocates a risk score from 100% on a decreasing order. Officers are expected to examine the high risk first on a descending basis. There is no requirement to examine all of the remaining matches and officers are encouraged to select a sample where there are large volumes of data for checking.

5.3 Examples of the different matches include:

- Housing Benefit Claimants who are not entitled to claim because they are in receipt of Student Loans.
- Housing Benefit Claimants who are tenants at a different address.
- Blue Badge Parking Permits, Concessionary Travel passes and Private Residential Care Home residents where the individual is recorded as deceased on the Disclosure of Death Registration Information (DDRI) or Department for Work and Pensions list of deceased persons.
- Duplicate Creditors or duplicate payments to creditors.
- Housing Benefit Claimants who also appear on a local authority payroll.
- Council Tax Reduction Scheme to Payroll.

5.4 All benefit fraud is investigated by the Department for Work and Pensions (DWP) however the Cabinet Office still require the authority to undertake an initial check of the Housing Benefit claims before passing the matches to the DWP to investigate.

5.5 Work on the 2018/19 matches has continued. Over 4,000 matches have been checked to date, with no issues identified following investigation, as summarised in the table:

**Matches undertaken by 23rd August 2020**

| Total Matches | Matches checked | Errors Identified | Frauds Identified | Overpayments Identified |
|---------------|-----------------|-------------------|-------------------|-------------------------|
| 26,859        | 4,195           | 5                 | Nil               | £7,548                  |

## 6. Financial, legal, equalities, climate emergency and other implications

### 6.1. Financial Implications

There are no direct financial implications arising from this report. However, the initiatives described in this report are intended to detect fraud (which is an offence of a financial nature) and error, which can cause significant financial loss to the Council.

Colin Sharpe – Deputy Director of Finance

### 6.2 Legal Implications

The NFI exercises use the powers given to the Minister for the Cabinet Office by Part 6 of the Local Audit and Accountability Act 2014. The existing code of data matching practice will continue in effect until the Minister for the Cabinet Office issues a new code.

The code is subject to review following completion of each NFI exercise. Any changes proposed to the code will be consulted upon before a new code is finalised and laid before Parliament.

Kamal Adatia, City Barrister & Head of Standards

### 6.3 Climate Emergency implications

This report does not contain any significant climate change implications.

Duncan Bell, Senior Environmental Consultant

### 6.4 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

| OTHER IMPLICATIONS            | YES/NO | Paragraph references within the report |
|-------------------------------|--------|--|
| Equal Opportunities           | No     |  |
| Policy                        | No     |  |
| Sustainable and Environmental | No     |  |
| Crime and Disorder            | Yes    | Whole report                           |
| Human Rights Act              | No     |  |
| Elderly/People on Low Income  | No     |  |
| Corporate Parenting           | No     |  |

|                            |            |  |
|----------------------------|------------|--|
| Health Inequalities Impact | <b>No</b>  |  |
| Risk Management            | <b>Yes</b> | This report is concerned with the prevention, detection and sanctioning of fraud. Fraud is one of the risks faced by the Council |

**7. Background information and other papers:**

None – Information on the National Fraud Initiative is available at <https://www.gov.uk/government/collections/national-fraud-initiative>

**8. Summary of appendices: None**

**9. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?**

**No**

**10. Is this a “key decision”? If so, why?**

**No**

**11. CONSULTATIONS**

None





## WARDS AFFECTED:

Corporate Management Team - Agree  
Executive (SRR only)  
Audit and Risk Committee

1<sup>st</sup> July 2020  
23<sup>rd</sup> July 2020  
23<sup>rd</sup> September 2020

|   |
|---|
| Strategic and Operational Risk Registers/Health & Safety Data |
|---|

### **Report of the Director of Delivery, Communications and Political Governance**

#### **1. Purpose of the Report**

To present to the Audit and Risk Committee (A&RC) an update on the Strategic and Operational Risk Registers and Health & Safety data:

- **Appendix 1**, the **Strategic Risk Register (SRR)** providing a summary of the strategic risks facing the council affecting the achievement of the strategic objectives of the council;
- **Appendix 2**, supports appendix 1, which provides the detail in relation to the **council's strategic risks**;
- **Appendix 3**, the **Operational Risk Register (ORR)** exposure summary, provides a high-level summary of the operational risks, which affect the day to day operations of divisions. Such risks are assessed by Divisional Directors with a risk score of 15 or above for consideration;
- **Appendix 4**, the **ORR**, supports Appendix 3 (the summary of the ORR) which provides the detail in relation to the council's operational risks;
- **Appendix 5 – Health and Safety Data** - Number of incidents by incident type.

#### **2. Recommendations**

**A&RC is asked to:**

- Note the Strategic Risk Register (as at 27<sup>th</sup> August 2020) and Operational Risk Register (as at 31<sup>st</sup> May 2020)
- Note the Health and Safety Data;
- Make any comments to the Director of Delivery, Communications and Political Governance.

### 3. Background

- 3.1 The Council's 2020 Risk Management Strategy requires the development, maintenance and monitoring of both the SRR and ORR.
- 3.2 Both the SRR and ORR process is owned and led by the Head of Paid Service. The Corporate Management Team collectively support the strategic risk register process documenting the key strategic risks facing the council and help to ensure these are managed and the SRR is then submitted to the Executive for their consideration. It complements the operational risk register process which is supported and managed by the Divisional Directors in conjunction with their divisional management teams. Both registers are populated and maintained by the Manager, Risk Management for this group.

### 4. Report

- 4.1 The SRR has been compiled following a review by all Strategic Directors and has been updated. The summary of the strategic risks is attached as **Appendix 1** and **Appendix 2** provides comprehensive detail of the risks.

**19** risks were updated in relation to target dates, but **risk controls and scores** were also amended to **all risks except for risks 3 and 18**.

|                      |   |  |  |                 |                  |   |
|----------------------|---|--|--|-----------------|------------------|---|
| Almost Certain       | 5 |  |  |                 | 3,19             |   |
| Probable / Likely    | 4 |  |  | 5,12,<br>17, 18 | 6                | 1 |
| Possible             | 3 |  |  | 2,11,<br>14,16  | 8,9,10,<br>13,15 | 7 |
| Unlikely             | 2 |  |  |                 | 4                |   |
| Very unlikely / Rare | 1 |  |  |                 |                  |   |

|                              |       |          |       |                            |
|------------------------------|-------|----------|-------|----------------------------|
| 1                            | 2     | 3        | 4     | 5                          |
| Insignificant/<br>Negligible | Minor | Moderate | Major | Critical /<br>Catastrophic |

The above matrix provides an indicator of the status of the council's strategic risks in terms of likelihood and impact using the risk scoring from the SRR Register. Those risks in the **red quadrant require robust challenge, regular review and monitoring** and consideration for further controls where

appropriate. Those in **yellow also require regular review and monitoring** to ensure they do not escalate to a red risk, and there are a number of these with a major impact.

4.2 The risks in the ORR (**Appendix 4**) are presented by:

- Strategic Area (in alphabetical order);
- Then by Divisional Area (again within alphabetical order);
- Then by 'risk score' with the highest first.

4.3 The summary of operational risks attached as **Appendix 3** indicates the number of high risks for each department/strategic area. **Appendix 4** provides comprehensive detail of the risks in **Appendix 3**. Both appendices have been compiled using divisional risk registers submitted to REBR by each Divisional Director. The significant risks (scoring 15 and above) identified within these individual registers have been transferred to the Council's ORR.

4.4 With regards to the ORR, **19** existing risks have been amended, **2** deleted and **5** new risks were added to the ORR this quarter.

Many amendments relate to target dates reflecting the next quarter review deadline date of 30<sup>th</sup> September 2020. However, **risks 1, 4, 10, 11, 15, 18, 21, 23** have further amendments other than target dates. The **2** risks that were deleted are:

**8. Tourism, Culture & Investment – De Montfort Hall – Loss of Operational ability – Stage Lift**

**15. Children's Social Care and Early Help – GDPR**

**The 5 new risks added are:**

**Risk 6 – Planning, Development and Transport – Highways and Transport Services – Covid-19 impacts**

**Risk 9 – Tourism, Culture and Investment – Budget**

**Risk 13 – Finance – Introduction of Universal Credit – Full Service**

**Risk 17 – Adult Social Care and Commissioning – Implications of Covid-19**

**Risk 19 – Commissioning and Performance – Financial Deficits reported by LA maintained schools.**

As a reminder, where a risk is '**deleted**' it does not always elude to the risk being eliminated. It refers to the risk score no longer being 'high' and it may well remain within the individual divisional register with a score below 15.

The reduction on the number of risks from the previous quarters allows time and effort to be focussed on the risks which require the management of the Divisional Management Team. This can only be successful if the management of the Head of Service Risk Registers remains in place and is regularly reviewed

by them in line with reporting structures, (as stated in the Risk Management Policy and Strategy and see below diagram), and some operational risks may require escalating in the future. Risk management in this way is regarded as best practice.

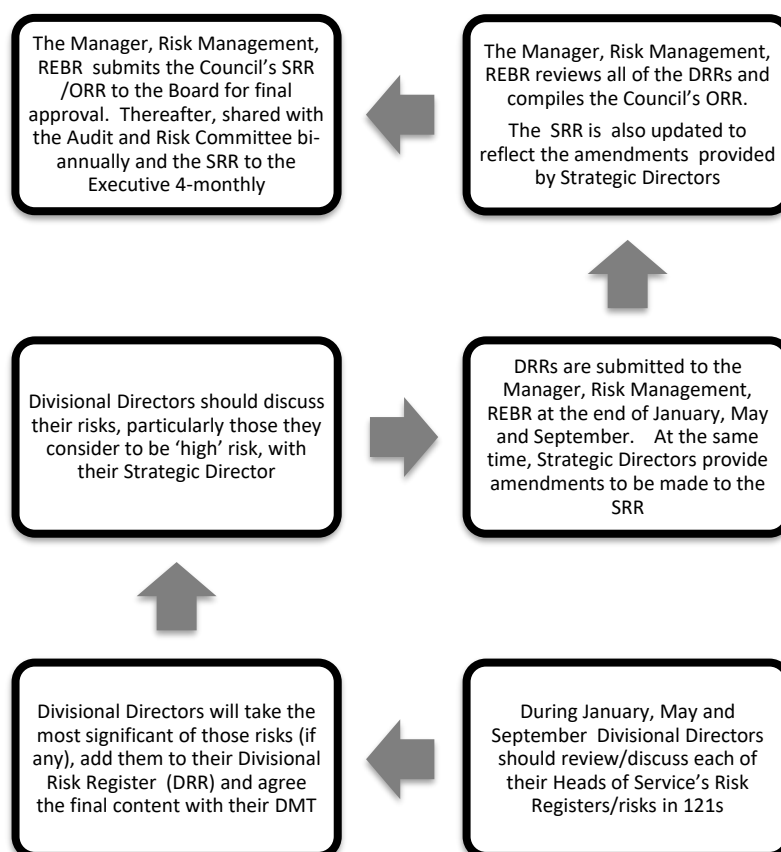


The summary table below provides an overview of the number of high risks ranging from risk rating of **15 to 25** detailed in the **ORR**:

| <b>Risk Score</b> | <b>No of risks as at 31.05.2020</b> |
|-------------------|-------------------------------------|
| <b>25</b>         | 0                                   |
| <b>20</b>         | 4                                   |
| <b>16</b>         | 14                                  |
| <b>15</b>         | 6                                   |

- 4.5 Both risk registers present the most significant managed/mitigated risks. Whilst there are other key risks, it is the view of Directors that these are sufficiently managed/mitigated for them not to appear in these registers. More detailed registers of operational risks are owned and maintained by individual Divisional Directors and their Heads of Service (and where appropriate their managerial and supervisory staff) as detailed in the Risk Management Strategy and Policy.
- 4.6 Audit and Risk Committee are reminded that the Council's Risk Management Strategy refers to the process of embedding risk management within business areas. The risk registers allow this to be evidenced, but if this process is to be demonstrated as a method by which the Council manages its risk profile, it has to be more than the regular submission of a register to REBR. The number of updates/changes to the risk registers is a positive indication of this, but the process of risk management must become a daily activity throughout the authority to be truly embedded indicating the Council is managing its risk exposure.

- 4.7 Risk registers need to be working documents that can be sent to REBR for advice or discussed with line management and/or members at any time.
- 4.8 For clarity, the process for reviewing and reporting operational risks, in line with the Council's Strategy, is as per the following flowchart:



- 4.9 Appendix 5 has the latest Health and Safety data which indicates there has been a 13% decrease in overall incidents since the last quarter. When compared to the same quarter in 2018-19 there has been an 29% decrease overall.
- 4.10 At the time of writing this report, the Brexit Impact/Risk Assessment is being revised and will be revisited periodically as and when changes take place in the internal and external environment. Significant corporate attention continues to be given to the significant and wide-ranging impacts of the **Coronavirus pandemic**. A specific risk reflecting this is included within the working copy of the SRR and where appropriate also reflected in relation to other strategic risks. Covid-19 has also been identified within divisional risk registers and in the context of a number of other ongoing operational risks. However, most divisions have not scored it a high risk, due to the effectiveness of the controls that are being implemented and the ongoing review of actions, and as a result the scoring falls below the threshold for the ORR. The divisions that have scored it at a high are **Planning, Development and Transport, Tourism, Culture & Investment, Finance and Adult Social Care and Commissioning** (Risk Nos. 6, 9, 13, and 17 respectively – it should be noted that this is at 31<sup>st</sup> May but that in the ongoing risk process this may have changed and particularly in light of the recent Leicester local lockdown).

However, when the pandemic first broke out, this would have most likely been a high impact risk as the controls would have yet to be implemented in order to manage its impacts. When more information comes out publicly, in terms of risk and its management, regarding this pandemic anything of relevance will be communicated via appropriate channels.

## **5. Financial, Legal Implications**

### **5.1 Financial Implications**

‘There are no direct financial implications arising from this report’  
**Colin Sharpe, Deputy Director of Finance, Ext. 37 4081**

### **5.2 Legal Implications**

‘There are no direct legal implications arising from this report’  
**Kamal Adatia, City Barrister – 37 1401**

### **5.3 Equalities Implications**

‘Under the Equality Act 2010, public authorities have statutory duties, including the Public Sector Equality Duty (PSED) which means that, in carrying out their functions they have to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who don’t and to foster good relations between people who share a protected characteristic and those who don’t.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

The Council also has an obligation to treat people in accordance with their Convention rights under The Human Rights Act, 1998.

The ability of the Council to meet its duties under the Equality Act 2010 is specifically accounted for in the strategic risk register. However, equalities and human rights considerations cut across all elements of risk management, including strategic and operational risk management.

Effective risk management plays a vital role in ensuring that the Council can continue to meet the needs of people from across all protected characteristics and, in some circumstances, will be particularly relevant to those with a particular protected characteristic. For example, some risks included in the operational risk register (Appendix 3) relate to people with specific protected characteristics such as disability (children with special educational needs, people with mental ill health).

Some of the risks identified in the strategic risk register (Appendix 1) would have a disproportionate impact on protected groups should the Council no

longer be able to effectively manage them and, therefore, the mitigating actions identified in the strategic risk register support equalities outcomes. For example, should the Council fail to safeguard effectively, this would have a disproportionate impact on the human right (prohibition of torture, inhuman or degrading treatment) of those from protected groups, such as age and disability. Likewise, a failure to engage stakeholders could lead to a failure to identify tensions arising in the city (particularly as the financial challenges impact on communities) leading to unrest in specific communities/areas of the city. This, in turn, would have an impact on the Council's ability to meet the general aim of the PSED to foster good relations between people who share a protected characteristic and those who don't.

Therefore, the on-going work to update and consider risk management implications in making decisions and assess of the effectiveness of the controls/ mitigation actions for the risks identified in the report and appendices, will support a robust approach to reducing the likelihood of disproportionate equality and human rights related risks, provided the mitigations/ controls themselves are compliant with the relevant legislation.'

**Hannah Watkins, Equalities Manager - 37 5811**

#### 5.4 **Climate Change Implications**

The risks associated with climate change such as increased flooding, heatwaves and droughts, and the council's management of these risks, are highlighted within the Civil Contingency/Incident Response risk. This area has been updated to reflect the Leicester City Council's declaration of a Climate Emergency in 2019, and its identification as one of the council's top three priorities to tackle. Further detail on the risks and impacts of climate change for the UK can be found in the official 2018 Met Office UK Climate Projections (UKCP18).

**Aidan Davis, Sustainability Office – 37 2284**

### 6. **Other Implications**

| <b>OTHER IMPLICATIONS</b>     | <b>YES/NO</b> | <b>Paragraph Within Information</b> | <b>References Supporting</b> |
|-------------------------------|---------------|-------------------------------------|------------------------------|
| Policy                        | No            |                                     |                              |
| Sustainable and Environmental | No            |                                     |                              |
| Climate Change                | No            |                                     |                              |
| Crime and Disorder            | No            |                                     |                              |
| Human Rights Act              | No            |                                     |                              |
| Elderly/People on Low Income  | No            |                                     |                              |
| Risk Management               | Yes           | All of the paper.                   |                              |

### 7. **Report Authors**

Sonal Devani – Manager, Risk Management, REBR – 37 1635  
20<sup>th</sup> August 2020



## Appendix 1

### LCC Strategic Risk Exposure Summary as at 27<sup>th</sup> August 2020

| Risk Index | Risk   | I | L | Risk Score 17 July 2020 | Risk Score 31 Jan 2020 | Risk Score 31 Oct 2019 | Risk Score 31 Jul 2019 | Variance | Risk Owner                   |
|------------|--|---|---|-------------------------|------------------------|------------------------|------------------------|----------|------------------------------|
| 1.         | Financial challenges   | 5 | 4 | 20                      | 20                     | 15                     | 15                     | ↔        | AK / AG                      |
| 3.         | Cyber Risk   | 4 | 5 | 20                      | 20                     | 20                     | 20                     | ↔        | AK / AG                      |
| 19.        | Coronavirus (Sars Coronavirus-2 (SARS-CoV-2))                              | 4 | 5 | 20                      |                        |                        |                        |          | MC / IB                      |
| 6.         | Compliance with Regulation, Policies, Procedures, Health & Safety etc.     | 4 | 4 | 16                      | 12                     | 12                     | 12                     | ↑        | KA / MC                      |
| 7.         | Safeguarding   | 5 | 3 | 15                      | 15                     | 15                     | 15                     | ↔        | CT / RL                      |
| 5.         | Information Governance   | 3 | 4 | 12                      | 9                      | 12                     | 12                     | ↑        | AK                           |
| 8.         | School Improvement   | 4 | 3 | 12                      | 12                     | 12                     | 12                     | ↔        | SW                           |
| 9.         | Civil Contingency Response / Incident Response                             | 4 | 3 | 12                      | 12                     | 12                     | 12                     | ↔        | MC / IB                      |
| 10.        | Climate Change   | 4 | 3 | 12                      |                        |                        |                        |          | MW                           |
| 12.        | Commissioning, Contract Monitoring, Management & Procurement               | 3 | 4 | 12                      | 12                     | 12                     | 12                     | ↔        | KA                           |
| 13.        | Asset Management   | 4 | 3 | 12                      | 16                     | 16                     | 16                     | ↓        | MW                           |
| 15.        | Brexit Scenarios   | 4 | 3 | 12                      | 12                     | 12                     | 12                     | ↔        | AK / AG / MC                 |
| 17.        | Ensuring Statutory Responsibility for Provision of Secondary School Places | 3 | 4 | 12                      | 9                      | 9                      | 9                      | ↑        | RS                           |
| 18.        | Support for Pupils with SEND   | 3 | 4 | 12                      | 12                     | 12                     | 12                     | ↔        | RS                           |
| 2.         | Stakeholder Engagement   | 3 | 3 | 9                       | 9                      | 9                      | 9                      | ↔        | MC / All Strategic Directors |
| 11.        | Resource: Capacity, Capability, Retention & Development                    | 3 | 3 | 9                       | 9                      | 9                      | 9                      | ↔        | MC / CP                      |
| 14.        | Digital Transformation   | 3 | 3 | 9                       | 9                      | 9                      | 9                      | ↔        | MC                           |
| 16.        | Fire Risk in Tall Buildings  | 3 | 3 | 9                       | 9                      | 9                      | 9                      | ↔        | CB / JL                      |
| 4.         | Business / Service Continuity Management                                   | 4 | 2 | 8                       | 8                      | 8                      | 8                      | ↔        | MC                           |

#### Key:

| IMPACT (I)                | SCORE | LIKELIHOOD (L)       | SCORE |
|---------------------------|-------|----------------------|-------|
| CRITICAL/ CATASTROPHIC    | 5     | ALMOST CERTAIN       | 5     |
| MAJOR                     | 4     | PROBABLE / LIKELY    | 4     |
| MODERATE                  | 3     | POSSIBLE             | 3     |
| MINOR                     | 2     | UNLIKELY             | 2     |
| INSIGNIFICANT/ NEGLIGIBLE | 1     | VERY UNLIKELY / RARE | 1     |

**Risk scores:**

| LEVEL OF RISK | OVERALL RATING | HOW THE RISK SHOULD BE TACKLED/ MANAGED |
|---------------|----------------|---|
| High Risk     | 15-25          | IMMEDIATE MANAGEMENT ACTION             |
| Medium Risk   | 9-12           | Plan for CHANGE                         |
| Low Risk      | 1-8            | Continue to MANAGE                      |

**Risk Owners:**

|    |                  |    |                |
|----|------------------|----|----------------|
| AG | Alison Greenhill | JL | John Leach     |
| AK | Andy Keeling     | KA | Kamal Adatia   |
| CT | Caroline Tote    | MC | Miranda Cannon |
| CB | Chris Burgin     | MW | Matt Wallace   |
| CP | Craig Picknell   | RS | Richard Sword  |
| IB | Ivan Brown       | RL | Ruth Lake      |

| - LCC Strategic Risk Register   |   |   |   |             |      |   |  |   |             |      |      |  |                       |  |  |
|---|---|---|---|-------------|------|---|--|---|-------------|------|------|--|-----------------------|--|--|
| Risk Register Owner: Andy Keeling, COO  |   |   |   |             |      |   |  |   |             |      |      | Date completed: 27/08/20                 |                       |  |  |
| RISK<br><i>What is the problem; what is the cause; what could go wrong? What is it that will prevent you from achieving your objectives?</i>  | CONSEQUENCE/EFFECT:<br><i>What would occur as a result, how much of a problem would it be, to whom and why?</i>   | EXISTING ACTIONS/CONTROLS<br>What are you doing to manage this risk now?  | RIS<br>K<br>SCO<br>RE<br>WIT<br>H<br>EYES |             |      | RESPONSE<br>STRATEGY /<br>ACTION<br><i>Select from the 4T's (see Process worksheet for details)</i> | FURTHER MANAGEMENT<br>ACTIONS/CONTROLS   | TAR<br>GET<br>SCO<br>RE<br>WIT<br>H<br>EYES |             |      | COST | RISK OWNER                               | TARGET<br>DATE        |  |  |
|   |   |   | Impact                                    | Probability | Risk |   |  | Impact                                      | Probability | Risk |      |  |                       |  |  |
| 1. FINANCIAL CHALLENGES<br>The Council fails to respond adequately to the future funding outlook or additional cost pressures arising from the Covid pandemic. cuts in public sector funding over the coming year or years.   | - Council is placed in severe financial crisis. Reputational damage to the Council and substantial crisis job losses. If the process is not properly managed, the Council will have little money for anything but statutory 'demand led services'<br>- Budget balanced in 20/21<br>- Further work required to balance the medium term<br>- Additional risk due to pandemic, and uncertainty over Government funding either in respect of the pandemic or beyond 20/21   | - Close management of additional Covid spend<br>- Service transformation fund<br>- Managed reserve balance available to smooth 20/21  | 5   | 4           | 20   | Treat   | Review of whole approach during spring of 2020.  | 5   | 3           | 15   |      | Andy Keeling / Alison Greenhill          | 31/07/20 and On-going |  |  |
| 2. STAKEHOLDER ENGAGEMENT<br>The Council fails to maintain effective relationships with Stakeholders (partners, neighbouring Councils, NHS etc.).<br>Key partners and stakeholders fail to support the council in delivery of its strategy as a result of tensions and strained relationships due to financial and other pressures. Covid-19 response and implications stretch resources and impact on existing partnership working<br>Council fails to identify tensions arising in the city (particularly as the financial challenges impact on communities) leading to unrest in specific communities/areas of the city. | - Failure of local agreements and stakeholder arrangements to deliver agreed levels of performance, the impacts of which may reflect negatively on the Council adversely affecting its reputation.<br>- Potential litigation where it impacts on formal contractual relationships.<br>- Financial risk if funding arrangements involving partners are inadequate or not agreed.<br>- Partnership working will be an expensive bureaucracy and fail to add value to improving outcomes for the citizens of Leicester.<br>- Reputational damage to the Council/City from the perspective of stakeholders.<br>- Partnership working fails to take into account the needs of all communities. | - Mechanisms in place for regular dialogue including formal partnerships e.g. Health and Wellbeing Board.<br>- City Mayor Faith and Community Forum in place to engage specifically with faith and non-faith communities and currently some work to review and evaluate the Forum now it has been in place for a number of years<br>- Arrangements for engagement of, and support to, the Voluntary Community Sector (VCS) have been commissioned and contracts are in place.<br>- Specific Executive Members have clear objectives around partnership working in their portfolios, for example working with the voluntary and community sector is reflected in the portfolios for the Assistant City Mayors for Close involvement of City Mayor and Members in key partnerships.<br>- Close partnership working has been a feature of the Covid-19 response across LLR and there has been good local engagement co-ordinated via the LRF | 3   | 3           | 9    | Treat   | - Regular review and evaluation of the current position by Strategic Management Board.<br>- Review of existing arrangements and contract for VCS engagement and support is underway but further work to reflect on the impacts and implications of Covid-19 on the VCS and also how to harness the community and volunteering response that has been seen during the crisis<br>- Key aspects of partnership working being reviewed and updated in the light of Ofsted findings e.g. LSCB | 3   | 2           | 6    |      | Miranda Cannon / All Strategic Directors | 30/09/20 and ongoing  |  |  |

| - LCC Strategic Risk Register  |   |  |                                   |             |      |   |  |                                     |             |      |      |                                 |                      |  |
|--|---|--|-----------------------------------|-------------|------|---|--|-------------------------------------|-------------|------|------|---------------------------------|----------------------|--|
| Risk Register Owner: Andy Keeling, COO   |   |  |                                   |             |      | Date completed: 27/08/20  |  |                                     |             |      |      |                                 |                      |  |
| RISK<br><i>What is the problem; what is the cause; what could go wrong? What is it that will prevent you from achieving your objectives?</i>   | CONSEQUENCE/EFFECT:<br><i>What would occur as a result, how much of a problem would it be, to whom and why?</i>   | EXISTING ACTIONS/CONTROLS<br><i>What are you doing to manage this risk now?</i>  | RISK SCORE WITH EXISTING CONTROLS |             |      | RESPONSE STRATEGY / ACTION<br><i>Select from the 4T's (see Process worksheet for details)</i> | FURTHER MANAGEMENT ACTIONS/CONTROLS              | TARGET SCORE WITH EXISTING CONTROLS |             |      | COST | RISK OWNER                      | TARGET DATE          |  |
|  |   |  | Impact                            | Probability | Risk |   |  | Impact                              | Probability | Risk |      |                                 |                      |  |
| 2. STAKEHOLDER ENGAGEMENT (Continued)<br>If stakeholder engagement is not robust and effective but is critical to the delivery of the Council's priorities, statutory duties etc., these may not be delivered. An example of such is the need to have a continuing, productive partnership relationship with Clinical Commissioning Group which is particularly important in light of the importance for Adult Social Care of the Better Care Together Fund. | - There is no common vision or consensus across key partners in the City and therefore the work of individual organisations pulls in different and potentially conflicting directions.<br>- Places a strain on resources and services to manage.<br>- Partners are present round the table but are not collectively owning the agenda or taking on board the responsibilities and actions that arise therefore undermining the approach<br>- Public health and wellbeing may be impacted or the quality of the service delivered to the Public is insufficient, which could cause harm. | - The Council/ Police have a Community Gold meeting which meets approx. once a month and includes Local Policing Unit commanders, the Basic Command Unit commander and council officers from Leicester Anti-Social Behaviour Unit, youth services, community services. This tracks and agrees joint actions to address any known tensions in communities. This is supported by a shared system between front line officers from the police and the council to track community tension. Community joint management group now in place which creates a regular conduit for engagement with community leaders.              |                                   |             |      |   |  |                                     |             |      |      |                                 |                      |  |
| 3. CYBER RISK - Loss or compromise of IT systems and/or associated data through cyber security attacks   | - Potential financial or reputational damage to Council.<br>- Potential Data Protection breaches.<br>- Fines<br>- Service delivery affected   | - Ensure close monitoring of existing perimeter and internal security protection.<br>- Continue working on staff awareness and training<br>- Services have BCPs which cover loss of systems and ICT have a disaster recovery plan in place<br>- An audit was commissioned in April 2019 to provide assurance that the ICT infrastructure is robust and that the range of IT controls are well designed and consistently applied. The auditors reported “Substantial Assurance” with some minor improvements required with medium risk issues to be addressed and an action plan has been created to resolve these issues | 4                                 | 5           | 20   | Treat   | - Delivery of action plan arising from the audit | 4                                   | 3           | 12   |      | Andy Keeling / Alison Greenhill | 30/09/20 and ongoing |  |

| - LCC Strategic Risk Register  |   |   |   |             |      |   |   |   |             |      |      |                |                      |  |  |
|--|---|---|---|-------------|------|---|---|---|-------------|------|------|----------------|----------------------|--|--|
| Risk Register Owner: Andy Keeling, COO   |   |   |   |             |      | Date completed: 27/08/20  |   |   |             |      |      |                |                      |  |  |
| RISK<br><i>What is the problem; what is the cause; what could go wrong? What is it that will prevent you from achieving your objectives?</i>   | CONSEQUENCE/EFFECT:<br><i>What would occur as a result, how much of a problem would it be, to whom and why?</i>   | EXISTING ACTIONS/CONTROLS<br><i>What are you doing to manage this risk now?</i>   | RIS<br>K<br>SCO<br>RE<br>WIT<br>H<br>EYES |             |      | RESPONSE<br>STRATEGY /<br>ACTION<br><i>Select from the 4T's (see Process worksheet for details)</i> | FURTHER MANAGEMENT<br>ACTIONS/CONTROLS  | TAR<br>GET<br>SCO<br>RE<br>WIT<br>H<br>EYES |             |      | COST | RISK OWNER     | TARGET<br>DATE       |  |  |
|  |   |   | Impact                                    | Probability | Risk |   |   | Impact                                      | Probability | Risk |      |                |                      |  |  |
| 45<br><b>4. BUSINESS/SERVICE CONTINUITY MANAGEMENT</b><br>Unforeseen unpredictable events such as flood, power/utility failure etc. could impact on the council's assets, communication channels or resources etc. | - Insufficiently prepared management leads to disorder in the rapid restoration of business critical activities and the control of the emergency plan.<br>- The wider risk environment increasingly makes 'resilience' a significant focus for all organisations.<br>- Budget cuts and rationalisation may also challenge the ability of Category 1 responders (which LCC are) to fulfil their statutory duty.<br>- Resource restraints means that there is limited staff to perform manual operations at the volume required in an event/incident.<br>- Council is unable to communicate to stakeholders/deliver its services.<br>- Reputational Damage<br>- Vulnerable service users in danger as such users face loss of service.<br>- Financial Impact<br>- Impact on resources   | - All the Senior Management Team have roles in either the Corporate Business Continuity Management Team (CBCT) or are Emergency Controllers. Significant number of senior managers are on the on-call rota and have either had training and in some cases practical experience from actual incidents. The Manager, Risk Management chairs the Multi-Agency Business Continuity Group.<br>- All Business Critical Activities for the council are identified and named in the Corporate Business Continuity Plan (CBCP). Critical Services BCPs are reviewed thoroughly and updated annually or as and when changes occur in service areas. These are then submitted to REBR who cast a critical eye on all these plans. A process for undertaking a more detailed review of what are business critical services has been piloted with the DCPG division and is due to be rolled out. Some comparisons done with business critical activities identified by other authorities. Business Impact Analysis is being carried out to determine the really critical services.<br>- BCP Strategy and Policy tailored for the council in place to meet organisational needs and this is being presented to Audit and Risk Committee on 17th June 2020 for Committee to note.<br>- Training offered corporately and a number of table-top exercises recently done for specific services.<br>- Risk Management/Insurance Services/REBR Team provide updates and lessons learnt on incidents to CBCT/Audit & Risk Committee as appropriate<br>- Self cert annually by Directors to confirm BCPs in place for all service areas<br>- CBCP which is reviewed annually but also updated as and when changes occur<br>- Desktop review of the Corporate Plan by insurers confirmed it is a well written plan. Internal Audit have completed an assurance review of risk management and given arrangements a high level of assurance<br>- Resilience Direct Secure Site (web based) holds CBCP and all Business Critical Activities BCPs (alongside emergency planning documentation) and is securely accessed by the CBCT and electronic logging system in place to support incident management<br>- Communications on-call arrangements working more effectively and training run for all staff involved including LRF training/meet each on call officer individually for an annual half hour briefing<br>- Assisting maintained schools on BC planning<br>- Covid-19 has put the corporate and all service business continuity plans into practice. The organisational response included a major shift to home-working for a significant proportion of staff and services, as well as certain critical services having to adapt to continue working whilst maintaining safe working practices. This has been a major challenge but the organisational response has been robust and has truly tested our plans and arrangements as well as core infrastructure, particularly ICT. In due course there will need to be a formal debrief identifying the strengths and lessons learnt and reflecting these in our future BC plans and arrangements | 4   | 2           | 8    | Treat   | - Further embedding of business continuity management approach through continued training and awareness raising.<br>- Further completion of Business Continuity tests.<br>- Further communication/training and awareness for staff on continuity arrangements.<br>Contingency planning training continues to be delivered to levels of management below the Corporate BCP and all staff.<br>- Roll out the framework to review the number of Business Critical Activities and to reduce them to ensure recovery from an incident is more efficient and effective<br>- Conduct a formal debrief of the Business Continuity response to Covid-19, report this formally to CMT and Audit and Risk Committee and amend as appropriate organisational plans and arrangements to take account of key lessons learnt | 3   | 2           | 6    |      | Miranda Cannon | 30/09/20 and ongoing |  |  |
| <b>5. INFORMATION GOVERNANCE</b><br>Information Governance/Security/ Data Protection policies/procedures/ protocols are not followed by staff and members.   | - Major loss of public confidence in the organisation.<br>- Potential litigation and financial loss to the Council.<br>- Reputational damage to the Council.<br>- With data held in a vast array of places and being transferred between supply chain partners, data becomes susceptible to loss; protection and privacy risks.<br>- Reduction in the capacity/capability to retain such data. This could also be costly.<br>- Excessive retention of data can still be requested through a Freedom of Information Act if retained.<br>- Council may not share data with the appropriate individuals/bodies accurately, securely and in a timely manner.<br>- Council fails to adequately secure/protect confidential and sensitive data held.<br>- Possibility of not being compliant with data protection legislation (GDPR, Data Protection Act 2018, PECR, HRA) | - Clear policies and protocols in place.<br>- Staff have been trained and made aware of the Council's policies and procedures.<br>- Secure storage solutions are now in place.<br>- Paper retention has been reduced through the introduction of scanning etc.<br>- Mandatory e-learning module for staff<br>- Monthly reporting of information security incidents and weekly reporting of FOI performance to Directors in place<br>- GDPR action plan implemented and regularly reviewed   | 3   | 4           | 12   | Treat   | - Clear and on-going communications to staff to reinforce policies and protocols.<br>- Regular review and monitoring of arrangements across services by Service Managers supported by Information Security/Governance Teams.<br>- Ensure that the policy in place around the management of electronic data and disposal of data is in the awareness of staff<br>- Ongoing review and updating of appropriate information sharing agreements.<br>- Information asset registers, Privacy Notices, policies & procedures and contract clauses regularly reviewed<br>- Data Protection and Freedom of Information training available across the Council<br>- Regular external audit of GDPR compliance in place   | 3   | 3           | 9    |      | Andy Keeling   | 30/09/20 and ongoing |  |  |

| - LCC Strategic Risk Register  |   |   |                      |             |      |   |   |                        |             |      |      |                                      |                      |  |                          |  |  |  |  |  |  |  |  |  |  |
|--|---|---|----------------------|-------------|------|---|---|------------------------|-------------|------|------|--------------------------------------|----------------------|--|--------------------------|--|--|--|--|--|--|--|--|--|--|
| Risk Register Owner: Andy Keeling, COO   |   |   |                      |             |      |   |   |                        |             |      |      |                                      |                      |  | Date completed: 27/08/20 |  |  |  |  |  |  |  |  |  |  |
| RISK<br><i>What is the problem; what is the cause; what could go wrong? What is it that will prevent you from achieving your objectives?</i>   | CONSEQUENCE/EFFECT:<br><i>What would occur as a result, how much of a problem would it be, to whom and why?</i>   | EXISTING ACTIONS/CONTROLS<br><i>What are you doing to manage this risk now?</i>   | RISK SCORE WITH EYES |             |      | RESPONSE STRATEGY / ACTION<br><i>Select from the 4T's (see Process worksheet for details)</i> | FURTHER MANAGEMENT ACTIONS/CONTROLS   | TARGET SCORE WITH EYES |             |      | COST | RISK OWNER                           | TARGET DATE          |  |                          |  |  |  |  |  |  |  |  |  |  |
|  |   |   | Impact               | Probability | Risk |   |   | Impact                 | Probability | Risk |      |                                      |                      |  |                          |  |  |  |  |  |  |  |  |  |  |
| <b>6. COMPLIANCE WITH REGULATION, POLICIES, PROCEDURES HEALTH AND SAFETY ETC</b><br>Local management use discretion to apply inconsistent processes and misinterpret Corporate policies & procedures, perpetuating varying standards across business units.<br>The Council fails to respond effectively to the requirements of Health and Safety Executive/Government proposals and/or legislation which places health and safety responsibilities on local authorities. Response to Covid-19 does not follow relevant guidance and procedures / ongoing changes to Government position and PHE guidance are challenging to respond to | - Places the organisation at risk e.g. fraud, data loss etc. Potential financial losses / inefficient use of resources.<br>- Possibility of serious injury or death of member of staff or service user/members of the public.<br>- Failure to meet statutory responsibilities.<br>- Reputational damage to the Council.<br>- Negative stakeholder relationships<br>- Potential for increase in the number of insurance claims | - Day to day management of Health and Safety responsibility rests with the Operational Directors and their Heads of Service. Corporate Health and Safety team available to assist.<br>- Risk is reported and controlled through Divisional Directors Operational Risk Registers (presented to the CMT and the Executive each quarter and reported twice yearly to Audit and Risk Committee) and these are underpinned by registers at Heads of Service level reviewed and discussed at Divisional Management Teams quarterly. Internal Audit have undertaken an assurance review of risk management arrangements and given a high level of assurance.<br>- Regular inspections and reports by the Health and Safety team with all actions being followed up within a reasonable time. Close involvement of Trade Unions in monitoring and reviewing Health and Safety. CMT receive monthly data on the completion of SO2 incident investigations. Quarterly meeting between H&S, Risk and Insurance services to review any recent claims and incidents.<br>- Corporate Management Team receive a quarterly report on health and safety matters via the quarterly risk management reports. Directors/HofS received corporate manslaughter training in December 2019 as part of our insurance offer<br>- Work is well advanced on reviewing absence management with agreed actions being focused on to seek to address this particularly in terms of stress and musculo-skeletal absence which are the top causes. In addition ongoing work to support employee Health and Wellbeing which supports the work to reduce absence and deal with key issues such as work-related stress. Mental Health training for Managers available.<br>- Current corporate equality strategy and action plan approved by Council in June 2018 which supports the Council in ensuring it meets the requirements of the Equalities Act 2010 and the Public Sector Equality Duty. Action plan is monitored quarterly . New action plan for 19/20 taken to Executive and Scrutiny and approved and underpins continued work to deliver against the strategy. EIA training successfully being delivered with 80+ attendees so far undertaken the training.<br>- Officer decisions process now finalised and agreed and is being rolled out to ensure compliance with the relevant legislation.<br>- Guidance in place locally linked to PHE guidance on PPE in relation to Covid-19. Risk assessments of workplace, work activity and where appropriate for individual staff members, mandated as key to ongoing management of risks relating to Covid-19. Core strategic group overseeing safe working practices in relation to Covid-19 which includes changes needed to Council buildings. Robust system and processes in place for the management and provision of PPE. Close working with schools to provide support and guidance around safe working, risks assessments etc. | 4                    | 4           | 16   | Treat   | - Continue to review and reinforce key standards and policies via regular communication.<br>- Ensure Managers are appropriately trained and requirements are clearly set out in Job Descriptions and reinforced via appraisals.<br>- Ensure Internal Audit findings are acted on in a timely manner.<br>- Continue to refine and improve strategic monitoring and reporting in relation to Health & Safety to ensure responsibilities are reinforced from the top.<br>- Continue delivery against the 19/20 equalities strategy action plan including EIA training and targeted work in key areas<br>- Quality assure risk assessments relating to Covid-19 and continue to review and update corporate guidance as necessary. Maintain robust systems and processes relating to PPE supply and management. Keep under review safe working practices relating to buildings including in light of wider guidance/government position | 4                      | 3           | 12   |      | <b>Kamal Adatia / Miranda Cannon</b> | 30/09/20 and ongoing |  |                          |  |  |  |  |  |  |  |  |  |  |
| <b>7. SAFEGUARDING</b><br>Weak Management oversight of safeguarding processes in place leads to the Council failing to adequately safeguard vulnerable groups e.g. children and young people, elderly, those with physical and learning disabilities.  | - Death or serious injury.<br>- Serious case reviews initiated.<br>- Reputational damage to the Council.<br>- Citizens lose confidence in the Council.<br>- Negatively impacts on relationships with stakeholders.<br>- Impacts severely on staff morale<br>- Leads to high turnover of social workers and managers.  | - Safeguarding Adults–Board and Safeguarding Children Partnership in place.<br>- Regular reviews of policies/procedures and close supervision of staff.<br>- Range of quality assurance processes exist within the Divisions.<br>- Range of developments, including corporate training, exist within the Divisions to manage, support recruit and retain staff.<br>- Improvement Board established following the Ofsted inspection and other arrangements e.g. Performance Board set up<br>- 24/7 Duty and Advice Service in place<br>- Single assessment team in place which has resulted in a reduced caseload and more timely intervention   | 5                    | 3           | 15   | Treat   | - Board performance and framework development.<br>- Chair of Board has direct accountability through Chief Operating Officer. Professional Adviser to Safeguarding Children Partnership being recruited, with Chair of Improvement Board covering role in interim<br>- Regular bi-annual meetings with Mayor and Adults and Children's Lead Members.<br>- Full implementation of all necessary improvements identified via the Ofsted inspection of Children's Services - overseen by Improvement Board and Independency Chair<br>- Performance framework in place across Children's - positive progress highlighted in recent Ofsted reports<br>- Version 11 of Liquid Logic implemented successfully  | 5                      | 2           | 10   |      | <b>Martin Samuels</b>                | 31/09/20 and ongoing |  |                          |  |  |  |  |  |  |  |  |  |  |

| - LCC Strategic Risk Register   |  |  |   |             |      |   |   |   |             |      |      |                             |                      |                          |  |  |  |  |  |  |  |  |  |
|---|--|--|---|-------------|------|---|---|---|-------------|------|------|-----------------------------|----------------------|--------------------------|--|--|--|--|--|--|--|--|--|
| Risk Register Owner: Andy Keeling, COO  |  |  |   |             |      |   |   |   |             |      |      |                             |                      | Date completed: 27/08/20 |  |  |  |  |  |  |  |  |  |
| RISK  | CONSEQUENCE/EFFECT:  | EXISTING ACTIONS/CONTROLS  | RIS<br>K<br>SCO<br>RE<br>WIT<br>H<br>EVID |             |      | RESPONSE<br>STRATEGY /<br>ACTION                                    | FURTHER MANAGEMENT<br>ACTIONS/CONTROLS  | TAR<br>GET<br>SCO<br>RE<br>WIT<br>H<br>EVID |             |      | COST | RISK OWNER                  | TARGET<br>DATE       |                          |  |  |  |  |  |  |  |  |  |
| <i>What is the problem; what is the cause; what could go wrong?<br/>What is it that will prevent you from achieving your objectives?</i>  | <i>What would occur as a result, how much of a problem would it be, to whom and why?</i>   | What are you doing to manage this risk now?  |   |             |      | <i>Select from the 4T's<br/>(see Process worksheet for details)</i> |   |   |             |      |      |                             |                      |                          |  |  |  |  |  |  |  |  |  |
|   |  |  | Impact                                    | Probability | Risk |   |   | Impact                                      | Probability | Risk |      |                             |                      |                          |  |  |  |  |  |  |  |  |  |
| 8. SCHOOL IMPROVEMENT<br>- The Council receives a school improvement grant for its retained statutory functions but this has been reduced year on year and will only amount to circa £200k for 2019/20. Additionally de-delegated funding from School Forum, previously allocated to support this work, will no longer be available in 2019/20. This means that the Council's capacity to both support and hold schools to account will be significantly reduced. | - Poor OFSTED outcome for schools which affects morale and reputation and leads to poorer outcomes for children and young people<br>- Increased risk of schools going into category of special measures, which for LA maintained schools requires the school to become a sponsored academy<br>Increased risk of safeguarding concerns leading to poor OFSTED outcomes  | - Revised desk top analysis to identify potential underperformance in individual schools and settings<br>- Revised School Improvement Framework<br>- Regular reporting to DMT and LMB on schools causing concern and targeted work<br>- Self evaluation against OFSTED framework for inspection completed<br>- At risk schools discussed and warning notices considered<br>- Inspection file being collated to evidence effective and good practice in targeted work with schools.<br>- Working with most schools in the Primary sector to establish a school improvement strategy based on a school-led system and a collaborative approach to school improvement.<br>- All schools are expected to carry out an annual safeguarding audit<br>– Some schools , considered “at risk” and/or near inspection are offered an audit<br>- Continue to explore traded services with schools where service budgets do not allow for the same levels of support as previously.<br>- Develop a strong relationship with the newly established School Improvement Leicester partnership and ensuring a strong offer of school to school support across the City.<br>Current COVID19 epidemic has led to more desktop activity including specific vulnerable children data returns to support understanding of safeguarding risks<br>Examples of School risk assessments provided to Headteachers and Governors to adapt to the schools needs and are informed to keep under review.   | 4   | 3           | 12   | Treat   | - Single plan implementation for RI schools<br>- Local Authority Reviews of individual schools to be negotiated<br>- Preparation for inspection to include briefing to all schools.<br>- Review induction process for new heads.<br>- Review financial controls on maintained schools (internal audit and paper to Education Board)   | 4   | 2           | 8    |      | Sue Welford                 | 30/09/20 and ongoing |                          |  |  |  |  |  |  |  |  |  |
| 9. CIVIL CONTINGENCY RESPONSE/INCIDENT RESPONSE<br>Council resources may not be adequate or sufficient to respond should an external incident/disaster occur, for example, flooding, pandemic, explosion, major fire or disruption such as fuel shortage, major power outage etc  | - Having sufficient financial resources and flexibility to address these challenges becomes increasingly difficult.<br>- Having sufficient assets/contingency arrangements.<br>- Lack of resources could lead to inadequate response<br>- Impact on the public's health and wellbeing, safety/housing needs etc.<br>- Adverse impact on budget<br>- Reputational impact<br>- Death/injury<br>- Potential for increase in the number of insurance claims<br>- Negative relationships with stakeholders<br>- Fail to meet statutory requirements<br>- City Council fails to respond effectively to the requirements of Government proposals and/or legislation | - Risk is reported and controlled through the Divisional Directors Operational Risk Registers (presented to Corporate Management Team and Executive 4 monthly quarter)<br>- Local Resilience Forum (LRF) county wide partnering arrangement.<br>- Leicester City Council (LCC) is part of the Resilience Partnership of local authorities in LLR. LLR Health Protection Committee coordinates health protection response across LA/PHE/NHS<br>-Regular training provided via LRF and Resilience Partnership to relevant staff e.g. recent Operation Incus CT exercise<br>- City Council major incident plan reviewed and signed off. A significant number of LCC senior managers provide on-call cover and are trained to do so, this is supported by an on-call function for communications and specific service areas also have out of hours emergency cover arrangements.<br>- Emergency control room fully equipped and operational at City Hall and provides a facility for both local management of emergencies and use by the LRF as a SCG venue. Tested on a number of large scale events e.g. LCFC victory parade and KR3 reinternment and specifically for LRF multi-agency TCG flooding exercise.<br>- Logging system implemented to support major incident response and event management<br>- Emergency management arrangements tested a number of times in 2018 as a result of major incidents e.g. Hinckley Road and LCFC helicopter crash and were found to be robust and effective. Debriefs undertaken and lessons learnt being implemented. Current Covid-19 epidemic has required the full LCC and LRF emergency management response arrangements to be enacted and those remain in place. LCC has been able to fully respond and support the LRF structures and activity throughout the ongoing epidemic and this has pulled in all senior officers. In due course a formal debrief will be conducted to identify any lessons learnt for future plans, training etc<br>- Briefings provided to scrutiny on emergency planning and incident response to increase member understanding and awareness | 4   | 3           | 12   | Treat   | '- LRF and Resilience Partnership arrangements continue to be reviewed<br>- Robust schedule of plan reviews and training in place and agreed via the LRF<br>- LLR-wide Health Protection Committee arrangements under review to provide assurance around management of health protection risks/ incidents and outbreaks<br>- Continue to undertake full debriefs from any incidents and ensure lessons learnt and recommendations are acted upon. Conduct a formal debrief relating to the Covid-19 epidemic and LLR incident response and ensure lessons learnt are reflected in future plans and arrangements<br>-Member development programme includes briefings on emergency planning for Councillors | 4   | 2           | 8    |      | Miranda Cannon / Ivan Brown | 30/09/20 and ongoing |                          |  |  |  |  |  |  |  |  |  |

| - LCC Strategic Risk Register   |  |  |                      |             |      |   |  |                        |             |      |      |  |                      |                          |  |  |  |  |  |  |  |  |  |  |  |  |  |
|---|--|--|----------------------|-------------|------|---|--|------------------------|-------------|------|------|--|----------------------|--------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Risk Register Owner: Andy Keeling, COO  |  |  |                      |             |      |   |  |                        |             |      |      |  |                      | Date completed: 27/08/20 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| RISK<br><i>What is the problem; what is the cause; what could go wrong? What is it that will prevent you from achieving your objectives?</i>  | CONSEQUENCE/EFFECT:<br><i>What would occur as a result, how much of a problem would it be, to whom and why?</i>  | EXISTING ACTIONS/CONTROLS<br>What are you doing to manage this risk now?   | RISK SCORE WITH EYES |             |      | RESPONSE STRATEGY / ACTION<br><i>Select from the 4T's (see Process worksheet for details)</i> | FURTHER MANAGEMENT ACTIONS/CONTROLS  | TARGET SCORE WITH EYES |             |      | COST | RISK OWNER                             | TARGET DATE          |                          |  |  |  |  |  |  |  |  |  |  |  |  |  |
|   |  |  | Impact               | Probability | Risk |   |  | Impact                 | Probability | Risk |      |  |                      |                          |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <b>10. CLIMATE CHANGE</b><br>An increase in inclement weather events (flood, heat, waves, drought, windstorm, increased snow fall etc.) and the inability to respond to adverse weather conditions in a timely manner   | <ul style="list-style-type: none"><li>- Impact on the public's health and wellbeing, safety/housing needs etc.</li><li>- Adverse impact on budget</li><li>- Reputational impact</li><li>- Death/injury</li><li>- Potential for increase in the number of insurance claims</li><li>- Not meeting carbon footprint reduction target</li><li>- Fail to meet legal requirements/litigation issues</li><li>- Impact on tourism/healthcare</li></ul>   | <ul style="list-style-type: none"><li>- Corporate Management of this is outlined in the Leicester Sustainable Action Plan action plan and emerging Climate Emergency Plan which covers all areas of management activity across the Council and its partners to reduce carbon. A new sustainability action plan is in development. Climate emergency is one of the council's top three priorities to tackle.</li><li>- Day to day management of climate change responsibility rests with the Operational Directors and their Heads of Service.</li><li>- Risk is reported and controlled through the Divisional Directors Operational Risk Registers (presented to Corporate Management Team and Executive 4 monthly)</li><li>- Local Resilience Forum (LRF) county wide partnering arrangement.</li><li>- Leicester City Council (LCC) is part of the Resilience Partnership of local authorities in LLR.</li><li>-Building the right infrastructure and new statutory flood and water risk management duties.</li></ul>   | 4                    | 3           | 12   | Treat   | - Public engagement and city wide flood defence programmes are being developed jointly with the Environment Agency. This provides a two-pronged approach to manage the risk of severe flooding arising from climate change | 4                      | 2           | 8    |      | <b>Matt Wallace</b>                    | 30/09/20 and ongoing |                          |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <b>11. RESOURCE: CAPACITY, CAPABILITY, RETENTION &amp; DEVELOPMENT</b><br>Lack of workforce planning and appropriate development of managers and employees leaves the Council exposed to service failure. The Council does not have the capacity/resilience in resources. Could an event/incident occur, may significantly increase the demand on front line services. Changing market conditions gives rise to the council not being seen as first choice for employment as private sector may be perceived as offering better reward. | <ul style="list-style-type: none"><li>- The Council does not have the right skills, behaviours and competencies in terms of the workforce to deliver the city's vision and priorities</li><li>- The Council fails to maximise the potential of its key resource</li><li>- Staff become demotivated/are under pressure which has an impact on productivity and delivery across the Council</li><li>- Disruption to service delivery</li><li>- Impacts on continuity of services. Creates risks in delivery because information on processes/procedures etc is lost</li><li>- Service demands may not be met</li><li>- Reputational damage</li><li>- Financial impacts</li><li>- Drain on resources</li><li>- Potential reduction in controls being exercised and as a result, the business control environment is reduced</li><li>- Potential exposure for fraud/irregularity</li><li>- Impact on the Health and Wellbeing of the City</li><li>- Council loses knowledge, experience and skills</li><li>- Posts not filled with the right skills set/qualification/experience</li><li>- changing market conditions may result in the Council being unable to recruit to specific posts or attract candidates of the right skill mix</li></ul> | <ul style="list-style-type: none"><li>- Enabling our best work programme being actively implemented rolling out new leadership qualities and embedding them into the employee lifecycle along with the roll out of the quality conversations framework for employee performance management and supporting tools and guidance around performance management and leadership</li><li>- Active programme of work to support young people into employment and to utilise graduates, apprenticeships, work placements etc across the Council and to maximise the use of the apprenticeship levy.</li><li>- Significant numbers of graduates and apprenticeships in place within the Council. CMT started to receive regular reports of utilisation of the apprenticeship levy.</li><li>- Digital Transformation programme includes a focus on developing the digital skills and competencies within the workforce.</li><li>- CMT agreed work to be progressed around managing talent and workforce planning following specific pilot work done within Neighbourhood Services which was reported back to CMT</li><li>- Ongoing work around solutions in relation to hard to recruit roles.</li><li>- Covid-19 response has demonstrated the ability of the organisation to be agile in both utilising technology as well as managing staffing resource flexibly, including temporary voluntary redeployments of staff from services which were closed to the critical services.</li></ul> | 3                    | 3           | 9    | Treat   | -Continue work on workforce planning with divisions tailoring as appropriate to the specific needs of the different divisions  | 3                      | 2           | 6    |      | <b>Miranda Cannon / Craig Picknell</b> | 30/09/20 and ongoing |                          |  |  |  |  |  |  |  |  |  |  |  |  |  |

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| - LCC Strategic Risk Register   |   |  |  |  |  |  |                    |             |       |  |  |  |                    |             |                          |                     |                      |                        |  |  |  |  |  |  |
| Risk Register Owner: Andy Keeling, COO  |   |  |  |  |  |  |                    |             |       |  |  |  |                    |             | Date completed: 27/08/20 |                     |                      |                        |  |  |  |  |  |  |
| <b>RISK</b><br><i>What is the problem; what is the cause; what could go wrong?<br/>What is it that will prevent you from achieving your objectives?</i>   | <b>CONSEQUENCE/EFFECT:</b><br><i>What would occur as a result, how much of a problem would it be, to whom and why?</i>  | <b>EXISTING ACTIONS/CONTROLS</b><br>What are you doing to manage this risk now?  |  |  |  | <b>RIS<br/>K<br/>SCO<br/>RE<br/>WIT<br/>H<br/>EYES</b> |                    |             |       | <b>RESPONSE<br/>STRATEGY /<br/>ACTION</b><br><i>Select from the 4T's<br/>(see Process worksheet for details)</i>   | <b>FURTHER MANAGEMENT<br/>ACTIONS/CONTROLS</b> | <b>TAR<br/>GET<br/>SCO<br/>RE<br/>WIT<br/>H<br/>EYES</b> |                    |             |                          | <b>COST</b>         | <b>RISK OWNER</b>    | <b>TARGET<br/>DATE</b> |  |  |  |  |  |  |
|   |   |  |  |  |  | <b>Impact</b>  | <b>Probability</b> | <b>Risk</b> |       |  |  | <b>Impact</b>  | <b>Probability</b> | <b>Risk</b> |                          |                     |                      |                        |  |  |  |  |  |  |
| <b>12. COMMISSIONING, CONTRACT MONITORING, MANAGEMENT &amp; PROCUREMENT</b><br>Lack of robustness in contract management & monitoring protocols/procedures/controls and limited awareness/understanding of contractual risks by staff within the Council, particularly by those procuring for goods/services. | - Reputational damage.<br>- Financial impacts; not secure value for money and/or required service delivery.<br>- Potential for challenge/litigation and fines being incurred with associated cost/resource implications<br>- Contracts may not be adhered to.<br>- Procurement processes may not be efficient | - New revised Contract Procedure Rules in place (March 2020) along with guidance.<br>- Policy that all procurement over a stated threshold should be carried out by one of the specialist procurement teams.<br>- Professional procurement staff recruited and in post<br>- Professional training for procurement staff (MCIPS)<br>- Electronic tendering system in use<br>- Procurement template documentation in use<br>- Service Analysis Team currently undertaking an analysis of commissioning and contract management corporately |  |  |  | 3  | 4                  | 12          | Treat | - Further guidance being produced to support new Contract Procedure Rules<br>- Training in procurement and contract management for staff across the Council<br>- Enhanced engagement with local business to widen portfolio of potential suppliers<br>- Response to SAT analysis<br>- Review of electronic tag system and potential contract management system   |  | 3  | 3                  | 9           |                          | <b>Kamal Adatia</b> | 31/12/20 and ongoing |                        |  |  |  |  |  |  |
| <b>13. ASSET MANAGEMENT</b><br>That ahead of the adoption of the Council's strategic and Corporate asset management Plans and associated focus and targeting of funds, that the condition of certain properties will deteriorate.   | - The council's assets may fall into disrepair, resulting in increased maintenance costs, interruption to service delivery and potential for reductions in rental, capital and asset values.  | - Final Asset Management Plan developed, including lifecycle planning for schools<br>- A single corporate asset management system is now in place<br>- Asset condition survey data held on the Concerto system is used for addressing priority actions.<br>- Compliance data (fire, asbestos, water) is held on a centralised system and used to track risk<br>- Corporate Landlord Fund has provision for emergency reactive repairs<br>- Structural data is used to identify high risk building elements                               |  |  |  | 4  | 3                  | 12          | Treat | - Continued development of effective planned maintenance programme across the estate - performance measurement in place to provide assurance regarding compliance- concerto being established and populated to work as the single corporate asset management system<br>- Development of a comprehensive building maintenance strategy to enable the prioritisation of capital improvement to reduce the backlog maintenance costs and targeted investment into critical Council properties to optimise the Council's Corporate and Operational Estates and associated incomes. EBS to undertake a full asset capture exercise to ensure data is held fully within Concerto. This will enable the Council to plan for critical replacements and therefore further reduce risk.<br>'-Regular asset valuation |  | 3  | 3                  | 9           |                          | <b>Matt Wallace</b> | 30/09/20 and ongoing |                        |  |  |  |  |  |  |

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| Risk Register Owner: Andy Keeling, COO   |  |   |   |             |      | Date completed: 27/08/20   |   |   |             |      |      |  |                      |  |  |
| RISK   | CONSEQUENCE/EFFECT:  | EXISTING ACTIONS/CONTROLS   | RIS<br>K<br>SCO<br>RE<br>WIT<br>H<br>EYES |             |      | RESPONSE<br>STRATEGY /<br>ACTION                                 | FURTHER MANAGEMENT<br>ACTIONS/CONTROLS  | TAR<br>GET<br>SCO<br>RE<br>WIT<br>H<br>EYES |             |      | COST | RISK OWNER                                       | TARGET<br>DATE       |  |  |
| <i>What is the problem; what is the cause; what could go wrong?<br/>What is it that will prevent you from achieving your objectives?</i>   | <i>What would occur as a result, how much of a problem would it be, to whom and why?</i>   | What are you doing to manage this risk now?   |   |             |      | <i>Select from the 4T's<br/>(see Process worksheet for more)</i> |   |   |             |      |      |  |                      |  |  |
|  |  |   | Impact                                    | Probability | Risk |  |   | Impact                                      | Probability | Risk |      |  |                      |  |  |
| 14. <b>DIGITAL TRANSFORMATION</b><br>The council may not be able to maximise the use of technology and data to work smarter and more efficiently, reduce costs and deliver customer friendly services. Integration of data, workflows and systems may not be delivered as required   | - LCC is not able to meet the savings targets<br>- Service delivery may not be met or may be compromised<br>- Demand management may become problematic as increased population and draw on services.<br>- Service costs may increase as more demand is placed on expensive channels<br>- Demand and service costs are increased by if the end to end transformation of both the service area and the IT/data is not delivered as creating a digital presence only increases the process, rather than streamlining<br>- Reputational damage to the council as demand pressures increase<br>- Customer experience is poor, leading to complaints and an increased demand as customers are accessing the services multiple times for the same transaction | - Scope, vision, objectives and design principles for the digital transformation programme have been agreed.<br>- Digital Transformation Programme Manager in post. Lead Member involvement in the programme with regular lead member briefings.<br>- Digital Transformation Board established and a digital transformation gateway process to manage projects is agreed and in place supported by a weekly Digital Transformation conference call led by senior officers.<br>- Resources for the programme-have been-secured and other relevant areas of the programme are being taken forward using existing core resources in areas such as Organisational Development and Equalities. ICT have aligned appropriate resources outside of operational delivery to specifically support digital transformation<br>- Key transformation projects have been agreed and are being undertaken and includes areas such as ICT rationalisation, data management and service based digital transformation.<br>- Key metrics agreed with the Board and being regularly reported including realisation of savings/efficiencies<br>- Work underway to look at future development of the existing open data platform.<br>- Council has signed up to the DHCLG digital declaration and is engaged with the national Digital Collaboration Unit to support the programme including making good use of their training and events offer. Team is also ensuring good networking through other events and conferences to keep up to speed with latest digital developments<br>-DT Team have been deployed to support digital solutions during the Covid-19 response. The response itself has involved a wholesale shift to 'virtual' working and in many areas required a shift to a digital offer for services eg around 70% of Adult Learning has moved to on-line. This has provided a major opportunity in terms of digital transformation, underpinning technologies and workforce skills, confidence and capability - will be important to build on this further as part of the programme | 3   | 3           | 9    | Treat  | - Ensure clear communications relating to the programme<br>- Keep under review the ICT resources and approach needed to ensure the programme is able to deliver at the appropriate pace<br>- Capture positives and challenges around the Covid-19 response in relation to using technologies and transformed ways of working and identify how the programme can build further on this | 3   | 2           | 6    |      | Miranda Cannon                                   | 30/09/20 and ongoing |  |  |
| 15. <b>BREXIT SCENARIOS</b><br>There may be significant implications relating to requirements for further public sector cuts, reductions in other funding streams particularly for infrastructure projects, as well as longer-term legislative changes in areas such as procurement. Also creating a level of instability and uncertainty in financial markets and in relation to staffing either directly or indirectly (via supply chains) This could be further compounded by the economic and other impacts of the Covid-19 epidemic | - Further budget reductions. Impacts on major infrastructure schemes and vision around future city development.<br>- Implications in terms of treasury management.<br>- Need in future to revisit key policies and procedures<br>- Community tensions and disorder<br>- Potential for service disruption arising from supply issues, public disorder etc   | - Monitor situation closely. COO part of national reporting arrangement through regional Execs. Director DCPG identified as the Brexit Lead Officer and engaged in regular regional and national reporting as required although this has been paused following the agreement of the transition plan in January 2020.<br>- CMT completed and reported a Brexit impact assessment to Executive and Audit and Risk which was further reviewed, updated and reported to CMT and Executive in Sept/Oct 2019 - to be reviewed further in summer/autumn 2020.<br>- LRF has undertaken a detailed risk assessment and has undertaken planning in light of potential risks particularly around public disorder and disruption and other issues such as travel disruption around East Midlands Airport. LCC engaged in recent LRF fuel planning exercise and follow up work underway. Established LRF plans and arrangements in place to manage such risks if they emerge. A reporting regime and structure has been agreed by the LRF and LCC has identified relevant representatives for roles in this and is fully engaged in planning and reporting activity including regular communication cell meetings and planning. LRF undertook a full debrief after the first potential EU exit date passed and this gave positive assurance of the plans and arrangements put in place<br>- Grant funding from Government has been received to support additional workload/burden generated by Brexit<br>- Covid-19 ongoing response and recovery activity has identified Brexit as a potential risk to be further considered in terms of managing the two potential issues concurrently in late 2020  | 4   | 3           | 12   | Treat  | - Continue to monitor and update LCC impact assessment and take appropriate actions in accordance with this. Continue to work with the LRF in managing risks<br>- Consider implications alongside future budget strategy and in light of Covid-19 ongoing response  | 3   | 3           | 9    |      | Andy Keeling / Alison Greenhill / Miranda Cannon | 30/09/20 and ongoing |  |  |

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|---|--|--|---|-------------|------|---|--|---|-------------|------|------|--------------------------------|----------------------|--|--|
| Risk Register Owner: Andy Keeling, COO  |  |  | Date completed: 27/08/20                  |             |      |   |  |   |             |      |      |                                |                      |  |  |
| RISK<br><i>What is the problem; what is the cause; what could go wrong? What is it that will prevent you from achieving your objectives?</i>  | CONSEQUENCE/EFFECT:<br><i>What would occur as a result, how much of a problem would it be, to whom and why?</i>  | EXISTING ACTIONS/CONTROLS<br><i>What are you doing to manage this risk now?</i>  | RIS<br>K<br>SCO<br>RE<br>WIT<br>H<br>EYES |             |      | RESPONSE<br>STRATEGY /<br>ACTION<br><i>Select from the 4T's (see Process worksheet for details)</i> | FURTHER MANAGEMENT<br>ACTIONS/CONTROLS   | TAR<br>GET<br>SCO<br>RE<br>WIT<br>H<br>EYES |             |      | COST | RISK OWNER                     | TARGET<br>DATE       |  |  |
|   |  |  | Impact                                    | Probability | Risk |   |  | Impact                                      | Probability | Risk |      |                                |                      |  |  |
| 51<br><b>16. FIRE RISK IN TALL BUILDINGS</b><br>As a result of the failure of cladding materials and fire safety measures the fire service issues a prohibition notice leading to the evacuation of a high rise residential building .  | - The Council is faced with the potential rehousing of occupiers at short notice and for a potentially indeterminate period of time.<br>- At the moment the risk to the Council would seem to be reduced as no major fire safety issues have been found.<br>MHCLG is currently re-revising Approved Document B (Fire Safety) of the Building Regulations and arranging fire tests on insulation materials etc.<br>Once the results and outcomes are known it is possible that other materials currently installed on other buildings, may also be restricted /banned and the risk profile may need to be raised again. | - The Council is contributing to an ongoing exercise (led by LFRS) whereby high rise buildings are assessed for a) cladding b) whether that cladding is ACM and c) through the fire service, whether the building satisfies fire safety regulations.<br>- All LCC owned tall buildings have been reviewed in conjunction with LFRS and any mitigating actions identified completed<br>- Fire Safety leaflet agreed with LFRS/Internal Comms distributed to all LCC Council tenants including those in Tower blocks in March 2019<br>- Maxfield Houses planned improvement programme has now competed and reoccupation in now completed All LCC Tower blocks in this programme have now been improved with the main focus on safety and fire safety<br>- Sprinklers have now also been fitted to Maxfield House<br>- Decision taken to demolish LCC owned Goscote House taken, this building is now vacated and empty. Work has taken place to prepare for the demolition phase of the project which is due to start in early 2020 and last for up to 12 months.<br>- Procurement is ongoing for the retro fit of sprinkler to all LCC owned Tower blocks.<br>- All high rise residential buildings in the city have been assessed for ACM cladding. The two privately owned buildings that were found to have ACM on, put in place sufficient additional fire safety measures that the Fire Service allowed continued occupation. One of these buildings has had the ACM cladding replaced and replacement work is now underway on the second.<br>- Currently there is a MHCLG exercise commencing requiring the Council to collate information on the external wall construction of all high rise residential buildings   | 3   | 3           | 9    | Treat   | - The fire service will provide the Council with an early indication of any buildings where a prohibition notice is likely to be issued in order that options for temporary accommodation can be considered in advance of any potential displacement.<br>- The Council and the Fire Service jointly will continue to review high rise and other buildings in the context of emerging government guidance<br>- Demolition of Goscote House due during 2020 /21<br>- Decision taken to fit sprinklers to all LCC owned tall buildings. All other LCC owned Tower blocks to have sprinklers retro fitted from 2019 onwards  | 2   | 3           | 6    |      | <b>Chris Burgin/John Leach</b> | 30/09/20 and ongoing |  |  |
| <b>17. ENSURING STATUTORY RESPONSIBILITY FOR PROVISION OF SECONDARY SCHOOL PLACES</b><br>Failure to provide secondary schools places in line with statutory responsibilities<br>Uncertainty over the delivery and timing of government free schools, together with risks around the impact of Brexit, results in the city having either insufficient or a surplus of secondary school places. | - Surplus space developed which prejudices particular schools resulting in closures or that of the free school programme stalls and we find a lack of places, with subsequent impact on our legal duty, the education of children and the reputation of the Council.<br>- This would also carry financial impact in terms of emergency mitigation measures required.   | - We are reviewing our projections constantly to ensure we maintain a balance of supply and demand. We now have in place clear check points throughout the year such as offer day, October census, on time applications which allow clear touch point and review periods to ensure close monitoring of places<br>We have established governance in relation to the free school programme. We have monthly meetings, clear governance around programme risk and cost so we understand as LA where we are on the free schools programme. We are continuing to have dedicated officers work with the DFE to maintain oversight of the programme.<br>- At the moment we have established a balanced approach to pupil place provision, between temporary places, permanent places and a programme of planned places. This is under constant review, however this approach provides the local authority the opportunity to be very flexible around supply, oversupply and future demand. Future projections and modelling of places is now reviewed by a third party as part of the verification process to ensure any projections and this has helped the LA established historical patterns and a larger sample of housing yield.<br>- National data sets used to triangulate local needs, such as NHS projected birth data and GP registrations.<br>- Regular DFE meetings in place to discuss need across the city and collaborate around future free schools. DFE meetings and outputs in terms of future wave projections are considered within the pupil places allowing a complete picture to be understood.<br>- Officers monitor the approved free school programme applications, to ensure programmes remain on track around place provision delivery and operate any contingency mechanisms should slippage occur<br>- Working with secondary schools around the city to facilitate temporary provision of space to accommodate larger classes.<br>- Full team in place to work alongside DFE to help support the delivery of additional spaces through the current government programmes such as free schools. This includes review current surplus council assets and land.<br>- In order to reach a point of certainty in the provision of space we are working both internally and with assistance from independent experts to review our place planning forecasts and develop phased provision of new space. This work is being managed by an internal - Schools Estates Governance Board and is reporting regularly.<br>- Ensuring all projections and tolerances are understood including contingency measures which need to be implemented at each milestone and check point should it be identified that we the authority is falling below the projection. | 3   | 4           | 12   | Treat   | - Following a review of the pupil place planning team we are now recruiting and placing further resource into this area to strengthen our oversight,<br>- Closer working relationship with trusts, DFE and the RSCs offices,<br>- Education board established to ensure greater scrutiny and understanding of pupil place risks and standards.<br>- Great clarity on data sets and impacts of other element, such as Brexit on student and cohort class room growth in the city,<br>- Data reviews received frequently but sufficient control measures currently in place<br>- Should additional resource be required this will be put in place<br>- Close working with both school in the city and government programme is continuing to ensure sufficient places are provided. | 3   | 2           | 6    |      | <b>Richard Sword</b>           | 30/09/20 and ongoing |  |  |

| - LCC Strategic Risk Register   |   |  |   |             |      |   |   |   |             |      |      |                              |                      |  |                          |  |  |  |  |
|---|---|--|---|-------------|------|---|---|---|-------------|------|------|------------------------------|----------------------|--|--------------------------|--|--|--|--|
| Risk Register Owner: Andy Keeling, COO  |   |  |   |             |      |   |   |   |             |      |      |                              |                      |  | Date completed: 27/08/20 |  |  |  |  |
| RISK<br><i>What is the problem; what is the cause; what could go wrong? What is it that will prevent you from achieving your objectives?</i>  | CONSEQUENCE/EFFECT:<br><i>What would occur as a result, how much of a problem would it be, to whom and why?</i>   | EXISTING ACTIONS/CONTROLS<br>What are you doing to manage this risk now?   | RIS<br>K<br>SCO<br>RE<br>WIT<br>H<br>EVAL |             |      | RESPONSE<br>STRATEGY /<br>ACTION<br><i>Select from the 4T's (see Process worksheet for details)</i> | FURTHER MANAGEMENT<br>ACTIONS/CONTROLS  | TAR<br>GET<br>SCO<br>RE<br>WIT<br>H<br>EVAL |             |      | COST | RISK OWNER                   | TARGET<br>DATE       |  |                          |  |  |  |  |
|   |   |  | Impact                                    | Probability | Risk |   |   | Impact                                      | Probability | Risk |      |                              |                      |  |                          |  |  |  |  |
| 18. SUPPORT FOR PUPILS WITH SEND<br>Following a Local Area Review of SEND in Spring 2018, a written statement of action was required in order to show how improvement would be brought about. These improvements need to be achieved in the context of significant financial pressures on the High Needs Block (HNB) which will require the Council to reduce expenditure on SEND for 2019/20 when reserves of the HNB are exhausted. | Failure to implement improvements would lead to an extension of the WSOA requirements and reputational damage to the Council. It could also impact on the forthcoming ILACS inspection of children's services.<br>- Failure to ensure reductions in spend on SEND however would mean that the Council would have to financially subsidise the HNB   | - There have already been four joint review meetings with DfE and CCG and in the last such meeting it was concluded that good progress is being made against action points.<br>- In relation to budget pressures, a report was commissioned by an external consultant in which options have been put forward for reductions in spend for mainstream school top ups and special schools. In addition, savings are being looked at from staffing and reductions agreed in relation to vacant posts in the first instance.<br>- On the WSOA improvements, there is a significant amount of improvement work taking place, including quality assuring of EHCPs and work with schools to secure better educational outcomes for pupils with SEND.   | 3   | 4           | 12   | Treat   | - In relation to budget pressures, options will need to be considered for a possible restructure of SEND staffing in line with statutory and non statutory functions.   | 2   | 4           | 8    |      | Richard Sword                | 30/09/20 and ongoing |  |                          |  |  |  |  |
| 19. CORONAVIRUS (SARS coronavirus-2 (SARS-CoV-2))<br>Locally results in significant loss of staff at any one time and/or wider national measures designed to slow the spread of COVID-19 cause significant impacts on service delivery and the wider city   | Council is unable to deliver any services including essential/critical services, or only deliver to a significantly reduced extent. Significant risk to the health, safety and welfare of staff and residents including vulnerable services users. Significant impacts on the local economy causing resulting impacts financially on the Council from reduced revenue including loss of income for commercially traded services. Reputational damage should the Council not be able to respond adequately | In light of an increases in cases in Leicester compared to nationally a local lockdown has been implemented by Government. An Incident Management Team has been set up supported by PHE which reports into the LRF SCG and which is focused on managing the rise in cases to stop the transmission of the virus and to bring the position back in line with regional and national levels. The IMT has a umber of key cells focused on key activity including testing, communications, community engagement, epidemiology, business engagement, social care and health and healthcare. A significant programme of testing in the priority areas where there are higher numbers of cases is taking place supported by follow up in terms of contact tracing, and detailed epidemiology activity. The work has been supported by regional and national resources including the military, PHE, DHSC as well as a range of local partners. A two week review of the local lockdown took place 16.07.20 by the SofS and the lockdown was to continue for a further two weeks but the geographical boundary focused in one the city and Oadby and Wigston and all other areas of the county previously included were removed. | 4   | 5           | 20   | Treat   | Transition plan for leading and managing the local lockdown via a locally managed response is being finalised in line with the local outbreak plans. The IMT and LRF structures will continue with the Political Oversight Board ensuring oversight by the City Mayor and Leader of the County Council. Intensive testing programme will continue along with other key activity such as comms and community engagement to seek to stop the transmission of the virus and ultimately to then sustain this position. A medium to longer-term plan which ensures preparedness for winter when there may be a higher risk in terms of a rise in cases and impact on the NHS to be developed and robustly led and delivered. | 4   | 4           | 16   |      | Miranda Cannon / Ivan Browne | 30/09/20 and ongoing |  |                          |  |  |  |  |

## Appendix 3

### LCC Operational Risk Exposure Summary as at 31<sup>st</sup> May 2020

| Risk Ref<br>(as per<br>ORR) | Risk  | Risk<br>Owner | Risk Score with<br>existing controls |   |       | Target Risk Score<br>with further controls |   |       | Target<br>date     |
|-----------------------------|---|---------------|--------------------------------------|---|-------|--|---|-------|--------------------|
|                             | <b>STRATEGIC AREA – CITY DEVELOPMENTS AND NEIGHBOURHOODS</b>  |               |                                      |   |       |  |   |       |                    |
|                             |   |               | I                                    | L | Score | I  | L | Score |                    |
| 2.                          | Neighbourhood and Environmental Services – Ash Dieback – Epidemic of Ash Trees  | JL            | 4                                    | 5 | 20    | 4  | 2 | 8     | 30/09/20           |
| 6.                          | Planning, Development and Transport – Highways and Transport Services – Covid-19 Impacts  | ALS           | 4                                    | 5 | 20    | 3  | 5 | 15    | 30/09/20 ongoing   |
| 7.                          | Tourism, Culture & Investment – Markets – Risk relating to trader attrition and inability to attract new traders particularly during the market improvement works   | MD            | 4                                    | 4 | 16    | 3  | 4 | 12    | 30/09/20 ongoing   |
| 9.                          | Tourism, Culture & Investment Budget -Very significant portion of divisional spend covered off by income streams that are threatened or entirely suspended due to Covid-19  | MD            | 4                                    | 4 | 16    | 3  | 4 | 12    | 30/09/20 ongoing   |
| 1                           | Housing - Homelessness – Ongoing pressure and risks associated to statutory homeless cases requiring temporary accommodation exaggerated by budget, capacity and housing stock reductions as well as impact of UC roll out. | CB            | 4                                    | 4 | 16    | 3  | 3 | 9     | 30/09/20 ongoing   |
| 3.                          | Neighbourhood and Environmental Services – Lack of adequate resource capacity   | JL            | 4                                    | 4 | 16    | 3  | 3 | 9     | 30/09/20 ongoing   |
| 8.                          | Tourism, Culture & Investment – De Montfort Hall – Loss of operational ability due to failure of flying bars if not replaced  | MD            | 5                                    | 3 | 15    | 5  | 2 | 10    | 30/09/20 ongoing   |
| 4.                          | Neighbourhood and Environmental Services – Beaumont Park Depot – Condition of depot creating risks to service delivery, individuals working on site and visitors  | JL            | 5                                    | 3 | 15    | 4  | 2 | 8     | 30/09/20 ongoing   |
| 5.                          | Neighbourhood and Environmental Services – Reduction in income generation programmes  | JL            | 3                                    | 5 | 15    | 2  | 4 | 8     | 30/09/20 ongoing   |
|                             | <b>STRATEGIC AREA – CORPORATE RESOURCES AND SUPPORT</b>   |               |                                      |   |       |  |   |       |                    |
| 11.                         | Finance - Information and Customer Access – Cyber Security. Increasing profile and expertise to circumvent established defences increase vulnerability of LCC data.   | AG            | 4                                    | 5 | 20    | 4  | 5 | 20    | 30/09/20 ongoing   |
| 12.                         | Finance - Financial challenges - the Council fails to respond adequately to the cuts in funding over the coming year or years.  | AG            | 5                                    | 4 | 20    | 5  | 3 | 15    | Weekly and ongoing |
| 10.                         | Delivery, Communications and Political Governance – City Catering Service losing business. Further loss of schools / decline in   | MC            | 4                                    | 4 | 16    | 3  | 4 | 12    | 30/09/20 ongoing   |

| Risk Ref<br>(as per<br>ORR)                       | Risk   | Risk<br>Owner | Risk Score with<br>existing controls |   |    | Target Risk Score<br>with further controls |   |    | Target<br>date   |
|---|--|---------------|--------------------------------------|---|----|--|---|----|------------------|
|   | school meal uptake make the service unviable.  |               |                                      |   |    |  |   |    |                  |
| 14.   | Legal – Workloads and Pressure – Client Care. Services within the Council are stretched with increased demands and pressures.  | KA            | 4                                    | 4 | 16 | 4  | 3 | 12 | 30/09/20 ongoing |
| 13.   | Finance – Introduction of Universal Credit (UC) Full Service   | AG            | 4                                    | 4 | 16 | 3  | 3 | 9  | 30/09/20 ongoing |
| <b>STRATEGIC AREA – SOCIAL CARE AND EDUCATION</b> |  |               |                                      |   |    |  |   |    |                  |
| 15.   | Adult Social Care and Safeguarding – Budget – Compliance/DOLS<br>Lack of budget / resources to comply with changes in DOLS legislation   | RL            | 4                                    | 4 | 16 | 4  | 3 | 12 | 30/09/20 ongoing |
| 16.   | Adult Social Care and Safeguarding - Mental Health - Statutory Duty<br>LCC is legally obliged under the Mental Health Act (MHA) to provide 24/7 service  | RL            | 4                                    | 4 | 16 | 4  | 3 | 12 | 30/09/20 ongoing |
| 17.   | Adult Social Care and Commissioning – Implications of Covid-19   | TR            | 4                                    | 4 | 16 | 4  | 3 | 12 | 30/09/20 ongoing |
| 19.   | Commissioning and Performance – A rising number of LA maintained schools are reporting financial deficits  | SW            | 4                                    | 4 | 16 | 4  | 3 | 12 | 30/09/20 ongoing |
| 18.   | Children's Social Care and Early Help - Budget<br>Loss and / or reduction of services to achieve budget savings  | CT            | 5                                    | 3 | 15 | 5  | 3 | 15 | 30/09/20 ongoing |
| <b>STRATEGIC AREA – PUBLIC HEALTH</b>             |  |               |                                      |   |    |  |   |    |                  |
| 20.   | Budget - External Influences<br>External national imperatives without associated budget introduced which will impact on local delivery   | IB            | 4                                    | 4 | 16 | 3  | 4 | 12 | 01/08/20         |
| 21.   | Budget Restrictions - Commissioning<br>Reduced budget for services impacts on financial viability to potential 3rd party contractors who may deem package to be unsustainable.   | IB            | 4                                    | 4 | 16 | 4  | 3 | 12 | 01/08/20         |
| 22.   | Technology – Systems/ technology not fit for purpose to support services and commercial objectives, lack of IT knowledge   | IB            | 4                                    | 4 | 16 | 3  | 3 | 9  | 01/08/20         |
| 23.   | Budget Restrictions - Funding<br>Ongoing austerity for Public Sector requires changes to service delivery to comply with available budget, continued reductions could force termination of services to ensure priority services remain available | IB            | 3                                    | 5 | 15 | 2  | 5 | 10 | 01/08/20         |
| 24.   | Contract Management – Dilution of resources within Contract Management Services appear to impact the Public Health specific support for all elements of contract management  | IB            | 3                                    | 5 | 15 | 2  | 2 | 4  | 01/08/20         |

Key:

| IMPACT (I)                | SCORE |  | LIKELIHOOD (L)       | SCORE |
|---------------------------|-------|--|----------------------|-------|
| CRITICAL/ CATASTROPHIC    | 5     |  | ALMOST CERTAIN       | 5     |
| MAJOR                     | 4     |  | PROBABLE / LIKELY    | 4     |
| MODERATE                  | 3     |  | POSSIBLE             | 3     |
| MINOR                     | 2     |  | UNLIKELY             | 2     |
| INSIGNIFICANT/ NEGLIGIBLE | 1     |  | VERY UNLIKELY / RARE | 1     |

Risk scores:

| LEVEL OF RISK | OVERALL RATING | HOW THE RISK SHOULD BE TACKLED/<br>MANAGED |
|---------------|----------------|--|
| High Risk     | 15-25          | IMMEDIATE MANAGEMENT ACTION                |
| Medium Risk   | 9-12           | Plan for CHANGE                            |
| Low Risk      | 1-8            | Continue to MANAGE                         |

Risk Owners:

|     |   |                  |    |   |                |
|-----|---|------------------|----|---|----------------|
| AG  | - | Alison Greenhill | KA | - | Kamal Adatia   |
| ALS | - | Andrew L Smith   | MC | - | Miranda Cannon |
| CB  | - | Chris Burgin     | MD | - | Mike Dalzell   |
| CT  | - | Caroline Tote    | RL | - | Ruth Lake      |
| IB  | - | Ivan Browne      | SW | - | Sue Welford    |
| JL  | - | John Leach       | TR | - | Tracie Rees    |



| Appendix 4 - Leicester City Council Operational Risk  |  |   |                                   |            |                            |  |  |            |      |   |                    |              |                    |  |
|---|--|---|-----------------------------------|------------|----------------------------|--|--|------------|------|---|--------------------|--------------|--------------------|--|
| Risk Register Owner: Andy Keeling, COO  |  |   |                                   |            |                            |  |  |            |      |   |                    |              |                    |  |
| Risk  | Consequence /effect: what would occur as a result, how much of a problem would it be, to whom and why  | Existing actions/controls   | Risks as                          |            | Response Strategy / Action | Further management actions/controls required | Target Score with further controls   |            |      |   | Cost               | Risk Owner   | Review Date        |  |
|   |  |   | Risk Score with existing measures |            | Select from the            |  |  |            |      |   |                    |              |                    |  |
| What is the issue:  |  |   |                                   |            |                            |  |  |            |      |   |                    |              |                    |  |
| what is the root cause/   |  |   |                                   |            |                            |  |  |            |      |   |                    |              |                    |  |
| problem – what could go wrong   |  |   | (See Scoring Table)               |            |                            |  | (See Scoring Table)  |            |      |   |                    |              |                    |  |
|   |  |   | Impact                            | Likelihood | Risk                       |  | Impact   | Likelihood | Risk |   |                    |              |                    |  |
|   |  |   |                                   |            |                            |  |  |            |      |   |                    |              |                    |  |
| STRATEGIC AREA - City Development and Neighbourhoods  |  |   |                                   |            |                            |  |  |            |      |   |                    |              |                    |  |
| <b>1. Housing - Homelessness</b><br>Ongoing pressure and risks associated to statutory homeless cases requiring temporary accommodation exaggerated by budget, capacity and housing stock reductions as well as impact of UC roll out. The roll out of the EU resettlement programme placing additional pressure of homelessness services. The Covid 19 pandemic has increased this risk with the requirement to temporarily house all who were rough sleeping / at risk of rough sleeping.   | - Supply of temporary / emergency accommodation may not meet demand and will be more expensive. Alternative temporary accommodation will be needed i.e. Bed & Breakfast<br>- Increased budget pressures<br>- Inability to meet demand for preventative homelessness services impacting on crisis management. Increased costs of temporary accommodation and the pressure of having move on options for a large cohort of those accommodated  | - 3 year additional funding for preventative measures in reflection of additional burdens from new legislation<br>- Homelessness strategy challenging supply and types of temporary accommodation to meet individual needs<br>- Recruited additional workforce<br>- Successful bid for additional funding to focus on rough sleeping (new initiatives)<br>- Different models of TA to move away from historic "institutional" settings.<br>- Monitor additional applications from EUs through resettlement process. Consult legal for compliance with process<br>- Working in tandem with other stakeholders and parties on the Homelessness Charter is delivering and focussing services<br>-New initiatives implemented to increase availability of permanent housing solutions and the introduction of a Social Lettings Agency<br>- Rough Sleeping Next Step Strategy developed in response to increase demand for services throughout the pandemic and the re-configuration of services and loss of Safe Space | 4                                 | 4          | 16                         | Treat  | - Roll out of homelessness strategy actions (preventative) to enhance and expand on existing control<br>- Enhanced communications strategy<br>- Ongoing development and embedding of the Homelessness Charter  | 3          | 3    | 9 |                    | Chris Burgin | 30.09.2020 Ongoing |  |
| <b>2. Neighbourhood and Environmental Services</b><br><b>Ash Dieback - Epidemic of Ash Trees</b><br>Caused by an introduced pathogen that most local ash trees are unlikely to have resistance to. It is anticipated that up to 95% of the tens of thousands of ash trees in the city will die. Perhaps 50% of the total will be the council's direct liability. Many trees are located on traffic routes or in areas of use and habitation. Dying and collapsing trees will present an injury and property hazard damage risk, and present a hazard risk to staff during removal operations. Under normal conditions £135k per year is devoted to clearing similar problems across all species. It is anticipated this cost will multiply several times at the height of the epidemic. | - Injury to staff and residents, including highway users<br>- Damage to property including animal injury, buildings, parked and moving vehicles, various infrastructure and parks and street furniture<br>- Disruption to traffic routes and areas of high use during removal operations   | - Established teams, structures and systems will address problems in the early stages. These can be built on further as the problem starts to strain existing resources. There is no way to limit or control the establishment and spread of the pathogen as it is a windborne micro-organism. In essence management is a reactive process.   | 4                                 | 5          | 20                         | Treat  | - Effective and timely reactive responses.   | 4          | 2    | 8 | Unknown at present | John Leach   | 30.09.2020 Ongoing |  |
| <b>3. Neighbourhood and Environmental Services - Lack of Adequate Resource Capacity</b><br>Increase in the demand led services, along with the reduction in head count could mean that there are insufficient resources to deliver the required service levels.<br><br>During times of change, staff are not always aware of the changes being made, resulting in confusion etc.  | - Teams already at a minimum and extra workloads are unsustainable.<br>- As demand-led services increase, workload and public expectations increase.<br>- Likelihood of key person dependency as teams reduce further (fewer people in key roles).<br>- Potential risk of non-compliance or breaches/lack of a substantial control environment.<br>- Service delivery requirements not met.<br>- Staff wellbeing may be harmed.<br>- Reputational damage may result from unplanned building closures due to staff shortages. | - Existing prioritisation arrangements are in place.<br>- Policies and procedures are in place.<br>- Processes are in place.<br>- Regular briefings and PDRs<br>- Organisational review consultation process.<br>- Managing expectations with senior officers / stakeholders<br>- Accessing external grants   | 4                                 | 4          | 16                         | Treat  | - Building adequate criteria and expectations into Service Reviews.<br>- Creating temporary project roles where relevant.<br>- Income generation to fund service specific posts / resources.<br>- Better use of existing internal & external resources (partnerships). | 3          | 3    | 9 |                    | John Leach   | 30.09.2020 Ongoing |  |

|   |  |  |   |   |    |       |  |   |   |    |   |                            |                    |
|---|--|--|---|---|----|-------|--|---|---|----|---|----------------------------|--------------------|
| <b>Neighbourhood and Environmental Services - Beaumont Park Depot</b><br>Condition of depot creating risks to service delivery, individuals working on site and visitors, situation identified in H&S report in 2011.<br>Previously requested in 2014 to be accommodated in Capital Programme. Strategic Director with Head of Finance moved to be dealt with as part of Depot Review passed for action to Director of EBS following site visit in Nov 2017. Options drawn up Feb 2018 but later abandoned.<br>Director of EBS now progressed further work. | <ul style="list-style-type: none"><li>- Serious accident injury and or death to staff/member of public.</li><li>- Reputational damage to LCC.</li><li>- Insurance claims against the Council.</li><li>- Legal challenge.</li><li>- Media exposure.</li><li>- Adverse effect on budget/finances.</li><li>- Closure of premises, loss of service.</li><li>- Breaches in legislation and/or non-compliance.</li><li>- Demand led services may not be met.</li><li>- Significant delay to decide and implement a solution could weigh heavily in any proceedings that would follow a serious incident.</li></ul> | <ul style="list-style-type: none"><li>- On going review of depot in-house Business Change Manager facilitating with E&amp;B. Undertaking options appraisal with input from Legal, Planning and Highways.</li><li>- Building conditional surveys reviewed under the TNS Programme.</li><li>- Agreed to manage outside of Depot review with separate budget allocation.</li><li>- NES/P&amp; O have ensured operational mitigating action in place. 113Dedicated Banksman employed to manage traffic movement on site.</li><li>- All staff trained in banksman duty of care.</li><li>- H&amp;S team undertaken review C13of short term safety measures for pedestrians and vehicles on site.</li><li>- £125k approved from Loss Reduction Risk fund to install one way system, plus £10k EBS. (NEW ADDITION). Meeting held with EBS 11th April - Trees and Woodland Team and Landscapes Team ensuring all appropriate alternative storage options are utilised. EBS committed to confirmation/delivery of scheme within budget and to providing implementation timescale asap. Andy Keeling supporting NES urgent request for appropriate action.G16</li></ul> | 5 | 3 | 15 | Treat | <ul style="list-style-type: none"><li>- New site</li><li>- Suitable adaptation of existing to accommodate operational practices and introduction of one way traffic system</li><li>- Capital project established and full Planning Application submitted 9 October 2019 with provisional start date 4 February 2020</li><li>- Planning approval decision received 02 April 2020 which delayed programmed start date</li><li>- Vegetation clearance completed pre bird nesting, works to fully commence post Covid 19 to be completed this financial year</li></ul> | 4 | 2 | 8  | £135k   | John Leach/Matthew Wallace | 30.09.2020 Ongoing |
| <b>5. Neighbourhood and Environmental Services - Reduction in Income Generation Programmes</b><br>With reductions in public demand in Building Control and Pest Control income generated by the Council may be significantly reduced and income generation/revenue targets may not be met.<br>Also, 'one off' income programmes are set as recurring within the budgets/accounts; impacting further on future financial targets.<br>Competition from competitors e.g., Crematorium.   | <ul style="list-style-type: none"><li>- Budgets are not adhered to.</li><li>- Income streams continue to reduce (e.g. Building Regs) due to the economic climate.</li><li>- Targets remain the same or increase, against income sources and staff reductions.</li><li>- One off income is disclosed as recurring, increasing the savings gap.</li><li>- Internal recharges, e.g. for community space, will reduce as services reorganise.</li></ul>  | <ul style="list-style-type: none"><li>- Budgets are in place and alternative savings option appraisals are performed and saving plans are implemented.</li><li>- Policies and procedures are in place.</li><li>- Ashco business development arrangements are in place.</li><li>- An agreement is in place for withdrawal of internal services from community settings under the TNS programme.</li><li>- Draw on external funding</li></ul>  | 3 | 5 | 15 | Treat | <ul style="list-style-type: none"><li>- Introducing new ways of working to encourage entrepreneurial opportunities</li><li>- External funding opportunities further explored</li></ul>   | 2 | 4 | 8  | N/A   | John Leach                 | 30.09.2020 Ongoing |
| <b>6. Planning, Development and Transport - Highways &amp; Transport Services Covid19 Impacts</b>   | <ul style="list-style-type: none"><li>- Service suspensions, unforeseen expenditure, reduced income, fee recovery, staff safety, public safety, programme delivery, availability of resources.</li></ul>   | <ul style="list-style-type: none"><li>- Business continuity plans</li></ul>  | 4 | 5 | 20 | Treat | <ul style="list-style-type: none"><li>- Assess impacts and risks</li><li>- Develop emergency response plans</li><li>- RAMS undertaken for activities.</li><li>- Financial impact assessments undertaken and mitigation measures being developed</li><li>- Reprogramming of works and resourcing underway.</li></ul>  | 3 | 5 | 15 |   | Andrew L Smith             | 30.09.2020 Ongoing |
| <b>7. Tourism, Culture &amp; Investment - Markets</b><br>Risk relating to trader attrition.<br>Inability to attract new traders particularly during the market improvement works and due to poor and deteriorating condition of the market.   | <ul style="list-style-type: none"><li>- Trader occupancy rates currently sit at 51% average. This is due, it is felt, to the ongoing improvement works taking place in the area and the general malaise in city centre retail.</li><li>- Ongoing regeneration in the Market will, it is hoped, halt the reduction in traders</li></ul>   | <ul style="list-style-type: none"><li>- The public square will be used to attract footfall and the new screen will complete in spring 2019.</li><li>- An investment programme for the outdoor market had been agreed by the City Mayor but that has no changed and there is no agreed programme of work.</li></ul>   | 4 | 4 | 16 | Treat | <ul style="list-style-type: none"><li>- Need review and reprioritise works with CM.</li><li>- High risk remains but seems likely some investment will be delivered via the new capital programme</li></ul>   | 3 | 4 | 12 |   | Mike Dalzell               | 30.09.2020 Ongoing |
| <b>8. Tourism, Culture &amp; Investment - De Montfort Hall</b><br>Loss of operational ability, falling below customer expectation, loss of reputation, knock on effect to touring promoters if facilities not up to industry expectation.<br><br>Root problem: The flying bars recently suffered some failures and if the flying bars were to cease operation, we would not be able to continue with our programme of shows.  | <ul style="list-style-type: none"><li>- Loss of income</li><li>- Loss of reputation</li><li>- Negative PR.</li></ul>   | <ul style="list-style-type: none"><li>- Responsibility for maintenance of the flying bars has rested with DMH until recently. The recent condition report commissioned by Theatre Plan, suggest that the flying bars will fail in 12-18 months. Approximate cost of replacement would be £200k.</li><li>- Further investigation is required.</li><li>- EBS will struggle to fund from maintenance budgets.</li></ul>   | 5 | 3 | 15 | Treat | <ul style="list-style-type: none"><li>- Replacement took place during summer,2018.</li><li>- Now operational and appears reliable, although some minor adjustments still required to software,</li></ul>   | 5 | 2 | 10 | - Circa £100k. Funded via EBS capital.<br>- All fully operational, need to find ongoing way to fund renewal / replacement | Mike Dalzell               | 30.09.2020 Ongoing |
| <b>9. Tourism, Culture &amp; Investment Budget</b><br>-Very significant portion of divisional spend covered off by income streams that are threatened or entirely suspended due to Covid-19   | <ul style="list-style-type: none"><li>- Significant deficit in 2020/21 budget</li></ul>  | <ul style="list-style-type: none"><li>- Limited scope to manage short term due to government restriction. Dealing with workspace tenants on case by case basis to agree payment plans. Keeping some market charging going but have had to offer discounts. Some offsetting where spend won't happen (e.g. festivals).</li><li>- Some furloughing to recover cost (if approved by government)</li></ul>   | 4 | 4 | 16 | Treat | <ul style="list-style-type: none"><li>- Working to re-open safely and continue trading activity as soon as is feasible and safe e.g. at KRIII visitor centre. Controlling discretionary spend</li></ul>  | 3 | 4 | 12 |   | Mike Dalzell               | 30.09.2020 Ongoing |
| <b>Strategic Area - Corporate Resources &amp;Support</b>  |  |  |   |   |    |       |  |   |   |    |   |                            |                    |
| <b>10. Delivery, Communications and Political Governance - City Catering Service losing business</b><br>Further loss of schools / decline in school meal uptake make the service unviable. Coronavirus adding additional pressure on the service and presents some ongoing uncertainties around budget and service delivery both for the current school term and autumn term 2020   | <ul style="list-style-type: none"><li>- If the current rate of decline continues then the service will soon begin to make a loss. Impact on other services due to the difference being picked up by the General Fund affecting delivery of those other services.</li><li>- Potential food shortages and extended lunchtimes due to social distancing impacts on costs</li></ul>  | <ul style="list-style-type: none"><li>- Review undertaken by APSE Consultant.</li><li>- Service improvement Plan in place and being worked on.</li></ul>   | 4 | 4 | 16 | Treat | <ul style="list-style-type: none"><li>- Detailed routemap to be prepared and discussed with Executive to identify clear priorities for the next 12 months and longer-term - will need to take account of any ongoing impacts of Coronavirus as well as lessons learnt from that</li></ul>  | 3 | 4 | 12 |   | Miranda Cannon             | 30/09/2020         |

|   |  |  |   |   |    |       |  |   |   |    |  |                  |                        |
|---|--|--|---|---|----|-------|--|---|---|----|--|------------------|------------------------|
| <b>11. Finance - Information and Customer Access - Cyber Security</b><br>Increasing profile and expertise to circumvent established defences increase vulnerability of LCC data.  | <ul style="list-style-type: none"><li>- Data hacked and released into public domain</li><li>- Reputational damage</li><li>- seek alternative more expensive solutions</li><li>- Fines from ICO</li><li>- Staff stress increases</li><li>- Damage to identified individuals</li><li>- Denial of service</li></ul>   | <ul style="list-style-type: none"><li>- Technology defences;</li><li>- Awareness campaign;</li><li>- Targeted follow up's;</li><li>- Built into new system standards from 3rd party applications (secure passwords, TLS);</li><li>- Daily back-up of systems</li><li>- Maintain clear Major incident Management processes</li><li>- Understand RPO and RTO capability for recovering critical systems</li><li>- Appointed Security Operations Centre Lead to review and respond to threat intelligence</li></ul> | 4 | 5 | 20 | Treat | <ul style="list-style-type: none"><li>- Implement new Technology solutions to address increasing threat during crisis e.g. COVID-19</li><li>- Enhance Cloud Security</li><li>- Continued Staff awareness training etc..</li><li>- Maintain Cyber Essentials Compliance</li></ul>   | 4 | 5 | 20 |  | Alison Greenhill | 31.05.2020<br>Ongoing  |
| <b>12. Finance - Financial Challenges</b> The Council fails to respond adequately to the cuts in public sector funding over the coming year or years.   | <ul style="list-style-type: none"><li>- Council is placed in severe financial crisis. Reputational damage to the Council and substantial crisis job losses. If the process is not properly managed, the Council will have little money for anything but statutory 'demand led services'</li></ul>  | <ul style="list-style-type: none"><li>- Budget balanced in 20/21 and will not overspend in 19/20.</li><li>- Spending review 4 programme underway.</li><li>- Review again after Chancellor's March '20 budget</li></ul>   | 5 | 4 | 20 | Treat | <ul style="list-style-type: none"><li>- Heavy involvement of City Mayor and COO in ensuring spending review programme delivers.</li><li>- Appropriate change management/ project management arrangements to be put in place for major review areas.</li><li>- Delivery of spending review 4 and completion of 20/21 budget preparation</li></ul>                           | 5 | 3 | 15 |  | Alison Greenhill | Weekly and<br>On-going |
| <b>13. Finance - Introduction of Universal Credit (UC) Full Service</b><br>Implementation of UCFS was June 2018. Rollout will take 2/3 years to fully complete. Claimants move from LCC administered HB to DWP administered UC. Risk is impact on claimants changing from 1 system to another and the significant differences between the 2 regimes   | <ul style="list-style-type: none"><li>- Adverse impact on resident household income</li><li>- Increasing poverty</li><li>- Rent arrears (HRA)</li><li>- Potential homelessness</li><li>- Increased demand for discretionary funding</li><li>- Adverse impact on CT collection and increased arrears</li><li>- Increased demand for welfare advice services</li></ul>   | <ul style="list-style-type: none"><li>- LCC UC strategy, risk log and ETA</li><li>- Comms and action plan</li><li>- Engagement with DWP &amp; SWAP</li><li>- Staff training</li><li>- Joint working with Housing</li></ul>   | 4 | 4 | 16 | Treat | <ul style="list-style-type: none"><li>- Monitoring and reporting to DoF and Executive</li><li>- Regular engagement with DWP</li><li>- Redirection of staff resources</li><li>- Regular review of customer support</li></ul>  | 3 | 3 | 9  |  | Alison Greenhill | 30/09/2020<br>Ongoing  |
| <b>14. Legal - Workloads &amp; Pressure - Client Care</b><br>Services within the Council are stretched with increased demands and pressures. Unrealistic deadlines at times can be set for major projects, procurement and contracts. There is a concern that whilst corporate policy is correct and general awareness of correct procedures/rules exists, it may not be implemented effectively within services. | <ul style="list-style-type: none"><li>- Timely legal advice from clients not sought.</li><li>- Failure to comply with laid down guidelines.</li><li>- Breach of regulations or law e.g. data protection.</li><li>- Council found to act unlawfully.</li><li>- Challenges to procurement processes.</li><li>- Cost implications from requirements not being followed/deadlines being missed/ not delivering value for money for Council.</li><li>- Award made against council etc.</li><li>- Staff demotivated</li><li>- Negative Press/Reputation of Council</li></ul> | <ul style="list-style-type: none"><li>- Reviewing practices to be improve flexibility of approach.</li><li>- Channel Shift.</li><li>- Raising awareness - corporate messages.</li><li>- Early engagement - feeding into deadlines.</li><li>- Attending project boards.</li><li>- Projects to look at new ways of working.</li></ul>  | 4 | 4 | 16 | Treat | <ul style="list-style-type: none"><li>- Completion of review of practices by September 2019.</li><li>- Improved use of technology e.g. Electronic Signatures/Virtual Hearings/Channel Shifts (Corporate Channel shift program - March 2019).</li><li>- Need to increase comms program/training and awareness of current practices (deadlines with project plan).</li></ul> | 4 | 3 | 12 |  | Kamal Adata      | 30.09.2020<br>Ongoing  |
| <b>STRATEGIC AREA - Social Care and Education</b>   |  |  |   |   |    |       |  |   |   |    |  |                  |                        |
| <b>15. Adult Social Care &amp; Safeguarding - Budget - Compliance/DOLS</b><br>Lack of budget / resources to comply with changes in DOLS legislation.<br>Failure to meet statutory timescales to assess people deprived of their liberty   | <ul style="list-style-type: none"><li>- DOLS assessments not carried out;</li><li>- Potential for individuals to be illegally deprived of their liberty, for safeguarding due to lack of oversight and for legal claims against LCC, and fines.</li><li>- Reputational risk if someone dies whilst illegally deprived of their liberty, financial risk if taken to court</li><li>- Changes to the legislation Oct 2020 (LPS)</li></ul>   | <ul style="list-style-type: none"><li>- Following legal advice from a Barrister, Leadership has agreed a revised prioritisation system that is reviewed regularly.</li><li>- Use of Independent BIAs</li><li>- Use of form 3b;</li><li>- Development of internal staff (Social workers - BIA)</li><li>- JE completed for BIAs (unsuccessful), further request for market supplements made, waiting list risk assessed monthly and prioritisation system agreed with Leadership (reviewed regularly)</li></ul>    | 4 | 4 | 16 | Treat | <ul style="list-style-type: none"><li>- Working across LLR to develop an implementation plan for Liberty Protection Standards in Oct 2020.</li></ul>   | 4 | 3 | 12 |  | Ruth Lake        | 30.09.2020<br>Ongoing  |
| <b>16. Adult Social Care Services &amp; Safeguarding - Mental Health - Statutory Duty</b><br>LCC is legally obliged under the Mental Health Act (MHA) to provide 24/7 service. Current issue is the lack of trained Adult Mental Health Practitioners (AMPs). This is a national issue.   | <ul style="list-style-type: none"><li>- Risk of harm to, or by, mentally ill person</li><li>- Breach of compliance and possible fines</li><li>- Reputational damage</li><li>- Impact on morale and stress if staff working outside hours</li><li>- Increased staff turnover leads to immediate resource issues; also recruitment and training requirement</li><li>- Potential delays and can increase working hours.</li><li>- Not meeting MHA legislation</li><li>- Potential delays and can increase working hours.</li></ul>  | <ul style="list-style-type: none"><li>- 24/7 rota in place.</li><li>- Using non-AMHPs for appropriate functions</li><li>- Offered additional pay to cover Bank Holiday shifts.</li><li>- Market supplements in place.</li><li>- Rolling recruitment/adverts.</li></ul>   | 4 | 4 | 16 | Treat | <ul style="list-style-type: none"><li>- Possible T&amp;C for Social Workers.</li></ul>   | 4 | 3 | 12 |  | Ruth Lake        | 30.09.2020<br>Ongoing  |

|  |   |   |   |   |    |       |  |   |   |    |  |               |                    |
|--|---|---|---|---|----|-------|--|---|---|----|--|---------------|--------------------|
| <b>17. Adult Social Care and Commissioning Implications of Covid-19</b><br>External providers unable to support vulnerable individuals, due to loss of staffing, shortage of PPE and issues of financial viability.  | <ul style="list-style-type: none"><li>- Individuals not receiving homecare to enable them to live safely in the community, due to staff shortages.</li><li>- Individuals living in care comes not receiving essential care due to staff shortages and a lack of PPE and dying of Covid19.</li><li>- Individuals living in supported living not received essential support due to staff shortages.</li></ul>   | <ul style="list-style-type: none"><li>- Creation of an Intel Tracker detailing the current status of all care providers, including PPE stocks, staff absence, etc.</li><li>- Creation of a stock of PPE by the LA to enable providers to access any items that they cannot secure from their usual supplier.</li><li>- Use of staff, volunteers and the use of mutual aid to covering vacancies.</li><li>- It should be noted that whilst the Council is doing everything possible to support the external market, there is still a risk that organisations may not be able to provide the required support, due to staff absences.</li></ul>   | 4 | 4 | 16 | Treat | - Key officers linked to the Care Home Cell, PPE and Testing cells reporting to the Local Resilience Forum.  | 4 | 3 | 12 |  | Tracie Rees   | 30.09.2020 Ongoing |
| <b>18. Children's Social Care and Early Help - Budget</b><br>Loss and / or reduction of services to achieve budget savings   | <ul style="list-style-type: none"><li>- Reduction in preventative services impacting on ability to deliver Statutory services</li><li>- Inability to deliver Placement Sufficiency</li><li>- Decrease Capacity / Increase demand</li><li>- Potential reduction of staffing levels</li><li>- Limited ability to deliver some front line services</li><li>- Potential for future claims against authority</li></ul>   | <ul style="list-style-type: none"><li>- Strategic Oversight and clear governance arrangements in place;</li><li>- SCE Programme Board oversees all budget reduction projects.</li></ul>   | 5 | 3 | 15 | Treat | - Star Chamber oversight regarding saving reductions and undeliverable savings.  | 5 | 3 | 15 |  | Caroline Tote | 30.09.2020 Ongoing |
| <b>19. Commissioning and Performance</b> - A rising number of LA maintained schools are reporting financial deficits   | <ul style="list-style-type: none"><li>- Schools carrying significant financial deficits present a financial risk to the Council unless they are quickly supported to bring deficits back to a balanced budget position. This is a particular concern in relation to schools that might be required to become a sponsored academy following an Ofsted inspection.</li><li>- The LA has limited capacity to intervene in schools in deficit.</li></ul>  | <ul style="list-style-type: none"><li>- A School Finance Group meets monthly to receive reports on the current position in relation to school budgets.</li><li>- Schools receive letters requesting reassurances once deficits are notified and are required to apply for a licenced deficit in certain circumstances.</li><li>- An independent business manager is also appointed in some instances, to help the schools concerned address their budget deficits</li></ul>   | 4 | 4 | 16 | Treat | <ul style="list-style-type: none"><li>- Investigate further options such as additional capacity to support schools via more hours allocated for school business manager support.</li><li>- Undertake audits on this area of work and provide recommendations to the Education Board.</li></ul>   | 4 | 3 | 12 |  | Sue Welford   | 30.09.2020 Ongoing |
| <b>STRATEGIC AREA - Public Health</b>  |   |   |   |   |    |       |  |   |   |    |  |               |                    |
| <b>20. Budget - External Influences</b><br>External national imperatives without associated budget introduced which will impact on local delivery  | <ul style="list-style-type: none"><li>- Call on finances from NHS pay award</li><li>- Changes in financial call due to changes in clinical requirements/fluctuations in drug/treatment market prices</li><li>- Prioritisation / decommissioning / reduction of existing service delivery model</li></ul>  | <ul style="list-style-type: none"><li>- Internal decision making process</li><li>- Expertise within team to assess choices and inform management briefings / options appraisal</li><li>- Advocacy by Director Public Health (DPH) with national bodies</li></ul>  | 4 | 4 | 16 | Treat | <ul style="list-style-type: none"><li>- Political escalation</li><li>- Corporate responsibility</li><li>- Service &amp; budget planning</li><li>- Utilise partnership approach</li><li>- Explore alternative treatment/therapy options</li></ul>   | 3 | 4 | 12 |  |               | 01/08/20           |
| <b>21. Public Health - Budget Restrictions - Commissioning</b><br>Reduced budget for services impacts on financial viability to potential 3rd party contractors who may deem may package to be unsustainable. Providers could be come unsustainable following COVID 19 without an uplift or adjustment to the funding received from PH | <ul style="list-style-type: none"><li>- Loss of existing contractors unable to fulfil contracts within reducing financial envelope;</li><li>- Providers close down due to lack of funding required to keep services open</li><li>- May not be attractive to new providers during tenders; risk of failed procurement</li><li>- Loss of service provision;</li><li>- Impact on community who require service;</li><li>- Impact on NHS as demand increases for other services;</li><li>- Decreased morale;</li><li>- Reputational damage to LCC</li></ul> | <ul style="list-style-type: none"><li>- Bespoke procurement methods</li><li>- Briefing of lead members to highlight potential risks and consequences</li><li>- Internal decision making process</li><li>- Expertise within team to assess choices and inform management briefings / options appraisal</li><li>- Advocacy by Director Public Health (DPH) with national bodies</li><li>- Provider negotiations</li><li>- Working with internal departments (legal / procurement / contract management/ finance)</li></ul>  | 4 | 4 | 16 | Treat | <ul style="list-style-type: none"><li>- Continue with existing controls</li><li>- Explore joint commissioning (internal with LCC, and external with county and regionally)</li><li>- Implement management of change processes</li><li>- Accept new and novel approaches to commissioning including encouraging consortium applications and use of section 75</li></ul> | 4 | 3 | 12 |  | Ivan Browne   | 01/08/20           |
| <b>22. Public Health - Technology</b><br>Systems / technology not fit for purpose to support services and commercial objectives, lack of IT knowledge.   | <ul style="list-style-type: none"><li>- Inability to achieve savings targets</li><li>- Service delivery remains static or not effective</li><li>- Reduced morale of staff seeking organisational development and progress</li><li>- Reputational damage</li><li>- Lack of system integration</li><li>- Customer dissatisfaction</li><li>- Loss of income</li><li>- Legal challenges</li><li>- impact on customers and loss of income</li></ul>  | <ul style="list-style-type: none"><li>- Realistic business plans and objectives set based on current technology capabilities</li><li>- Project team involvement in new system deployment which impacts on service delivery</li><li>- Communications with service users to manage expectations</li><li>- Discussions with IT to understand potential development opportunities for systems in future</li><li>- Working with IT to ensure sufficient testing of new system takes place</li><li>- Scrutiny of current systems to review concerns</li><li>- SS Data Project Officer in place/ new tender for software provider undertaken</li></ul> | 4 | 4 | 16 | Treat | <ul style="list-style-type: none"><li>- Project group with IT to establish problems / limitations of current systems and review options on market as solutions</li><li>- Ensure adequate engagement of CCG/ HIS to ensure systems run as effectively as possible</li></ul>   | 3 | 3 | 9  |  | Ivan Browne   | 01/08/20           |

|   |   |  |   |   |    |       |   |   |   |    |             |                       |
|---|---|--|---|---|----|-------|---|---|---|----|-------------|-----------------------|
| <p><b>23. Budget Restrictions - Funding</b></p> <p>Ongoing austerity for Public Sector requires changes to service delivery to comply with available budget, continued reductions could force termination of services to ensure priority services remain available.</p> <p>Reserves and funding taken away from PH budget to support general council budget pressures following COVID 19</p> <p>Increased demand for public health services in response to COVID 19.</p> <p>Capital Costs increase beyond the approved budget creates service budget problems</p> | <ul style="list-style-type: none"> <li>- Change in service provision;</li> <li>- Lack of services to meet COVID 19 response and recovery programme</li> <li>- Decreased / ceased service /user contact;</li> <li>- Decreased / ceased service effectiveness;</li> <li>- Reputational damage;</li> <li>- Increased demand on other public services (primary / secondary health care / Social Care / Leisure Centres);</li> <li>- Risk of missing safeguarding issues;</li> <li>- Impact on council statutory duties;</li> <li>- Judicial review;</li> <li>- Central government intervention</li> <li>- Continued decline in condition of leisure centres/negative impact on customers and income</li> <li>- Unable to deliver leisure centre capital programme due to unaffordability</li> </ul> | <ul style="list-style-type: none"> <li>- PH Return to Central Government (Return On Investment (ROI))</li> <li>- Staffing restructure</li> <li>- Employing new commissioning and delivery model for key services</li> <li>- Invest to save opportunities explored</li> <li>- Internal briefings / decision making process</li> <li>- Political oversight</li> <li>- Articulating associated risks; through spending review process</li> <li>- Scrutiny</li> <li>- Clinical Governance Process in place</li> <li>- Monitoring to identify adverse effects</li> <li>- Maintenance Plans with EBS</li> <li>- Leisure Centre Capital Programme Revised Business Case</li> <li>- Alliance Leisure appointed via National Leisure Framework</li> </ul> | 3 | 5 | 15 | Treat | <ul style="list-style-type: none"> <li>- Continue with existing controls</li> <li>- Secure additional revenue e.g. income generation through commercial opportunities</li> <li>- Continue to explore a variety of potential local and national funding opportunities including commercial, government, academic, grant funding</li> <li>- Utilise in kind support/asset sharing where possible</li> <li>- Cross organisational opportunity review of priorities and resources</li> <li>- Further ROI Business Cases to fund capital improvement/improve income and customer experience</li> </ul> | 2 | 5 | 10 | Ivan Browne | 01/08/20              |
| <p><b>24. Public Health - Public Health - Contract Management</b></p> <p>Dilution of resources within Contract Management Service appear to impact on Public Health specific support for all elements of contract management</p>  | <ul style="list-style-type: none"> <li>- Delay in process leads to delay delivering identified actions</li> <li>- Current assurance practices are not sufficiently robust</li> <li>- Service delivery impact</li> <li>- Negative impact on service user</li> <li>- Reputational damage</li> <li>- Impact on PH team capacity</li> </ul>   | <ul style="list-style-type: none"> <li>- Management through performance review group and Quality and Governance Board;</li> <li>- Concern escalations;</li> <li>- Service ownership / involvement in contract meetings;</li> </ul>   | 3 | 5 | 15 | Treat | <ul style="list-style-type: none"> <li>- Ongoing provider/client satisfaction feedback</li> <li>- liaising with new contract managers to fully understand PH services</li> <li>- Plans in place to transfer contract management function from ASC to PH</li> </ul>  | 2 | 2 | 4  | Ivan Browne | 01.08.2020<br>Ongoing |

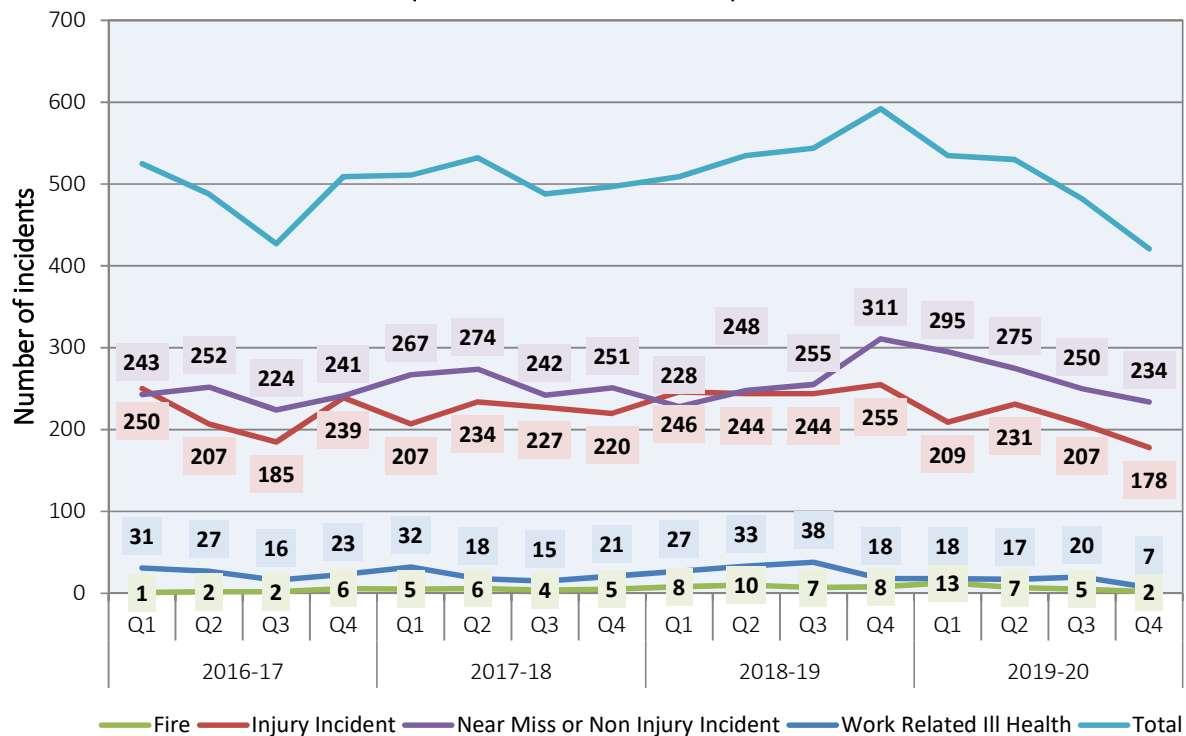


## Corporate number of incidents by incident type

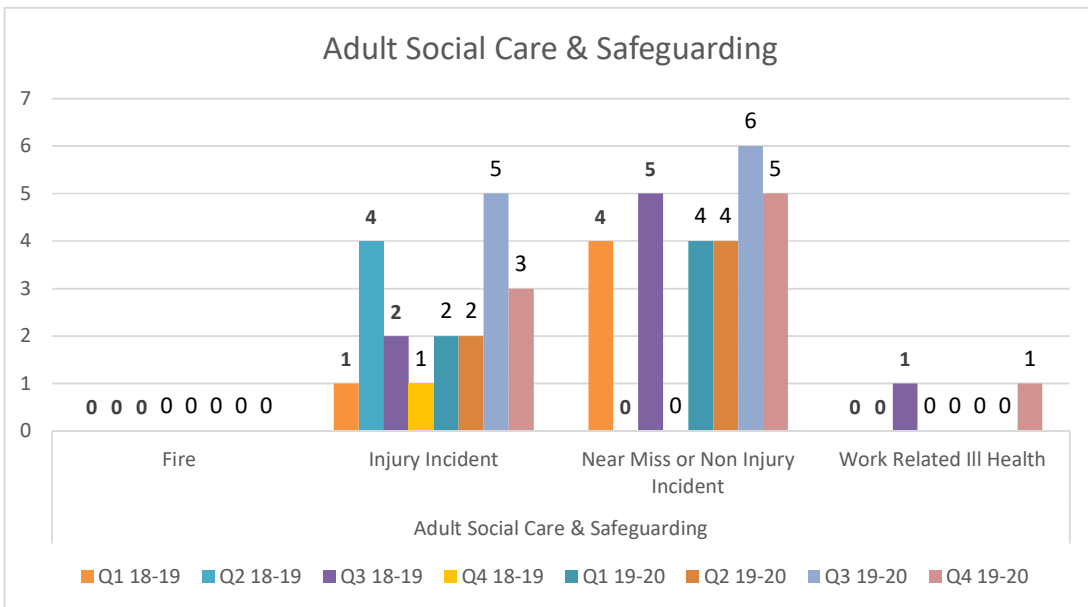
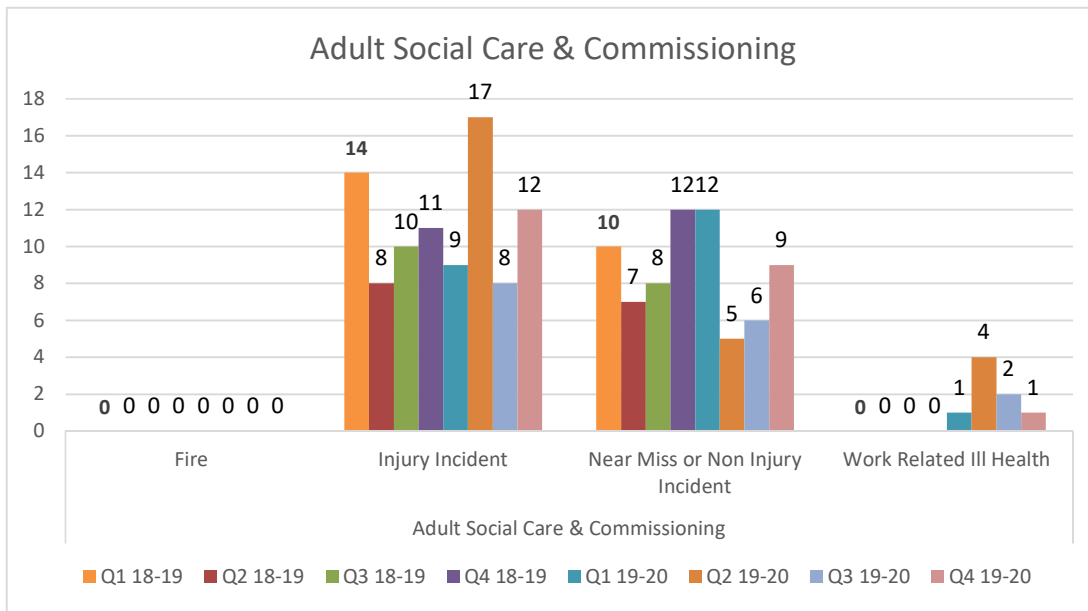
|         |    | Fire | Injury Incident | Near Miss or Non Injury Incident | Work Related Ill Health | Total |
|---------|----|------|-----------------|----------------------------------|-------------------------|-------|
| 2016-17 | Q1 | 1    | 250             | 243                              | 31                      | 525   |
|         | Q2 | 2    | 207             | 252                              | 27                      | 488   |
|         | Q3 | 2    | 185             | 224                              | 16                      | 427   |
|         | Q4 | 6    | 239             | 241                              | 23                      | 509   |
| 2017-18 | Q1 | 5    | 207             | 267                              | 32                      | 511   |
|         | Q2 | 6    | 234             | 274                              | 18                      | 532   |
|         | Q3 | 4    | 227             | 242                              | 15                      | 488   |
|         | Q4 | 5    | 220             | 251                              | 21                      | 497   |
| 2018-19 | Q1 | 8    | 246             | 228                              | 27                      | 509   |
|         | Q2 | 10   | 244             | 248                              | 33                      | 535   |
|         | Q3 | 7    | 244             | 255                              | 38                      | 544   |
|         | Q4 | 8    | 255             | 311                              | 18                      | 592   |
| 2019-20 | Q1 | 13   | 209             | 295                              | 18                      | 535   |
|         | Q2 | 7    | 231             | 275                              | 17                      | 530   |
|         | Q3 | 5    | 207             | 250                              | 20                      | 482   |
|         | Q4 | 2    | 178             | 234                              | 7                       | 421   |

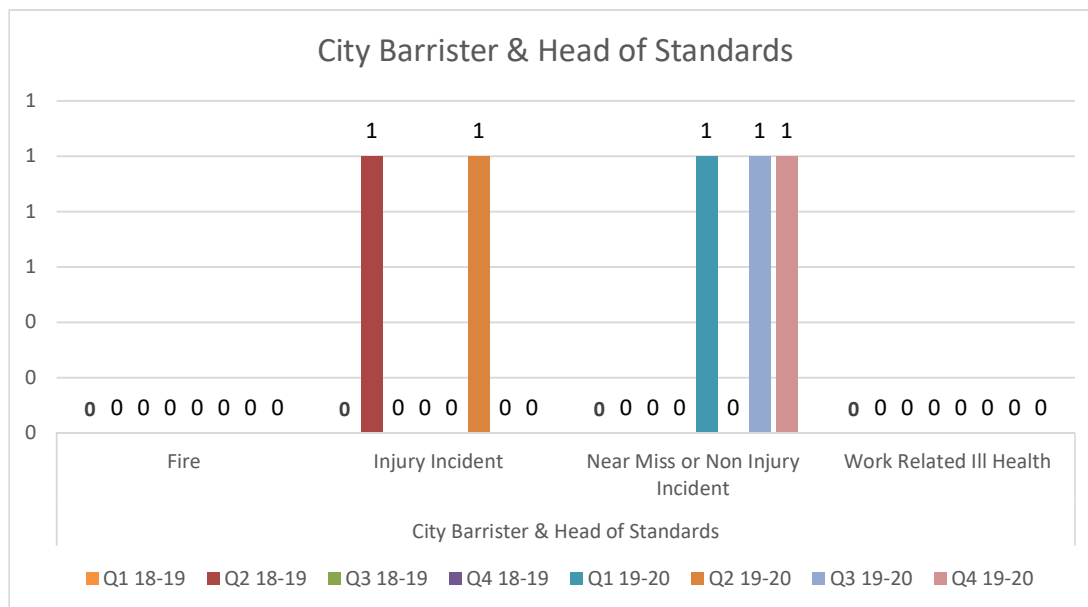
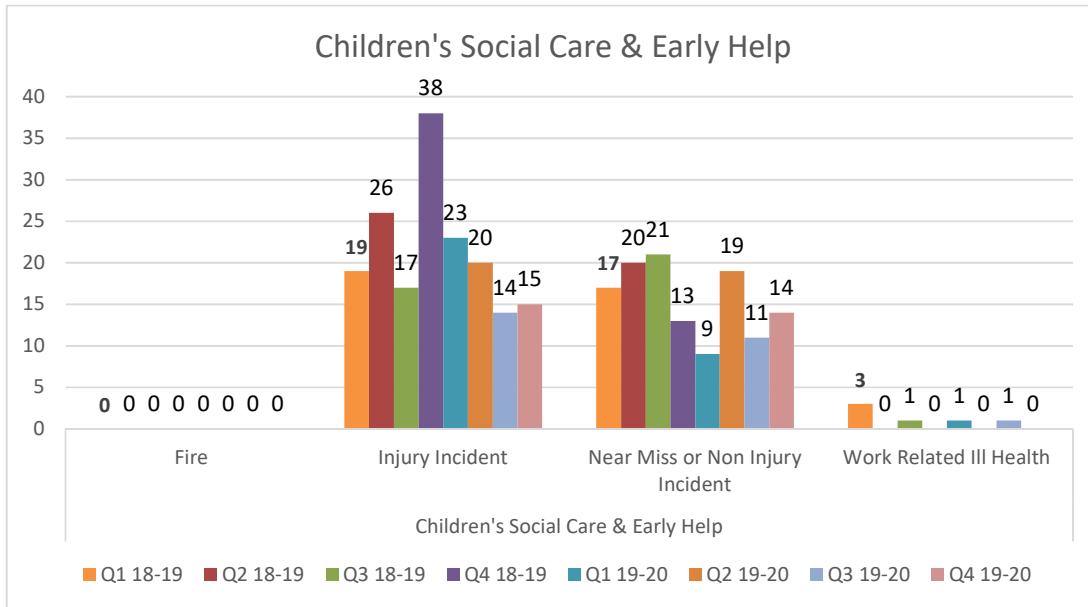
There has been a 13% decrease in overall incidents since the last quarter. When compared to the same quarter in 2018-19 there has been an 29% decrease overall.

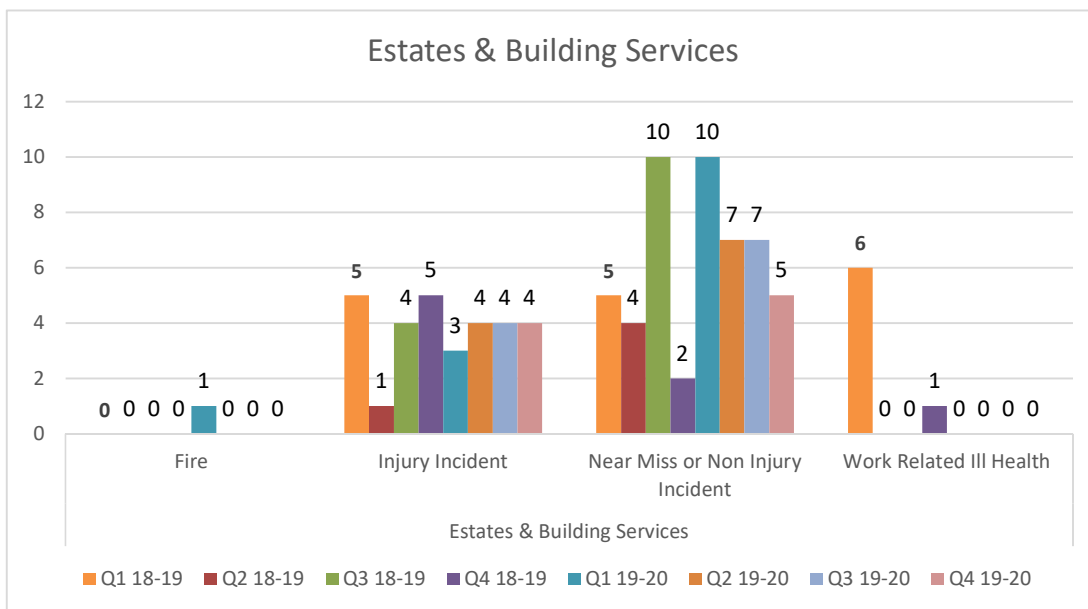
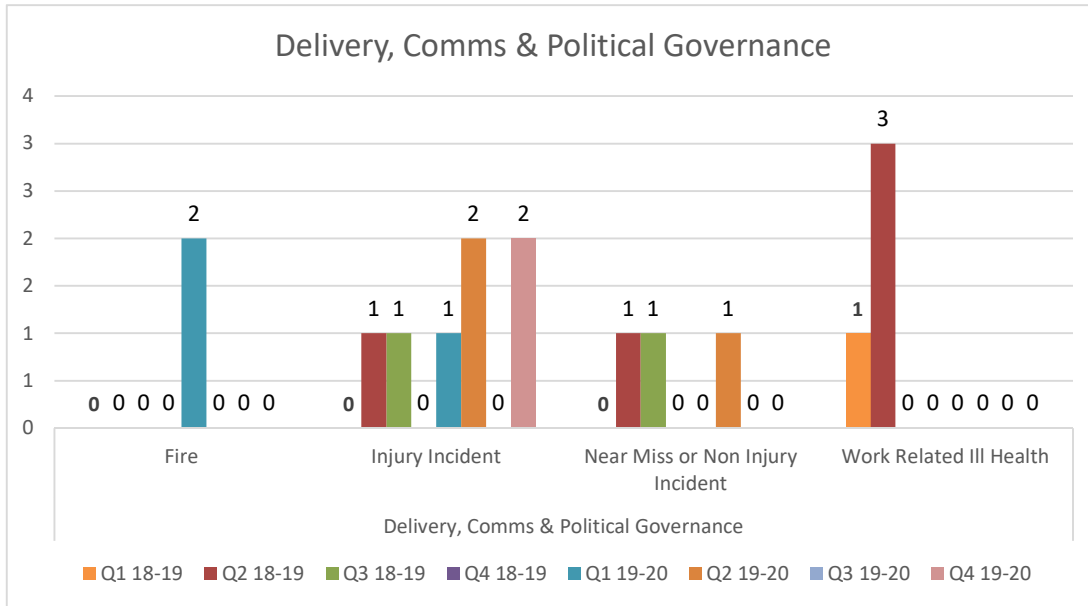
### Corporate number of incidents by incident type (Q1 2016-17 to Q4 2019-20)

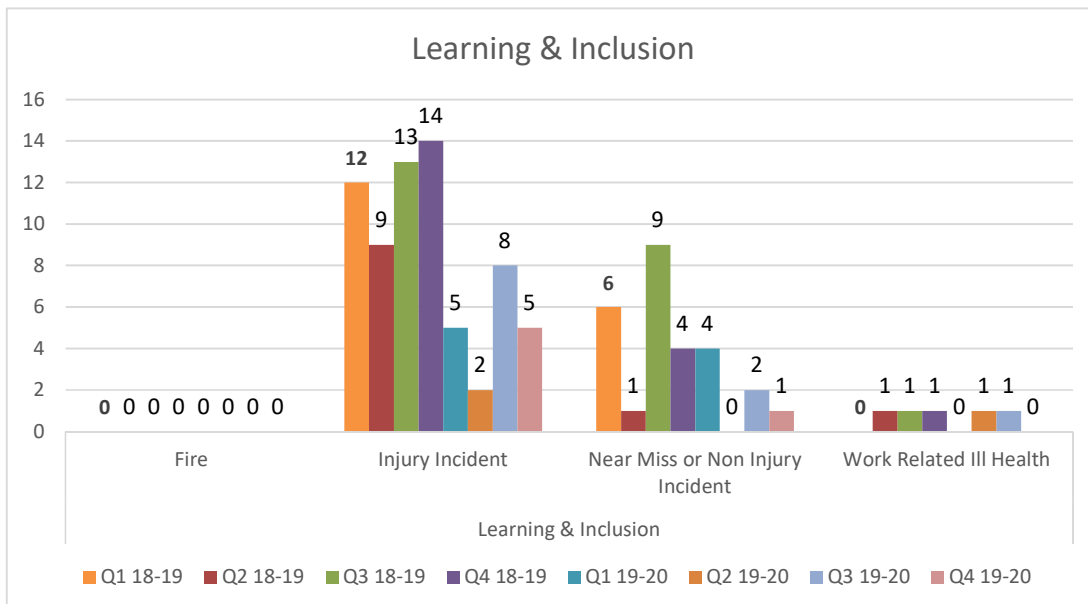
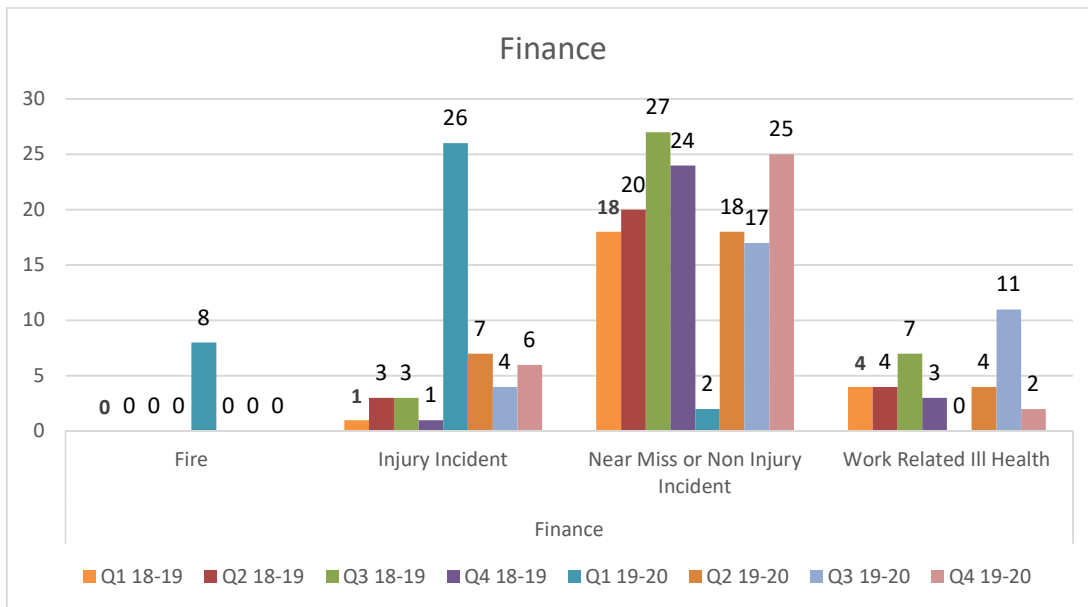


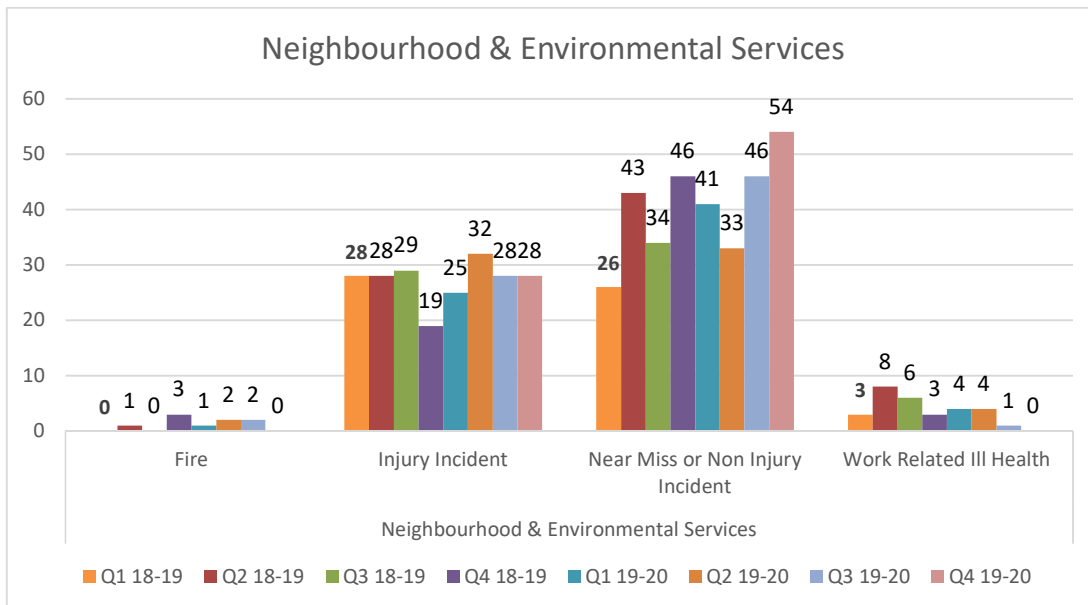
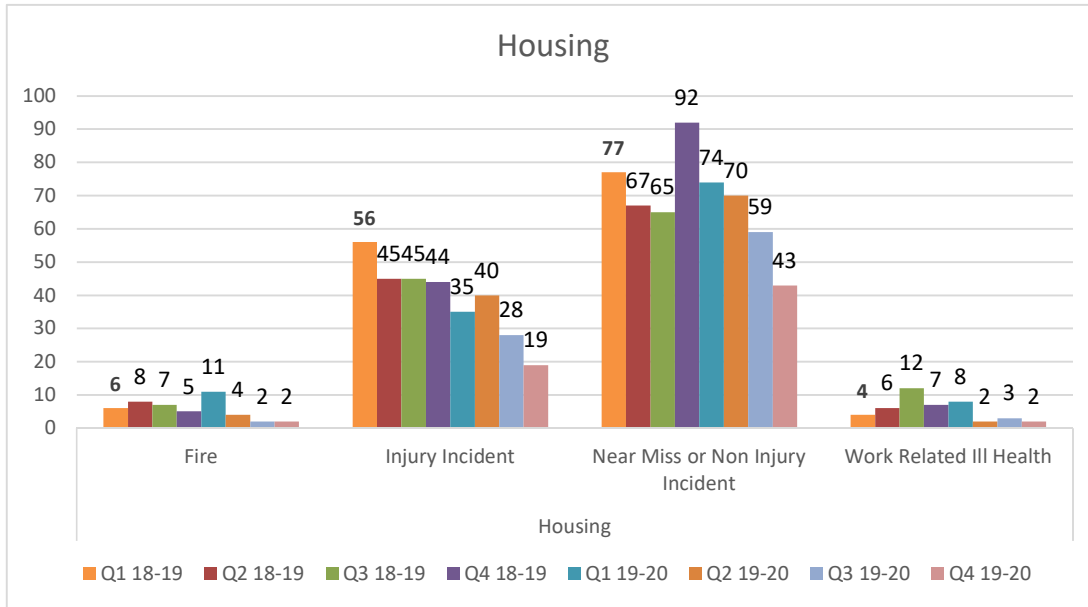
## Number of Incidents by Division by Incident Type



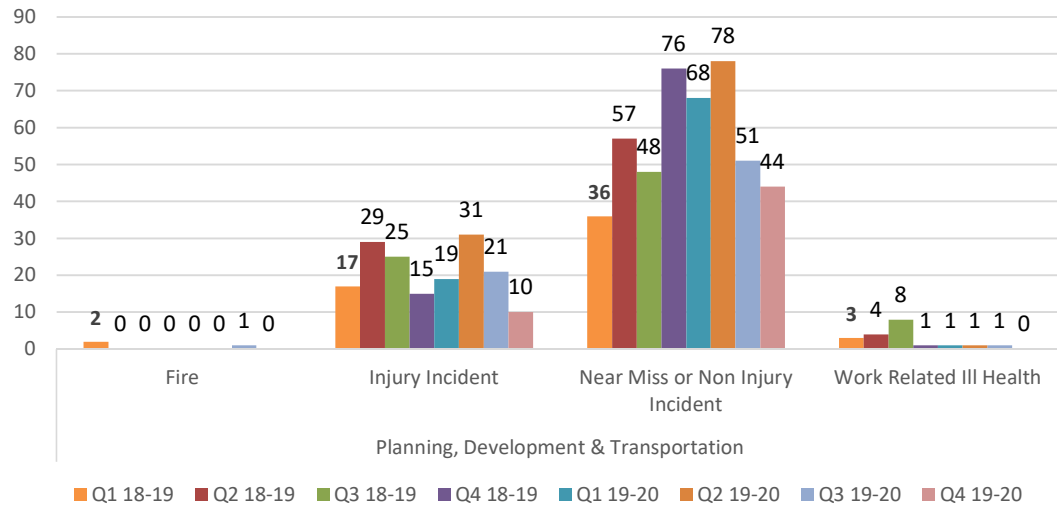




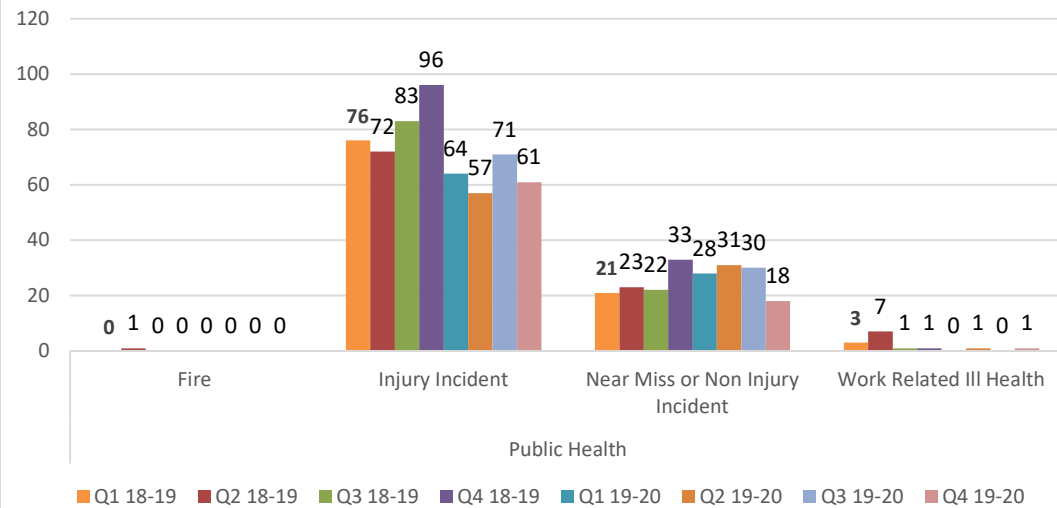


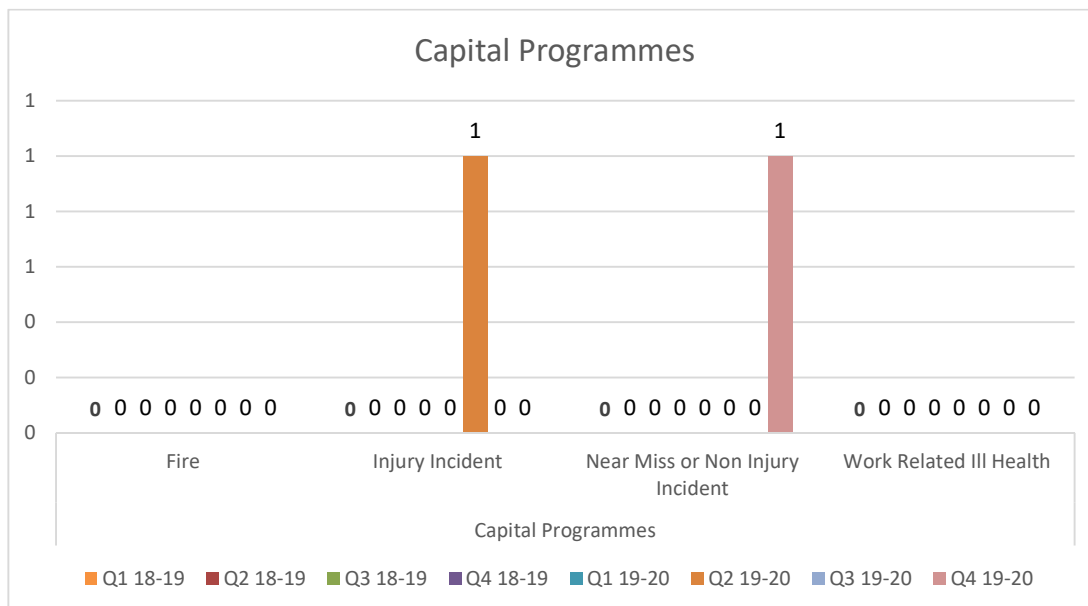
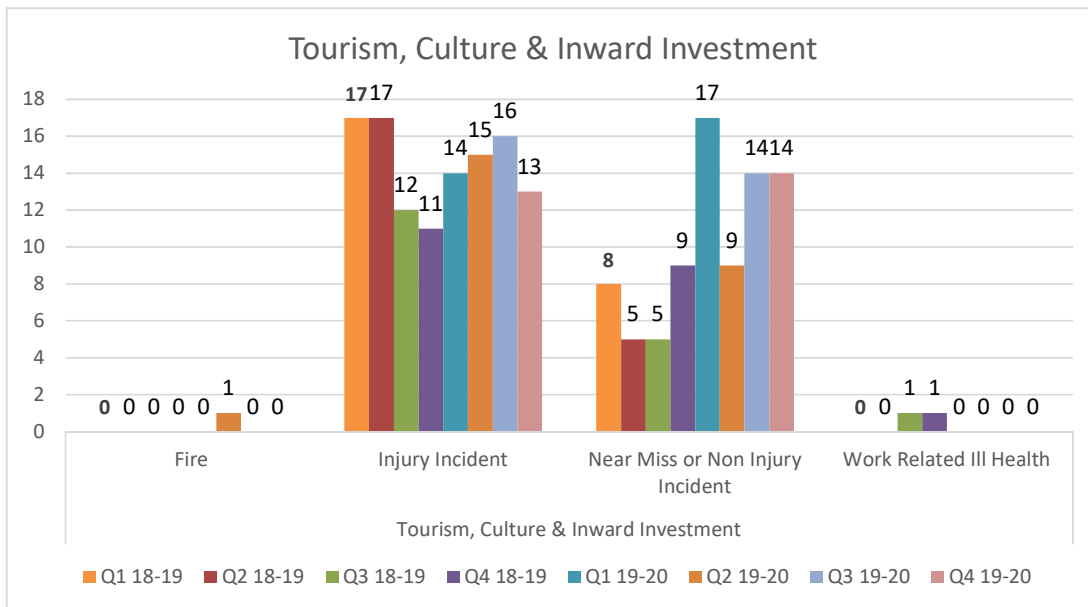


## Planning, Development & Transportation



## Public Health





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