



Leicester
City Council

MEETING OF THE AUDIT AND RISK COMMITTEE

DATE: WEDNESDAY, 10 FEBRUARY 2016

TIME: 5:30 pm

PLACE: Meeting Room G.01, Ground Floor, City Hall, 115 Charles Street, Leicester, LE1 1FZ

Members of the Committee

Councillor Patel (Chair)

Councillor Malik (Vice-Chair)

Councillors Alfonso, Hunter, Singh-Johal and Westley

One Labour Group vacancy

Two unallocated Non-Group Places

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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If you have any queries about any of the above or the business to be discussed, please contact Angie Smith, **Democratic Support** on (0116) 454 6354 or email Angie.Smith@leicester.gov.uk or call in at City Hall, 115 Charles Street.

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PUBLIC SESSION

AGENDA

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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

The Minutes of the previous meeting of the Audit and Risk Committee held on 2 December 2015 have been circulated, and Members will be asked to confirm them as a correct record.

4. APPOINTING YOUR EXTERNAL AUDITOR

Appendix B

The External Auditor submits a report which reminds the Committee that the current contract for the provision of External Audit services, which was due to expire at the end of audit year 2016/17, has been extended by one year and will now expire at the end of audit year 2018/19. The briefing advises the Committee of the options and how the process should work for the Council. The Committee are asked to note the report.

5. ANNUAL REPORT - CERTIFICATION OF CLAIMS AND RETURNS (GRANTS) - KPMG

Appendix C

The External Auditor submits an Annual Report for the Certification of Claims and Returns for 2014/15. The Committee are asked to note the report.

6. DRAFT INTERNAL AUDIT PLAN - 2016/17

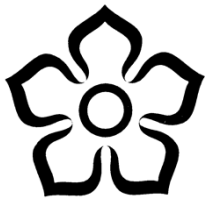
Appendix D

The Director of Finance submits to the Audit and Risk Committee the draft Internal Audit Plan for the financial year 2016-17. The Committee is recommended to receive the report, note its contents and seek clarification on any areas of the plan as required, make any recommendations or comments as it sees fit either to the Executive or Director of Finance, or approve the plan if the Committee have no significant changes to recommend.

7. RISK MANAGEMENT AND INSURANCE SERVICES [Appendix E](#)
(RMIS) UPDATE REPORT

The Director of Finance submits a report that provides the Committee with the regular update on the work of the Council's Risk Management and Insurance Services team's activities. The Committee is recommended to note the report, and make any recommendations or comments it sees fit either to the Executive or the Director of Finance.

8. ANY OTHER URGENT BUSINESS



Leicester
City Council

Minutes of the Meeting of the
AUDIT AND RISK COMMITTEE

Held: WEDNESDAY, 2 DECEMBER 2015 at 5:30 pm

P R E S E N T :

Councillor Patel - Chair
Councillor Malik - Vice-Chair

Councillor Alfonso
Councillor Hunter
Councillor Westley

Also present:

John Cornett – Director, KPMG LLP (UK)

* * * * *

38. APOLOGIES FOR ABSENCE

There were no apologies for absence.

39. DECLARATIONS OF INTEREST

There were no declarations of interest.

40. MINUTES OF THE PREVIOUS MEETING

RESOLVED:

That the minutes of the meeting of the Audit and Risk Committee held on 29 September 2015 be confirmed as a correct record.

41. INVOICE PAYMENT DATA

The Director of Finance submitted a report providing the Committee with an overview of the timeliness of invoice payments the authority made to its suppliers of goods and services.

It was noted that work was ongoing with suppliers and managers to introduce a

“No Purchase Order, No Pay” ethos. To achieve this, a purchase order needed to be raised for all goods and services purchased. The supplier should then use the purchase order reference on their invoice. This would make it easier to match the invoice to the relevant purchase order and pay the invoice.

The Committee noted that it was not possible to assess the effectiveness of the work recently undertaken to meet the Executive pledge to improve payment terms for small local business. It therefore was suggested that a further report could be made to the Committee in 6 months’ time, when more information was available.

Concerns were raised by Members that staff errors, such as entering invoice numbers incorrectly, could create problems with paying invoices. However, it was noted that a scanning facility had been introduced, which read the information required. It therefore was not necessary for staff to enter information manually. Validation processes were in place, to ensure that the system was working correctly.

The Head of Business Centre reported that small businesses had been advised of the Council’s intention to pay their invoices within 21 days, but no reaction to this had been received. It could be difficult to identify which businesses should be categorised as small, but this was being done on the basis of the number of staff employed and turn-over. When new suppliers were set up on the finance system, it required officers to enter information on how big the company was, so that the correct payment terms could be applied.

RESOLVED:

- 1) That the work recently undertaken to meet the Executive pledge to improve payment terms for small local businesses be noted; and a follow up report be submitted in six months’ time; and
- 2) That the Head of Business Centre be asked to submit an analysis of the success of the “No Purchase Order, No Pay” policy to the Committee in six months’ time.

42. CORPORATE COMPLAINTS (NON-STATUTORY)

The Director of Finance submitted a report updating the Committee on progress with the new corporate non-statutory complaints process and reporting the quarterly non-statutory complaints figures.

The Committee noted that:-

- A statutory process needed to be followed for complaints about adult social care and children’s services. The non-statutory complaints process therefore applied to all other services, including housing;
- The new system would be implemented at the end of January 2016;

- A web portal would facilitate customer access to the new complaints procedure;
- The new process was being introduced as part of the Customer Services transformation programme;
- When the non-statutory complaints process was established, consideration would be given to incorporating Member and Mayoral complaints and enquiries in to it;
- It was not possible to interrogate the current electronic non-statutory complaints system to obtain details of complaints on a Ward basis, but it would be possible to get this information from the new system;
- The first quarterly statistics under the new electronic for non-statutory complaints process would be available in the summer of 2016;
- Officers were working with the designers of the new electronic system to ensure that it supplied the information required to monitor these complaints appropriately;
- Officers against whom complaints were made were investigated and Human Resources procedures were invoked as necessary in response to the findings of the investigations; and
- All Councillors would be advised of the forthcoming changes to the non-statutory complaints process before it went live.

RESOLVED:

That the report be noted.

43. PROCUREMENT UPDATE 2015/16

The Director of Finance submitted a report to the Committee on the updated 2015-16 Procurement Plan.

The Head of Procurement advised the Committee that:-

- Contract Procedure Rules had been updated earlier in the year to reflect the changes made to the Council's Procurement Plan;
- EU Thresholds had been recalculated, but had only reduced by approximately 5%. This was less than had been expected, but still meant that the contracts that had to be advertised Europe-wide would now be of lower values than those that previously had to be advertised in this way;
- Where possible, large contracts were split, to try to attract tenders from smaller businesses. However, some needed to remain as one contract, in order to be managed appropriately. Each contract was considered on an

individual basis to determine whether it should be split; and

- It could cost more to manage a large number of suppliers if a contract was split, but some smaller suppliers could have lower overheads, resulting in lower tenders being submitted.

RESOLVED:

That the report be noted.

44. ANNUAL AUDIT LETTER 2014-15

The External Auditor submitted the Annual Audit Letter 2014/15, which summarised the key findings from the 2014/15 audit of Leicester City Council and set out the audit fee for 2014/15.

John Cornett, Director of KPMG, introduced the report. He drew Members' attention to the qualified value-for-money conclusion that had been issued for 2014/15. This was due to the report issued in March 2015 by the Office for Standards in Education that concluded that the Council's children's services were inadequate.

The Committee noted that the audit fee for 2014/15 was higher than planned, due to additional work needed in relation to the value for money issues.

An unqualified opinion of the 2014/15 accounts had been issued.

RESOLVED:

That the report be noted.

45. EXTERNAL AUDIT PROGRESS REPORT AND TECHNICAL UPDATE - OCTOBER 2015

The External Auditor submitted a report providing an overview on progress in delivering the responsibilities of external auditors. The report also highlighted the main technical issues that currently were having an impact in local government.

John Cornett, from KPMG, introduced the report. Members noted that planning for the 2015/16 audit was underway, which needed to take account of work required following the report issued in March 2015 by the Office for Standards in Education that concluded that children's services were inadequate.

Mr Cornett explained that two criteria, one relating to financial resilience and one to economy, efficiency and effectiveness had been merged in to one criterion and several sub-criteria. Consideration was being given to the implications of this change, but it was felt that the total amount of work required would not change.

The external auditors would continue to work with Council officers to identify changes and would report these to the Committee through the Audit Plan. As

audit fees were set until the end of the external auditors' contract, the changes would not affect these.

The Committee noted that the date for publishing final accounts was changing from the end of August to the end of July. Work therefore needed to be programmed to take account of this.

2015/16 was the fourth year of a five year contract originally let by the Audit Commission. The Department for Communities and Local Government (DCLG) had extended this contract for one year, but had advised that it could not be extended beyond this. The Council therefore would need to undertake a procurement exercise to appoint its own external auditors to start 1 April 2018.

It was possible that the DCLG would ask someone to run a procurement exercise for all local authorities, but no details were known yet, including whether local authorities would have to pay to participate. Mr Cornett confirmed that there was interest amongst local authorities in undertaking joint procurement on a county or regional basis.

Members noted that the government had announced that a two pence increase in Council Tax could be levied as a ring-fenced contribution to Adult Social Care. Some concern was expressed that this was unfair on people who did not use the services, but the Committee was reminded that all Council Tax payers already paid for the service irrespective of whether they used it.

In respect of the project on highways network asset accounting, the Head of Internal Audit and Risk Management reported, on behalf of the Director of Finance, that the following developments had occurred in recent days:-

- a) The Chartered Institute of Public Finance and Accountancy (CIPFA) had revised its implementation plan, so the first applicable date now was 1 April 2016, (not 1 April 2015 as stated in the report). This was beneficial, in that it reduced the work required whilst achieving the same outcome and allowed the Council to prepare more thoroughly;
- b) CIPFA was working with the audit profession on some key aspects of this change, including materiality, which added uncertainty. However, a KPMG technical expert had stated that he thought there was a compelling case for auditors to take a wider and qualitative view of materiality in respect of infrastructure assets than they did for the rest of the Statement of Accounts. This was because the figures involved were very large, but even quite large variances would not have the same impact on users of the accounts as they would in other contexts. This interpretation would be pragmatic and helpful for this Council if it prevailed;
- c) Officers from Finance and Highways were working together on getting ready for this project and already had started testing and analysing the data held in the Council's systems. Initial reviews generally were encouraging in terms of the Council's ability to meet the data requirements easily; and

- d) Discussions had been held with KPMG on providing assurance on this work prior to the 2016/17 accounts, but further updates would be scheduled in the light of the changes outlined above.

RESOLVED:

- 1) That the report be noted; and
- 2) That the external auditors be asked to present a report to the next meeting of this Committee on proposals for the mass procurement exercise for the appointment of local authority external auditors, if the information is available in time.

46. COUNTER FRAUD / HOUSING AND COUNCIL TAX FRAUD- HALF-YEARLY UPDATE REPORT FOR THE PERIOD 1 APRIL 2015 TO 30 SEPTEMBER 2015

The Director of Finance and the Director of Local Services and Enforcement submitted a joint report providing the Committee with information on counter-fraud activities between 1 April 2015 and 30 September 2015.

Members noted that:-

- Discussions were ongoing with the Department for Work and Pensions (DWP) regarding the transfer of benefit fraud staff from the Council to the Single Fraud Investigation Service (SFIS). The effective date of transfer was 1st March 2015;
- Work was underway on developing and re-designing performance statistics for submission to this Committee. These would be available by the end of the year, so would be included in reports at the appropriate time;
- The new electronic case management system used by the Corporate Investigations team mirrored the one used to identify Benefit fraud and enabled data to be interrogated to a greater degree;
- Overpayments of Housing Benefit and Council Tax Benefit accounted for less than 1% of benefits expenditure by the Council;
- Recovery of overpaid Housing Benefit and Council Tax Benefit was sought, with the Proceeds of Crime legislation being used where appropriate. In this way, the Overpayments team recovered the majority of the benefits overpaid;
- The amounts of overpaid Housing Benefit and Council Tax Benefit discussed in the report related to cases of proven fraud;
- It was recognised that mistakes could be made, but the number of compensation payments made was very low in relation to the number of cases. The amount of compensation paid was calculated on a sliding

scale; and

- A local version of the national Changing Circumstances campaign was being carried out, reminding those receiving benefits to tell the Council of any changes to their household circumstances.

RESOLVED:

That the report be noted.

47. INTERNAL AUDIT CHARTER

The Director of Finance submitted an updated version of the Council's Internal Audit Charter, revised in line with the Accounts and Audit Regulations 2015.

RESOLVED:

That, as the updated Audit Charter accurately reflects the terms of reference of the Internal Audit Service, the updated Audit Charter be approved.

48. PUBLIC SECTOR INTERNAL AUDIT STANDARDS AND QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME

The Director of Finance submitted a report setting out the results of a self-assessment of conformance to the Public Sector Internal Audit Standards and the associated Quality Assurance and Improvement programme.

RESOLVED:

That the report be noted.

49. INTERNAL AUDIT - 3RD AND 4TH QUARTER OPERATIONAL PLANS 2015-16

The Director of Finance presented the Internal Audit operational plans for the third and fourth quarters of the financial year 2015-16.

The Committee noted that interviews had been held for the vacant IT Auditor post and an offer made. It was hoped that the person could be in post in early January 2016.

It was noted that other meetings would review the action plan arising from the report issued in March 2015 by the Office for Standards in Education (Ofsted) regarding children's services. However, it was suggested that the outcomes of subsequent inspections of cases by Ofsted could be reported to this Committee.

An additional 18 risks had been identified and included in the Children's Divisional Operational Risk Register. The Register also had been updated to reflect comments previously made by the Committee. A sub-register had been established to look at specific risks.

Having considered the report submitted, Members suggested that it could be useful to have “traffic light” system to help identify the highest risks. However, officers advised that the items suggested for inclusion in the Operational Plan tended to be the highest risk items in the Operational Risk Register.

RESOLVED:

- 1) That the Internal Audit operational plans for the third and fourth quarters of 2015/16 be noted;
- 2) That the Strategic Director Children’s Services be asked to report the outcome of the recent visit to the Council by the Office for Standards in Education in relation to the Action Plan for improvements to Children’s Services to this Committee; and
- 3) That the Risk Register for Children’s Services be submitted to the Committee in February 2016, along with the Operational Risk Register.

50. RISK MANAGEMENT AND INSURANCE SERVICES - UPDATE REPORT

The Director of Finance submitted a report giving the regular update on the work of the Council’s Risk Management and Insurance Services team’s activities.

The amount of risk management support and advice being given was welcomed, as this showed that proper consideration was being given to risk management. In addition, any officers undertaking risk assessments were required to complete the Council’s training course. The impact of this training was being seen in the improved management of risk and the subsequent reduction in the number of claims being received by the Council. The training plan is attached at the end of these minutes for information.

The Committee noted that the ALARM/CIPFA Risk Management Benchmarking Club 2015 Draft Report for this Council, which had been circulated with the agenda, had now been finalised. No changes had been made to the version circulated. Members also noted that this was the final time that this report would be made annually. In future, it would be made triennially, in rotation with reports on insurance and Internal Audit.

In reply to a question, Members noted that, when a court case relating to a claim against the Council was successfully defended, the Council was awarded its costs.

The Committee welcomed the progress made in risk management in the Council.

RESOLVED:

- That the report be received and noted.

51. CORPORATE RISK MANAGEMENT STRATEGY 2016

The Director of Finance submitted a report advising the Committee of the support of the Corporate Management Team for the updated Risk Management Strategy and Policy Statement.

The Committee noted that there were no major incidents to report this year, but out-of-date forms were still being used in some parts of the Council to report incidents. Directors had been asked to ensure that the correct forms were used

It also was noted that the Risk Management Strategy would be presented to the Executive on 10 December 2015 for consideration. The Strategy would be submitted to this Committee for approval in due course

RESOLVED:

- 1) That it be noted that the Corporate Management Team has approved the 2016 Corporate Business Continuity Management Policy Statement and Strategy;
- 2) That it be noted that the Executive will be asked to agree the 2016 Corporate Business Continuity Management Policy Statement and Strategy on 10 December 2015; and
- 3) That this Committee be advised of the completion of the process referred to in 1) and 2) above in February 2016.

52. CORPORATE BUSINESS CONTINUITY MANAGEMENT POLICY AND STRATEGY 2016

The Director of Finance submitted a report advising the Committee of the support of the Corporate Management Team for the latest update to the Business Continuity Management Policy Statement and Business Continuity Management Strategy.

Members noted that the Council had already planned for an incident on the scale of the recent terrorist attacks in Paris. This included a series of presentations that the Resilience Manager had given to staff and reminder cards for procedures in different types of incidents being placed in strategic locations around the building.

The Committee welcomed the news that the Council had been short-listed for an Institute of Risk Management global award for business continuity in adversity.

RESOLVED:

- 1) That it be noted that the Corporate Management Team has approved the 2016 Corporate Business Continuity Management Policy Statement and Strategy;

- 2) That the Executive will be asked to agree the 2016 Corporate Business Continuity Management Policy Statement and Strategy on 10 December 2015;
- 3) That this Committee will be advised of the completion of the process referred to in 1) and 2) above in February 2016; and
- 4) That the Resilience Manager be asked to arrange for all Councillors to receive training on actions that should be taken should serious incidents occur.

53. INTERNAL AUDIT REVIEW - VERBAL UPDATE

The Head of Internal Audit and Risk Management gave a verbal update on the recent organisational reviews of Internal Audit and the Risk Management & Insurance Services.

He explained that, following the review of Internal Audit, two posts had been removed from the establishment and some posts had been downgraded. These changes had come in to effect on 23 November 2015.

The review of Risk Management and Insurance Services had started three weeks ago. The consultation had closed on 27 November 2015 and a meeting with the trades unions had been held on 1 December 2015. It was anticipated that the proposed changes to the staffing structure would enable a Risk Manager to be appointed.

The Audit Manager confirmed that he would be leaving his post at the end of December 2015. On behalf of the Committee, the Chair expressed Members' appreciation of the work he had done and the support and guidance he had provided.

54. PRIVATE SESSION

RESOLVED:

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 involved 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 was considered that the public interest in maintaining the information as exempt outweighed 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)

This report concerned the strength of internal controls in the City

Council's financial and management processes and included references to material weaknesses and areas thereby vulnerable to fraud or other irregularity.

55. INTERNAL AUDIT UPDATE REPORT FIRST AND SECOND QUARTERS 2015-16

The Director of Finance presented a summary of Internal Audit work completed in the first and second quarters of the financial year 2015-16, (1 April to 30 September 2015). The report included information on the progress made by the Council in implementing recommendations arising from reports issued by Internal Audit, as well as information on Internal Audit reports in which low assurance levels had been given and where there were material concerns.

The Audit Manager confirmed that:-

- Assurance levels currently were slightly higher than they had been; and
- Assurances had been received that all recommendations in the Internal Audit report highlighted had been implemented, including those related to previous problems that were the responsibility of the supplier.

RESOLVED:

That the issues identified in the report be noted.

56. CLOSE OF MEETING

The meeting closed at 7.00 pm

RMIS Training Programme 2016

Below are details of the Risk Management and Insurance Services (RMIS) Training Programme for 2016. If you wish to attend these sessions, they are available now for you to book through the Myview pages of Corporate Workforce Development enter the date and the 'link word' below. As with any training, please discuss with and seek your manager's approval before booking. Most of the sessions are limited to 25 attendees and the majority of our sessions have been over-subscribed in each of the last six years, so bookings will be on a 'first come, first served' basis.

All of the sessions will take place in City Hall. All sessions will start promptly at 9.30. Most of the sessions run for no more than two hours and finish times are dependent upon the numbers attending and their inter-action and involvement, but will be no later than 12 noon.

January; February; March or April; May; June; September; October; November.

Identifying and Assessing Operational Risks [key word on my view: [Ident](#)]

Since October 2014 this session is mandatory for all staff that will complete an operational risk assessment or risk register. Anyone completing a risk assessment that has not been on this training recently may be exposing the Council to a potential uninsured loss. If in doubt – ask!

This course covers the process of Operational Risk identification and assessment and will touch upon identification of mitigating controls. The session includes an outline of the Council's Risk Management Strategy and Policy and how it affects your role. The session is targeted at everyone who manages operational risk (manage staff; manage buildings; manage contact with service users or the general public) in their day to day role – all tiers of staff from Director's down – and those that let Council contracts. The course will lead you through the agreed risk reporting process here at LCC and allow you to identify your role within that process. There is also a practical exercise that ensures staff leave this session confident in completing the Council's risk assessment form.

Dates to be advised once availability of Zurich Consultants is confirmed Contract Risk Management (delivered by Zurich Municipal Risk Consultants) [key word on my view: [contract](#)]

Staff requiring this session must have been on the 'Identifying and Assessing Operational Risk' training above.

The aim of the session is to review how the management of contracts and projects can aid in assessing and mitigating organisation's risk. The objectives are to ensure attendees understand how to minimise the risk to the organisation when entering into contracts; assist in identifying the key areas of

risk within contracts; highlight the benefits of managing contract/partnership risk; and, how on-going contract and partnership management heightens organisational risk awareness and mitigates organisational risk. This session is specific to contract risk and, as a natural pre-cursor, it will be of benefit to have attended the Identifying and Assessing Operational Risk training above.

February; March or April; May; October

Business Continuity Management [key word on my view: *business*]

A guide to what you need to develop Business Continuity Management within your Service/work areas. It explains the difference between managing business continuity and merely writing your plan. This will allow you to manage unexpected incidents and get back to delivery of your 'business as usual' service in the event of unforeseen circumstance. This session is aimed at anyone who has a responsibility for a building or staff; has responsibility for delivery of a service and, therefore, needs to have a Business Continuity Plan or would be part of a recovery team needed to restore an affected service after an incident. The session also outlines the Council's Business Continuity Strategy and Policy and will explain how that might affect you and your work and has a step-by-step guide to completing the Council's BCP pro-forma. This session needs to be attended by all Heads of Service and their senior management to ensure that, in the event of a serious, unexpected incident, the Council will continue to operate.

April or May

Guide to Corporate Manslaughter Legislation [key word on my view: *manslaughter*]

This session will provide a brief insight into the recent changes to legislation in this area and its potential impact on the Council and its management. This session is aimed at Directors, Heads of Service, managers and staff that make decisions. The session explains how the recent changes in legislation may lead to more staff, at many different levels, being prosecuted for breaching Health and Safety regulations and will help you to avoid this risk. Hopefully, this session will help keep you out of prison!

March; October

Insurance and Indemnity Limits/Incident Reporting [key word on my view: *indemnity*]

This session will discuss what the Council's Insurance policies cover; details of regular types of claim that the RMIS team deal with and how claims can be avoided, or their impact lessened; how to calculate the minimum Corporate Indemnity limits for your contracts or third parties and why they are necessary. The session is aimed at all procuring managers or managers and staff responsible for entering into contractual agreements (including funding agreements) with third parties. The session will also outline, in simple terms, the implications for the Council, and you personally, if you get these wrong in any of your contracts.

We will then explain the types of incidents that need to be reported to RMIS and/or the Council's insurers; why we need to know; and, the potential consequences for you if we don't – there will be no insurance cover and your departmental budget will have to cover any claim (which can run into thousands of pounds!). Session is aimed at Managers and senior staff who are likely to have responsibility for delivery of services to Service Users/members of the Public or who manage and have responsibility for the health and safety of staff or manage buildings.

Personal/Bespoke Sessions

We accept that, due to staff constraints and timing of leave, it may not be possible for all of your staff with a need to attend these training courses to attend one of the dates above. We continue to offer all of our training to specific groups of staff at times and locations to suit you. All of our training can be condensed to fit whatever time you have available. We can also focus on your own service area's needs and objectives when delivering this training to a bespoke Group of staff. Please be aware that we are a small team and it may be that such a session may take weeks rather than days to be arranged.

Please contact Sonal Devani (sonal.devani@leicester.gov.uk), 454 (37) 1635 or Tony Edeson (tony.edeson@leicester.gov.uk), 454 (37) 1621 if you would like to discuss a bespoke session.

Thank you for your time taken to read this and we hope that we may be of assistance to you in meeting identified training needs of your staff, whilst at the same time protecting the Council's most valuable asset – you and your staff.

Tony Edeson
Head of Internal Audit and Risk Management



cutting through complexity

Appointing your external auditor

Considerations for the local government sector

Leicester City Council

January 2016



Appointing your external auditor

Background

In August 2010 the then Secretary of State for Communities and Local Government, Eric Pickles, announced that he intended to close the Audit Commission, the body that appointed external auditors to Local Government and NHS organisations (excluding Foundation Trusts). As part of this announcement, he also stated that organisations whose appointments were previously controlled by the Audit Commission should have the freedom to appoint their own external auditors.

The Audit Commission closed on 31 March 2015. At that time contracts were already in place for local government and NHS external audit appointments that covered audits up to and including the financial year 2016/17. Within these contracts there is an option to extend for a maximum of three further years, i.e. up to and including the financial year 2019/20.

∞
A consultation exercise with key stakeholder groups has recently been concluded on whether, and if so for how long, to extend these contracts. The Government decided that for local government bodies the contracts will be extended by one year, so incorporating the audit of the 2017/18 financial year. Contracts for NHS bodies will not be extended.

What does this mean for Leicester City Council?

This decision means that you will assume the power to appoint your external auditor from the 2018/19 financial year onwards. This will be the first time you have made such an appointment. External auditors provide an important professional service and play a critical role in the stewardship of public spending, so it is vital that this new decision making power is exercised after careful consideration on how to proceed. Whilst you have different options open to you on how to approach this new power, you will need to comply with some specific requirements.

Appointing your external auditor

What should Leicester City Council be considering?

In deciding what to do there are a number of considerations.

Do your current external auditors provide you with a good service?	If yes, do you need to change? If no, now you have an opportunity to do something about it.
How could we procure an external audit service to ensure we get best value?	You will have a number of options on how and when to procure your external audit service – these are summarised later in this document. Given the range of options it will be important to consider the best approach for your organisation.
What do we need to do before we start a procurement process?	The new regulations require you to have an Audit Panel, which will be responsible for recommending who your external auditor should be. This Panel must include a majority of independent (i.e. not elected) members and an independent chair. It makes sense for the Panel to have links with your audit committee.
When do we need to undertake a procurement exercise?	The regulations require you to have appointed your external auditor by 31 December in the year preceding the year of audit. As 2018/19 is the first year of these new arrangements, you will need to have appointed your auditor by 31 December 2017. You will need to undertake whatever procurement process you follow in good time – sometime between the Spring and Autumn of 2017. And before doing that you will need to have established your Audit Panel – by early 2017 would be sensible.
Who can we appoint to be our external auditor?	You will only be able to appoint an audit firm that has been authorised by the ICAEW to undertake ‘local audit work’. Local government auditing is highly specialised and you will need to ensure that your auditor has the necessary capability, experience and capacity to fulfil the statutory duties of a local government auditor.

Appointing your external auditor

Procurement options

Although local government bodies will all assume the same power to appoint their external auditor, it is likely that various options will be followed on how they go about doing this. The main options are set out below.

Re-appoint incumbent auditor	One option might be to continue with your current audit provider for a short period, say between one and three years. This would delay testing the market, although you could benchmark proposed fees for reasonableness against published data or by comparing to similar bodies. This would provide stability of service in the short term and also avoid the 'rush to market' as large numbers of local authorities undertake procurement exercises within a short period of time, allowing you to procure later in a more settled audit market.
Stand-alone tendering	As with any other service, you could run your own procurement process. This allows complete autonomy over how and when you want this to be done, although you will need to ensure you follow the Regulations and consider any guidance issued by DCLG or other relevant bodies. However, you should consider whether you will have sufficient purchasing power on your own to obtain best value.
20 Combined procurement	You could join together with one or more neighbouring authorities to undertake a collective procurement exercise. This would enhance your purchasing power, but would diminish your autonomy over the process and you would need to consider how to retain sufficient sovereignty over decision making and whether this might complicate auditor independence considerations.
Existing frameworks	You could use one of the many existing government or public sector frameworks. These list firms who have already been shortlisted and therefore might speed up the process. You will need to ensure that the firms on any framework have been authorised by the ICEAW for local audit work, however.
Sector led procurement	The new audit legislation allows for a sector-led body (referred to as a 'specified person' in the Regulations) to undertake a bulk procurement process. If such an organisation emerges then this option provides an administratively easy route and would most likely have the greatest element of specialist audit procurement expertise. It would also provide good purchasing power, although with less autonomy than some other options, and might afford easier management of potential auditor independence issues than other combined procurements approaches. It will be the most similar option to the current arrangements.

Appointing your external auditor

What other factors should you consider?

When you are deciding who to appoint as your external auditor you will need to consider a range of factors. Key areas to consider are as follows:

- **Quality:** This is a vital consideration and should be appropriately weighted in any scoring methodology for assessing tenders. Relevant considerations include audit methodologies, systems and processes, staff training and expertise, and quality monitoring arrangements.
- **Experience:** Local government auditing is a specialist business and your auditor must have the necessary skills and sector experience. This is not just about understanding local authority financial reporting, but extends into auditors' value for money audit responsibilities and 'challenge' work.
- **Independence:** You will need to consider possible relationships with audit firms via non-audit work such as consultancy and tax advice. Independence is also an important mind-set for auditors to adopt, where you should be satisfied that your future auditor will be sufficiently challenging (and your current auditor should not be constrained in exercising their duties by any tendering process).
- **Organisational fit:** As with any service it is important to consider how the people you see in the audit team fit with your own organisational culture – i.e. can you work with these people.
- **Price:** Like any other out-sourced service you need to obtain good value through a competitive audit fee. However, best value does not mean the cheapest quote. The fee must be sufficient to provide a good quality service taking account of the scale, nature and risk profile of your organisation, and also the requirement for your external auditor to comply with auditing standards and other statutory duties.
- **Other services:** Although ethical standards provide limitations, you should consider what other services you might want your auditor to perform, whether that is other assurance services (e.g. certifying grant claims) or more added-value services.

Appointing your external auditor

What next?

There is still plenty of time before you appoint your external auditor for the first time, but there will be a long lead up to that decision. It is therefore important to think about how your organisation should approach this in good time. We would suggest that you should be developing your procurement strategy and selecting your preferred approach during 2016.

It is likely that further guidance and support will be issued by DCLG, and potentially other organisations such as CIPFA, to help you with the decisions you need to make and how you proceed. We will continue to update you on key developments.

If you want to discuss this further please contact your audit Engagement Lead, John Cornett.

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Contact



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KPMG Annual Report on grants and returns work 2014/15

Leicester City Council

January 2016

Appendix C

The contacts at KPMG in connection with this report are:

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This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. We draw your attention to the Statement of Responsibilities of auditors and audited bodies, which is available on Public Sector Audit Appointment's website (www.psaa.co.uk).

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact John Cornett, the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Andrew Sayers, by email to andrew.sayers@kpmg.co.uk After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing generalenquiries@psaa.co.uk, by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

<p>Introduction and background</p>	<p>This report summarises the results of work we have carried out on the Council’s 2014/15 grant claims and returns.</p> <p>This includes the work we have completed under the Public Sector Audit Appointment certification arrangements, as well as the work we have completed on other grants/returns under separate engagement terms. The work completed in 2014/15 is:</p> <ul style="list-style-type: none"> ■ Under the Public Sector Audit Appointment arrangements we certified one claim – the Council’s 2014/15 Housing Benefit Subsidy claim. This had a value of £135.7 million. ■ Under separate assurance engagements we certified three returns as listed below. <ul style="list-style-type: none"> – Pooling of Housing Capital Receipts Return. This had a value of £8.5 million. – Teachers’ Pension Authority Return. This had a value of £23.3 million. – Homes and Communities Agency (HCA) Compliance Report. 	
<p>Certification results</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">27</p>	<p>Our work on the Council’s Housing Benefit Subsidy claim was subject to a qualification letter.</p> <ul style="list-style-type: none"> ■ A qualification letter was required, due to a number of recurring errors, mainly the inclusion of incorrect earnings and tax credits in benefit entitlement calculations. In accordance with the certification instruction a qualification letter was mandated as a result of identifying errors of this nature. We identified new errors this year in respect of incorrect self employed earnings and incorrect statutory maternity pay in benefit entitlement calculations. This additional testing was offset by the removal of testing in areas where previous year’s errors were not identified this year. ■ In Appendix 1 we repeat the same recommendation as contained in our 2013/14 certification of grants and returns report as this continues to apply. ■ There was another recommendation that was in our 2013/14 certification of grants and returns report. We report the status of this recommendation in Appendix 2. <p>Our work on other grant assurance engagements resulted in the following reports:</p> <ul style="list-style-type: none"> ■ Pooling of Housing Capital Receipts Return: we issued a qualified assurance report. ■ Teachers’ Pensions Authority Return: we issued an unqualified assurance report. ■ Homes and Communities Agency (HCA) Compliance Report: we issued a qualified assurance report. 	<p>Pages 4 – 6</p>

Headlines (continued)

Adjustments	Minor amendments were made to the 2014/15 Housing Benefit Subsidy claim as a result of our certification work this year. This is in line with the results of the audit of the 2013/14 Housing Benefit Subsidy claim where minor amendments were also required.	Pages 4 – 6
Fees	The indicative fee for our work on the Council’s 2014/15 Housing Benefit Subsidy was set by Public Sector Audit Appointments at £70,380. The actual fee for this work was the same as the indicative fee. Our fees for the other assurance engagements were subject to agreement directly with the Council.	Page 7

Overall, we carried out work on four grants and returns:

- one was unqualified with no amendment;
- two required a qualification to our certificate; and
- one was qualified and required minor amendment to the final figures.

29 Detailed comments are provided overleaf.

Detailed below is a summary of the reporting outcomes from our work on the Council's 2014/15 grants and returns, showing where either audit amendments were made as a result of our work or where we had to qualify our audit certificate or assurance report.

A qualification means that issues were identified concerning the Council's compliance with a scheme's requirements that could not be resolved through adjustment. In these circumstances, it is likely that the relevant grant paying body will require further information from the Council to satisfy itself that the full amounts of grant claimed are appropriate.

	Comments overleaf	Qualified	Significant adjustment	Minor adjustment	Unqualified
Public Sector Audit Appointments arrangements					
■ Housing Benefit Subsidy	1				
Other assurance engagements					
■ Pooling of Housing Capital Receipts	2				
■ Teachers' pensions	3				
■ HCA compliance reporting	4				
		3	0	1	1

Summary of certification work outcomes

This table summarises the key issues behind each of the adjustments or qualifications that were identified on the previous page.

Ref	Summary observations	Amendment
1	<p>Housing Benefit Subsidy</p> <p>The audit approach is mandated by the Audit Commission and DWP. Testing involves a 'discovery sample' of 20 cases for each benefit type (total 60 cases), with further testing of each cell affected by errors found either in the current year's discovery testing or in previous years, on the basis that errors identified in the previous year may recur in the current year. It is a consequence of the volume of testing that errors are repeatedly found. Due to the number of errors discovered in previous years, the Council is locked into testing a large volume of cases each year. The complexity of the housing benefits regulations and diverse claimant mix within Leicester City play a part in the number and types of errors found during testing. Action is being taken to address the causes, for example through training of assessors, but the Quality Assurance team cannot devote as much time as is required to putting things right. This requires continuous commitment to training and quality to minimise the number of recurring errors. We acknowledge that the Quality Assurance team have been proactive in correcting the errors that they discover.</p> <p>We have identified a number of issues that have been reported for a number of years, including the following:</p> <ul style="list-style-type: none"> - Misclassification of overpayments, in all benefit types; and - Incorrect inclusion of income, pensions and tax credits in benefit entitlement calculations. <p>Amendments to the claim were made where errors were identified and 100% of the affected case population could be tested.</p>	- £381 (net)
2	<p>Pooling of Housing Capital Receipts</p> <p>No amendments were made to the return. However we issued a qualified assurance report due to inclusion of £0.7 million of previous year expenditure which the Council informed us had not been claimed before because they account for schemes when they are completed. We also reported an area of uncertainty where the guidance was not clear whether expenditure reported on the return should only be that funded from capital receipts or should include other sources of funding as well, for example expenditure funded from borrowing.</p>	Nil
3	<p>Teachers' pensions</p> <p>We issued an unqualified assurance report and no amendments were made to the return.</p>	Nil

Summary of certification work outcomes (continued)

This table summarises the key issues behind each of the adjustments or qualifications that were identified on the previous page.

Ref	Summary observations	Amendment
4	<p>HCA compliance reporting</p> <p>The Homes and Communities Agency (HCA) awards grants to organisations under the National Affordable Housing Programme (NAHP) and the Affordable Homes Programme (AHP). The Compliance Audit framework applies to organisations receiving grant to ensure that HCA's policies, funding conditions and procedures are followed.</p> <p>HCA chooses a number of authorities and a sample of schemes for each which will be subject to audit each year. For Leicester City Council, the sample included three properties under the empty homes scheme for which the Authority leases the property from a private landlord, refurbishes it and rents it to a tenant and one scheme which was covered by the traveller pitch funding arrangements.</p> <p>The findings of the audit were that most of the criteria required by HCA were in place. However, we reported a small number of procedural issues to HCA.</p>	+/- £n/a

Our fees for the Housing Benefit Subsidy claim are set by Public Sector Audit Appointments.

Our fees for other assurance engagements on grants/returns are agreed directly with the Council.

The overall fee we charged for carrying out all our work on grants/returns in 2014/15 was £82,666.

Breakdown of fees for grants and returns work

Breakdown of fee by grant/return		
	2014/15 (£)	2013/14 (£)
Housing Benefit Subsidy claim	70,380	78,007
Pooling of Housing Capital Receipts	5,786	264
Teachers' pensions	3,500	3,000
HCA compliance reporting	3,000	n/a
Total fee	82,666	81,271

Public Sector Audit Appointments certification arrangements

Public Sector Audit Appointments set an indicative fee for our work on the Council's Housing Benefit Subsidy claim in 2014/15 of £70,380. Our actual fee was the same as the indicative fee, and this compares to the 2013/14 fee for this claim of £78,007. The reduction in the fee from 2013/14 is due to the 2014/15 fee being based on a lower level of work carried out.

Grants subject to other assurance engagements

The fees for our assurance work on other grants/returns are agreed directly with the Council. Our fees for the 2014/15 Pooling of Housing Capital Receipts return were more than those in 2013/14 as the level of testing required by PSAA is directly related to the number of Right To Buy sales completed by the Authority (206 sales in 2014/15), whereas the work done in 2013/14 was under the Audit Commission's cyclical approach which only required a 'light touch' in 2013/14. In addition, we have had to agree the terms of the engagement directly with the Council, as opposed to previous years when the Audit Commission undertook all such arrangements on behalf of their suppliers.

We have given each recommendation a risk rating and agreed what action management will need to take.

Priority rating for recommendations		
<p>1 Issues that are fundamental and material to your overall arrangements for managing grants and returns or compliance with scheme requirements. We believe that these issues might mean that you do not meet a grant scheme requirement or reduce (mitigate) a risk.</p>	<p>2 Issues that have an important effect on your arrangements for managing grants and returns or complying with scheme requirements, but do not need immediate action. You may still meet scheme requirements in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.</p>	<p>3 Issues that would, if corrected, improve your arrangements for managing grants and returns or compliance with scheme requirements in general, but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.</p>

Issue	Implication	Recommendation	Priority	Comment	Responsible officer and target date
Housing Benefits					
<p>2014/15 Qualification Letter A high level of recurring errors continues to contribute to the amount of subsidy clawback each year.</p>	<p>By taking action to eliminate errors, the Council could reduce the amount of subsidy clawed back.</p>	<p>1 Take prompt action to address matters in our housing benefits qualification letter, to reduce the level of errors being repeated in subsequent years. This recommendation has been made in previous years.</p>	<p>2</p>	<p>Action to address matters raised in the qualification letter is a process that is ongoing throughout the year. Regular reminders and refreshers are directed to staff through briefings and issuing notes to address the errors regularly occurring, for example earnings and overpayment classification. The Quality Assurance Team and Team Leaders are currently in the process of monitoring all officers on a rota basis to ensure all staff get their work checked regularly.</p>	<p>Quality Assurance and Performance Manager On-going</p>

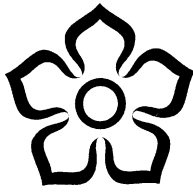
Appendix 2 - Prior year recommendations

in our 2013/14 Certification of Grants and Returns Annual Report we reported one recommendation from our 2012/13 Certification of Grants and Returns Annual Report which had not yet been implemented fully. We have detailed its current status below.

Prior year recommendation	Priority	Status as at January 2016	Management comments
Housing Benefits			
<p>1 Resume regular reporting to the Audit & Risk Committee on progress being made in response to the review of the benefits service in August 2009.</p> <p>We reported in our 2013/14 Certification of Grants and Returns Annual Report that as at January 2015, this recommendation had yet to be implemented.</p> <p><i>Management comments at that time were:</i></p> <p><i>“Although a number of measures have been put into place that have improved standards, a formal action plan has not been drawn up and is to be done this year. Reporting to the Audit & Risk Committee also needs to be resumed.”</i></p>	<p>2</p>	<p>This matter is still outstanding.</p> <p>No further action is proposed – see management comments.</p>	<p>We do not intend to start reporting to the Audit & Risk Committee at the current time. This is due to continued cuts to our administration grant irrespective of the continued unchanged caseload demands.</p> <p>We already closely monitor subsidy reports and returns continually throughout the year, reconciling at least monthly, to ensure their accuracy.</p>



cutting through complexity



Leicester
City Council

WARDS AFFECTED: ALL

Audit and Risk Committee – Review Draft

10 February 2016

Draft Internal Audit Plan – 2016/17

Report of the Director of Finance

1. Purpose of Report

To provide the Committee with the opportunity to review the draft Internal Audit plan – Appendix A. Subject to any revisions necessary the plan will then be agreed at Corporate Management Team and then brought back to this Committee for final approval on the 23 March.

2. Summary

Internal Audit work to an agreed plan that is designed to give the Committee independent assurances that the significant risks faced by the Council are being managed appropriately by the risk owners – the business areas. Appendix A is the draft of the proposed generic plan for the coming year.

3. Recommendations

The Committee is recommended to:

- 3.1 Receive the report, note its contents and seek clarification on any areas of the plan as members wish.
- 3.2 Make any recommendations or comments it sees fit either to the Executive or Director of Finance.
- 3.3 If the Committee have no significant changes to recommend the plan may be approved. Otherwise any revisions will be made and the final plan will be brought back to the Committee in March for final approval.

4. Report

- 4.1 Internal Audit is a central part of the Council's corporate governance and management arrangements. It provides an objective review and assessment of the adequacy and effectiveness of the Council's framework of governance, risk management and internal control. At a time of significant budget pressure on the Council's services and the administrative functions that support them, the need for effective management and governance arrangements is paramount.
- 4.2 Internal Audit is, of course, not immune to the budget pressures affecting the Council. Internal Audit work is therefore planned to ensure that audit staff resources available are used effectively and efficiently and are targeted at those areas posing the greatest risk to the achievement of the Council's objectives or are otherwise aligned with strategic priorities.
- 4.3 To do so, Internal Audit prepares an annual audit plan. This is done through an assessment of risks and audit priorities by reference to the risk registers supplemented by consultation with all directors, the external auditor and the Audit & Risk Committee. The aim is to ensure a structured approach to the audit service so as to enable Internal Audit to provide an overall opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control.
- 4.4 The audit plan does not list the individual audits anticipated; rather, it is presented as the essential areas of audit coverage within which specific audits will be undertaken. The reasons for this are:
- The continuing uncertainties presented by the severe financial pressures the Council faces.
 - The potential for priorities and associated risks to change during the year, such that the focus of audit effort in any particular area may change.
 - The continuing change in the Council's organisational structures and management responsibilities.
- 4.5 The audit plan is a therefore statement of intent. Whilst every effort will be made to deliver the plan, Internal Audit recognises that it needs to be flexible and prepared to revise its activities in response to changing circumstances or emerging risks. However, this flexibility may not be sufficient to cope with all changes required. It may also prove necessary to remove planned audits from the work plans in order to address emerging issues of greater risk.
- 4.6 In addition, Internal Audit continues to seek opportunities to provide audit services to both internal and external customers on a traded basis. Though this may not be undertaken for profit, any fee income earned helps to sustain the audit service available to all client organisations, including the City Council, at a time of financial pressure. This particularly applies to technical specialist areas such as IT audit.
- 4.7 Members may recall that, following the recent review of the Internal Audit function, there are three audit roles that are 'funded' solely by 'external' clients. Currently four Senior Auditor roles are vacant with

recruitment underway to fill two of these roles. The other two will be recruited to at the end of the financial year, should the expected income for 2015/16 be received or if additional income for 2016/17 is obtained before the start of the new financial year (talks are currently underway with two other Unitary and one Borough Council). The team is currently made up as shown in the table below.

<u>Role</u>	<u>LCC Funded</u>	<u>Client Funded</u>
Principal Auditor	1.6 FTE	
Senior Auditor	4.5 FTE	2.5 FTE
IT Auditor	0.5 FTE	0.5 FTE
Auditor	1 FTE	

- 4.8 As 2015/16 was the first year that the Council's Internal Audit team has worked for other clients and been funded in this way, the plan for 2016/17 is divided into Leicester City Council (who remain the major client) and the external parties we are contracted to work with. The external clients include two areas that are 'quasi' LCC - the Public Health team (who have a ring fenced budget which allows for Internal Audit to be paid for) and the LLEP (the work Internal Audit are doing would be outsourced, most likely at a higher cost) and two 'true' external contracts with Audit Lincolnshire and Rotherham MBC.
- 4.9 Appendix A – 'Draft Internal Audit Plan 2016-17' identifies the areas of audit coverage and the rationale for their inclusion. In some areas, potential specific audits are identified with an indication of when in the year they might be undertaken. These are subject to confirmation when the detailed quarterly audit plans are prepared.
- 4.10 The sole purpose of the plan is to align audit resource to those areas assessed as posing the greatest risk to the Council. Factors to be taken into account when selecting specific audits for inclusion in the planned work for 2016-17 include:
- The materiality of the activity in terms of financial values as well as political and regulatory factors such as legislative requirements.
 - The reliance to be placed on Internal Audit's work by the Council's external auditors in their reliance on the Council's significant financial systems as part of the external audit of the Council's published financial statements.
 - The extent of the Council's reliance on third parties for service delivery, by means of contracts and partnerships.
 - The sensitivity of the activity in terms of the reputational consequences of failure and the potential effects of failure on the Council, its clients and the public.
 - Stability including organisational, IT and other change and whether the activity is yet ready for audit.

- Whether Internal Audit can add value to other review and assurance processes already in place.
 - Audit history including the assurance given in the latest previous audit on the strength of controls identified at that time, plus any risk or experience of fraud, error or waste.
 - Any other material concerns, including those raised by the responsible director.
- 4.11 This is supplemented by detailed quarterly plans setting out the specific audits to be delivered based on the risk profile at the time. Though it does not give an absolute measure of risk, it does give a basis for prioritising audit work. It also means that, given the considerable uncertainties the Council faces, the audit plan can be readily adjusted to reflect changes in risk profiles and strategic or operational priorities whilst maintaining a sufficiency of audit coverage for each of the relevant areas. The coordination between the Council's Internal Audit and Risk Management functions is of value here in 'horizon-scanning', such that emerging local and national risks are identified and can be covered in Internal Audit work where appropriate.
- 4.12 Individual audits will be agreed with service management; in most cases by means of specific terms of reference. Regular update reports on plan progress will be presented to the Audit & Risk Committee, who will also be advised of any implications for Internal Audit's ability to give sufficient assurance on the effectiveness of the Council's system of internal control and management of risk.
- 4.13 It should be noted that inclusion in the audit plan does not imply that a service, system or activity is poor. It indicates activities that most need to be subject to effective controls to manage the risks identified. An effective control environment may include regular internal audit review.
- 4.14 In conclusion, the Internal Audit Operational Plan for 2016-17 aims to give the Council optimum audit coverage within the resources available. Though it is compiled and presented as a plan of work, it must be recognised that the plan can only be a statement of intent. Whilst every effort will be made to deliver the plan, Internal Audit recognises that it needs to be flexible. Actual audit work therefore may be modified during the year according to the circumstances prevailing and the resources available at the time.

5. Financial, Legal Implications

There are no direct financial or additional legal implications arising from this report. These implications will rest within (and be reported by) the business areas that have day-to-day responsibility for managing their risk.

6. 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	No	
Human Rights Act	No	
Elderly/People on Low Income	No	
Risk Management	Yes	All of the paper.

7. Report Author/Officer to contact:

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14 January 2016



Internal Audit
Leicester City Council

Appendix A - Draft Internal Audit Plan 2016-17

February 2016

Appendix A – Draft Internal Audit Plan 2016-17

Lead Department	Audit Area	Reason for inclusion	Scope	Timing ¹
WORK FUNDED THROUGH LEICESTER CITY COUNCIL BUDGET				
Finance (Corporate Resources)	<p>Significant Financial Systems, potentially including any or all of:</p> <ul style="list-style-type: none"> • Financial reporting including areas such as reconciliation procedures, suspense accounts, journals, bank reconciliation • Debtors • Creditors • Cash • Payroll • Capital Additions and Disposals • Council tax • NNDR (business rates) • Housing rents • Any others as may be identified by KPMG. <p>It may be that some of these will be covered on a cyclical basis by agreement with KPMG.</p> <p>Other financial systems as agreed.</p>	<p>Under an agreed joint working protocol, KPMG as the Council's external auditors will place reliance on Internal Audit's annual testing of key controls within these systems. It is partly through this reliance that the external audit fee will be reduced. If such reliance cannot be placed on Internal Audit's work, KPMG may undertake supplementary testing themselves and charge the Council an additional fee.</p> <p>Internal Audit's work on financial systems will not necessarily be confined to those considered 'significant' by the external auditor in terms of the Council's financial statements.</p>	<p>Specified key controls for each system, in the context of that system's contribution to the Council's published financial statements. Internal Audit may agree with the Director of Finance other areas of work according to the risks or priorities at the time.</p> <p>Internal Audit work on any or all of these systems may go beyond the required scope of the external audit work. The initial assumption is that the work will comprise walk-through testing to confirm the continued operation of processes and controls as understood or identify any material changes, supplemented by sample testing of transactions against the specified controls.</p> <p>The scope of the work is the whole of the previous financial year, 2015-16, including any specified year-end processes.</p>	<p>Q1 so as to be after the previous financial year-end</p>

¹ This column gives a provisional indication where appropriate of the quarter of financial year 2016-17 in which the audit is intended to be started. The first quarter is denoted Q1, and so on. Such timings will be confirmed in the detailed quarterly audit plans throughout the year.

Appendix A – Draft Internal Audit Plan 2016-17

Lead Department	Audit Area	Reason for inclusion	Scope	Timing ¹
Information Services (Corporate Resources)	IT and information security audits	<p>All of the Council's business processes rely on information technology. In many areas there are significant information risks, chiefly associated with sensitive personal or commercial data. The quality of data held is also fundamental.</p> <p>In addition, there is an increasing need to share information with partner organisations; for example, in health and social care. It is essential that such data sharing is conducted properly.</p> <p>The aim is to protect the interests of all concerned including the Council and those about whom information is held.</p>	<p>A programme of audit reviews of the integrity, availability and security of IT infrastructure, hardware, software and data. These will include technical IT-based testing and scanning of security arrangements in operation. As well as data security, audit work will cover the quality and integrity of the data held.</p>	Whole year
			<p>Specific audit coverage will include:</p> <ul style="list-style-type: none"> • IT General Controls: annual coverage in support of significant financial systems audits above. The timing will coincide with the financial systems audits, in the first quarter of the year. • Penetration testing - specialist IT audit testing of security in new and enhanced IT systems in accordance with corporate policy. 	<p style="text-align: center;">Q1</p> <p>Whole year</p>
Corporate	Corporate Governance	Annual audit coverage of corporate governance arrangements with particular reference to the statutory requirement for the Annual Governance Statement (AGS).	Audit work will seek to give assurance on aspects of the Council's governance arrangements and the requirements of the Council's Local Code of Corporate Governance. It will include governance generally plus supporting processes including the management of risk, project assurance and performance management.	Q2 (AGS)

Appendix A – Draft Internal Audit Plan 2016-17

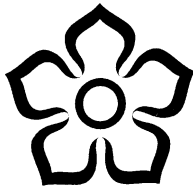
Lead Department	Audit Area	Reason for inclusion	Scope	Timing ¹
Finance (Corporate Resources)	Contracts and procurement (including commissioning and partnerships)	<p>Contracting and procurement are a major risk area, given the high turnover and diversity of contractual expenditure for both capital and revenue purposes and the reliance on third-party suppliers and partners. There is a clear need for probity, integrity and value for money in all such arrangements.</p> <p>The Council's contract procurement and management processes have seen a significant overhaul, including updated Contract Procedure Rules and the development of corporate processes to promote local small and medium-sized businesses. Internal Audit has a role to play in giving assurance on the effectiveness of these processes.</p>	Audits covering the Council's corporate procurement and contracts processes. These will seek to identify whether due process has been followed and decisions have been properly made.	Whole year
Children's Services	Schools - General and Finance including <i>Keeping Your Balance</i> financial audits	The requirement for internal audit of schools is built in to the Council's statutory Scheme for Financing Schools. The aim is to give independent assurance to the schools and the Council that the processes for financial management are operating effectively.	Audit visits to primary, secondary and special schools to review their SFVS returns, financial processes and aspects of their governance arrangements. The audits will be based on the <i>Keeping Your Balance</i> best practice guidance, issued by Ofsted and the Audit Commission. In addition, there may be some audit work on the school admissions process.	Term times
City Development & Neighbourhoods (and possibly elsewhere)	Other operational risks - Compliance audit	Other areas of risk where independent assurance is sought on the Council's compliance with specific legal or regulatory requirements.	<p>To be determined but potential specific audits so far identified include:</p> <ul style="list-style-type: none"> • Vehicle Operator's Licence - compliance with requirements • Property-related statutory compliance such as but not limited to water hygiene, asbestos, electrical safety – monitoring arrangements. <p>These are subject to confirmation.</p>	As required

Appendix A – Draft Internal Audit Plan 2016-17

Lead Department	Audit Area	Reason for inclusion	Scope	Timing ¹
Children's Services Adult Social Care	Other operational risks - Safeguarding	Ofsted's report published in March 2015 on its review of the Council's Children's Services identified this as a significant area of risk. The point was also referred to by the external auditors, KPMG, in their Annual Governance Report for 2014-15. The Audit & Risk Committee have sought assurance that suitably robust arrangements will be put in place to manage the risks.	It is expected that the audit work will cover: <ul style="list-style-type: none"> • Review of the Action Plan to ensure it fulfils the OFSTED requirements; and, • Progress reports at agreed times. Though the Ofsted report is specifically addressed to Children's Services, audit work may also apply to related processes in Adult Social Care.	Whole year as required
Various	Grant certification and expenditure verification	Various City Council services and their related expenditure are supported by grant or other external funding. There is often a requirement for independent Internal Audit certification that funds have been used in accordance with stipulated conditions.	The various grants and returns specified by the funding agencies or the external auditor, tested according to the grant certification instructions or other requirements.	As required
			The Department for Communities and Local Government (DCLG) interim financial framework for the Troubled Families Programme, administered by Children's Services, identifies the role of Internal Audit in verifying results achieved under the programme. Claims are submitted quarterly to DCLG and required audit verification work prior to submission.	Whole year as required
Various	Consultancy and other Responsive Audits	Internal Audit may be called upon, sometimes at short notice, to undertake responsive non-fraud investigative work. By definition, specific areas cannot be identified at this stage. The City Council is facing reduced budgets, and therefore there is a need to make savings wherever possible. Increasing efficiency and reducing wastage are more important than ever. Provision is made here for Internal Audit reviews where needed.	Areas for review will be determined as required during the year according to urgent requirement or emerging risk. Specific terms of reference will be agreed for each.	As required

Appendix A – Draft Internal Audit Plan 2016-17

Lead Department	Audit Area	Reason for inclusion	Scope	Timing ¹
Various	Follow-up Audits	There is a need to ensure that service management verifiably and sustainably implements agreed recommendations so that the organisation learns from its experience and addresses identified weaknesses in control. Internal Audit will revisit areas after reasonable time to implement recommendations has elapsed, especially those arising from audits for which 'little or no assurance' had been given.	Some of these are included in other rows above so are not repeated here.	Whole year
WORK FUNDED BY CLIENTS				
The Leicester & Leicestershire Enterprise Partnership (LLEP)			Independent verification of grant-funded expenditure by the businesses supported through the Regional Growth Fund. A total of up to 50 days may be required for this work.	Q1-Q2
Public Health			Governance, budgetary control and contract procedures. IT and data governance, subject to prevailing risks and priorities. Reviews of compliance with National Institute for Health and Care Excellence (NICE) guidance. A total of 30 audit days in 2016-17 has been agreed with the Director of Public Health.	Whole Year
Assurance Lincolnshire			General and IT Audit support. A total of 300 general and 80 IT Audit days will be provided.	Whole Year
Rotherham MBC			IT Audit support. A total of 50 IT Audit days will be provided.	Whole Year



Leicester
City Council

WARDS AFFECTED: ALL

Audit and Risk Committee

10 February 2016

Risk Management and Insurance Services Update Report

Report of the Director of Finance

1. Purpose of Report

To provide the Committee with the regular update on the work of the Council's Risk Management and Insurance Services team's activities.

2. Summary

The Committee has agreed a reporting schedule to keep it informed of:-

- Risk management activity within the Council;
- Information about the work of the Council's Risk Management and Insurance Services (RMIS) team; and,
- Information about other on-going initiatives in the Council to control risks it faces in the delivery of its services.

3. Recommendations

The Committee is recommended to:

- 3.1 Receive the report and note its contents.
- 3.2 Make any recommendations or comments it sees fit either to the Executive or Director of Finance.

4. Report

4.1 The Risk Management and Insurance Services team have responsibility for three critical functions:

- Risk Management Support and Advice;
- Business Continuity Support and Advice; and
- Insurance.

4.2 This report provides an update, in the previously agreed format, on work carried out by the RMIS team since the last meeting, reporting to you progress made against their objectives. It assures you, where possible, that risks within the business continue to be managed effectively.

4.2.1 Risk Management Support and Advice

The Council maintains a Strategic Risk Register and an Operational Risk Register. These registers contain the most significant unmitigated risks which the Council is managing and they are owned by Strategic and Divisional Directors respectively. Whilst there are other key risks, in the view of Directors, these are sufficiently mitigated for them not to appear in these registers.

The Risk Registers as at the 31 October 2015 are presented here – Strategic Risk Register – Appendix 1 and Operational Risk Register – Appendix 2.

The submission of risk registers to RMIS was, once again, 100%, with a total of four changes within the Strategic Risk Register and 46 changes across the 13 Divisional registers that make up the Operational Risk Register. There are no changes of note from either register to bring to the Committee's attention, although the majority were in the register presented at Appendix 3. For the benefit of members, the risk scoring chart is attached as Appendix 4.

The review of the Council's Operational and Strategic registers by the Risk Management team with responsible Strategic Directors has been delayed and will begin in 2016 when the changes from the recent review take effect. This work will be a 'sense check' of risks being reported to ensure that descriptions allow the 'uninitiated' to know what the risk actually is and to ensure risks are not over scored. Directors whose registers are affected will be sent those registers that require clarity or amendments. It is planned that this work will conclude before the submission due at the end of October.

As requested at the last meeting of this Committee, also attached at Appendix 3 is the Children's Social Care and Early Help Team's Divisional Operational Risk Register. The Committee are also advised that the Strategic Director Education and Children's Services presented a progress report to the Children, Young People and Schools Scrutiny Commission on the 10 November. This report provided an update on developments in performance management and quality assurance since the reporting of the Ofsted Inspection in March 2015, some initial key findings arising out of monitoring and audits of key performance areas and identification of areas where performance needs to improve. The report drew upon a

number of key documents produced since the inspection, which were attached for information:

- The Ofsted Recommendations Action Plan
- Leicester City Children's Performance Management & Quality Assurance Framework
- Children and Young People and Families service – key expectations and Standards
- Monthly Children's Services Performance Book (September 2015)
- Dashboard of Key Indicators - April to September 2015

A further verbal update was given to the same Commission on the 5 January 2016 and was the first of a series of quarterly performance and quality assurance reports. The Internal Audit team are currently scheduling a review of the Action Plan and progress against that plan for Quarter 1 2016/17. This will, hopefully, assure the Committee that the risks identified in the OFSTED report will be adequately managed should the actions in the plan be delivered in a timely manner, and that current progress against the timelines remain on track.

The 2016 RMIS training programme, the aim of which is helping staff to understand and manage their risks more effectively, was launched to the business on 4 December 2015. The training sessions (an annual programme of events running since January 2011) continue to be supported by the business areas, with any falling attendances being brought to the attention of the Strategic and Divisional Directors by the Head of Internal Audit and Risk Management. The Directors have, and continue to, fully support the work of the team.

4.2.2 Insurance and Claims

A summary report of claims against the Council received in the current financial year, 1 April to 31 December 2015 is attached as Appendix 5. This shows both successful and repudiated claims, breaking these down into business areas and type of claim i.e. slips and trips, potholes etc. Members should remember that one claim may be reported in more than one policy category – for example a Motor claim may also have a Personal Injury or Public Liability claim too, and that for new claims a value may not have been applied whilst initial investigations conclude.

The figures in brackets represent claims in those areas in the same period last year. The year on year figures, having shown an increase last time, have reverted to the previously seen reducing trend being down 3%. We continue to see the benefits of handling these claims in-house as fewer are being paid and those that are paid are being settled, on the whole, at lower levels and much quicker – hence avoiding inflated Legal fees.

Since the last report to the Committee, the Council has had two cases go to Court. Regrettably, both cases were lost. In the first, the Judge disagreed that we had a defence under s58 of the Highways Act on a technicality. However, the judge awarded the claimant £3,354 against the £7K claimed and, inclusive of both sets of costs, the £34K total cost still allowed a return of around £10K to reserves. In the second case, the damages awarded were reduced by the judge on the grounds of contributory negligence by 30% (from £8,500 to £5,950). So, although the original reserve was £46,000 the expected cost to the Council will be around £30,000 (inclusive of costs).

Loss Reduction Fund – For the period 1 April 2015 to 31 December 2015 RMIS received 20 bids for assistance from the fund for a total of £112,081.95. Of these bids, 6 applications were approved and the fund provided an amount of £17,186.57 to business areas. In addition, there are 13 bids for a total of £89,146.08 currently held awaiting further information.

4.2.3 Business Continuity/Emergency Planning updates

Since the last update report for the Committee there have been some significant events affecting the Council that required formal intervention by the Corporate Business Continuity team.

The Corporate BCM Team managed the initial response to a call following the death of a worker at the Leicester Fruit Market in November.

The BCM team have been working with colleagues from several key areas to assist with the impact of the closure of Slater Street Primary School in early December, following a fire at an empty building across the road from the school. The Corporate BCM Team had been activated and managed the initial response. Colleagues from the Emergency Management team have led the Council's response to the Taxi drivers' dispute with the City Mayor and also responded to an incident on the 15 December when a suspect package was delivered to the Council's offices, resulting in the evacuation of Pilot House and the calling in of the Army Bomb Disposal team.

The Head of Internal Audit and Risk Management assisted the Security team at City Hall when the power went down on the 5 January at 4pm. Using the number available in the Corporate Business Continuity Plan, which goes direct to the Control Room at Western Power, we were able to bypass the 'engaged' public helpline and get a detailed explanation of what had happened (an explosion in underground cables in Halford Street) as well as an up to date response as to when power would be restored (which was 50 minutes after it went down).

4.2.4 Key Risk Issues arising within the Business

The key significant risk issues arising within the business remain as reported to the last meeting of this Committee. Those surrounding the trade unions' potential for, and actual, industrial action across areas of the public sector remain and the risk of adverse weather conditions causing disruption to service delivery.

The Head of Internal Audit and Risk Management continues to Chair meetings of the Leicestershire Multi-Agency Business Continuity Group (the Leicester and Leicestershire regional business continuity network group) where the risks for group members arising from any strike action, and the group member's response to deal with these incidents, are reviewed. He shall, again, co-ordinate the Council's response with the support of the Chief Operating Officer.

Critical areas considered most at risk of disruption remain – schools – because of the impact on LRF partners and their staff if they fail to open; highways – emergency repairs and response to adverse weather conditions; and, housing – emergency repairs and maintenance.

Finally, attached as appendices 6 and 7 respectively, are the Risk Management Strategy and Policy and the Business Continuity Strategy and Policy for 2016. These have now been approved by the Executive and show no changes to those drafts presented to the last meeting of this Committee.

4.2.5 Horizon Scanning – events in other Public Sector agencies and the Private sector that may impact upon the Council.

The Business Continuity Institute, in association with Everbridge (the leading global provider of SaaS-based unified critical communication solutions), produced its 'Emergency Communications Report 2015' – the second year this survey. The report featured 467 responses from 67 countries. It found that 86% of respondents have an emergency communications plan and 69% of those that do have emergency communications training and education. The three 'key drivers' for successful emergency planning it identified were:

- Top management buy in and integration among different functional roles;
- Mobile communications being increasingly used by organisations as part of their emergency communications arrangements; and,
- Education and training programmes in emergency communications being implemented as part of a holistic approach to continuity and resilience.

It is pleasing to report that the Council's combined approach to resilience (involving both the Risk Management and Emergency Management teams) contains all of those three factors.

The Head of Internal Audit and Risk Management will continue to send to and/or discuss with relevant managers and directors any issues and the potential impacts they may have on the Council.

5. Financial, Legal Implications

There are no direct financial or additional legal implications arising from this report. These implications will rest within (and be reported by) the business areas that have day-to-day responsibility for managing their risk.

6. 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	No	
Human Rights Act	No	
Elderly/People on Low Income	No	
Risk Management	Yes	All of the paper.

7. Report Author/Officer to contact:

Tony Edeson, Head of Internal Audit and Risk Management, Financial Services - Ext 37 1621
28 January 2016

Appendix 1 - LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 31 October 2015

RISK <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: <i>What would occur as a result, how much of a problem would it be, to whom and why?</i>	EXISTING ACTIONS/CONTROLS <i>What are you doing to manage this risk now?</i>	RISK SCORE WITH EXISTING MEASURES			FURTHER MANAGEMENT ACTIONS/CONTROLS	TARGET SCORE WITH FURTHER ACTIONS/CONTROLS REQUIRED			COST	RISK OWNER	TARGET DATE
			Impact	Probability	Risk		Impact	Probability	Risk			
1. FINANCIAL CHALLENGES The Council fails to respond adequately to the cuts in public sector funding over the coming 2 - 3 years.	<ul style="list-style-type: none"> - Council is placed in severe financial crisis by not delivering the required budget savings for 2015/16 onwards. - Reputational damage to the Council. - Potential to destabilise the Council and difficult industrial relations. - Mismatch between service demand and budget availability may lead to an increase in financial instability in some instances. - Pressure may be created between 'demand led services' (social care) and other priorities. - Reduction in services, budgets etc may impact on the health and wellbeing of the City. 	<ul style="list-style-type: none"> - Budget approved to 2015/16, and balanced on paper to 16/17. - Work commenced on spending review programme which takes into account the Government's spending intentions as at July 2015. - The first spending review has now concluded. Corporate Management Team and Executive monitoring closely implementation of the existing agreed savings. Capital Advisory Board to review profile and management of capital programme to minimise slippage and overspending. Further savings will be required- the full extent will not become clear until the Government publishes spending plans in October 2015. The council is extending the remit of the spending review programme. 	5	4	20	<ul style="list-style-type: none"> - Continued development of savings proposals for future years beyond the three year strategy, reflecting the Council's strategic service priorities and on-going modelling of the Council's potential future income and cost streams, recognising the significant reviews of Local Government funding and service delivery responsibilities at national level. - Continuation of the spending review initiatives and delivery of the programme. - Consideration and forward planning for the long term savings strategy for 2018/19. Appropriate change management/ project management arrangements to be put in place for major review areas 	5	2	10		Andy Keeling Alison Greenhill	31/3/2016 and On-going

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Risk Register Owner: Andy Keeling, COO

Date completed: 31 October 2015

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<p>2. STAKEHOLDER ENGAGEMENT The Council fails to further develop and improve the way it works with its stakeholders (partners, neighbouring Councils, NHS etc.). 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. 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.</p>	<ul style="list-style-type: none"> - 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. - Potential litigation where it impacts on formal contractual relationships. - Financial risk if Integration Transformation Fund plans are inadequate or not agreed. - Partnership working will be an expensive bureaucracy and fail to add value to improving outcomes for the citizens of Leicester. - Reputational damage to the Council/City from the perspective of stakeholders. - Partnership working fails to take into account the needs of all communities. 	<ul style="list-style-type: none"> - Mechanisms in place for regular dialogue including formal partnerships e.g. Health and Wellbeing Board. - City Mayor Faith and Community Forum in place to engage specifically with faith and non-faith communities. - Arrangements for engagement of, and support to, the Voluntary Community Sector (VCS) have been commissioned and contracts are in place. - Cllr Sood has partnership working within her portfolio. - Close involvement of City Mayor and Members in key partnerships. 	4	3	12	<ul style="list-style-type: none"> - Regular review and evaluation of the current position by Strategic Management Board. - Continue to develop and embed the approach to working strategically with the VCS. - Develop stakeholder communications/engagement plan of all critical and large partners to ensure that these relationships are given full consideration and priority, where needed. - Key aspects of partnership working being reviewed in the light of OfSTED findings eg LSCB 	4	2	8		Miranda Cannon / All Strategic Directors	31/03/16 and ongoing

Appendix 1 - LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 31 October 2015

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			Impact	Probability	Risk		Impact	Probability	Risk			
3. BUSINESS/SERVICE CONTINUITY MANAGEMENT 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. - The emerging risk environment increasingly makes 'resilience' a significant focus for all organisations. - Budget cuts and rationalisation may also challenge the ability of Category 1 responders (which LCC are) to fulfil their statutory duty. - Resource restraints means that there is limited staff to perform manual operations at the volume required in an event/incident. - Council is unable to communicate to stakeholders/deliver its services.	- All the Senior Management Team have roles in either the Corporate Business Continuity Management Team (CBCT) or are Emergency Controllers. -Head of Internal Audit and Risk Management Chairs the Multi- Agency Business Continuity Group -CBCT have formal refresher meetings three times a year - Training offered corporately - Directors involvement in CBCT Meetings held 3 times a year. - Risk Management and Insurance Services/Emergency Management Team provide updates and lessons learnt on incidents to CBCT/Audit & Risk Committee as appropriate - Self cert annually by Directors - Corporate Business Continuity Plan (BCP) which is reviewed annually but also updated as and when changes occur which should be reflected in the plan - Business Continuity Secure Site (web based) holds BCP and all Business Critical Activities BCPs and is securely accessed by members of the CBCT	4	3	12	- Further embedding of business continuity management approach. - Further completion of Business Continuity tests. - Completion of all Service Business Continuity Plans. - Further communication/training and awareness for staff on continuity arrangements. - Annual review of Critical Service Business Continuity Plans initiated by Risk Management and Insurance Services	4	2	8		Andy Keeling	31/3/2016 and On-going

Appendix 1 - LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 31 October 2015

RISK <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: <i>What would occur as a result, how much of a problem would it be, to whom and why?</i>	EXISTING ACTIONS/CONTROLS <i>What are you doing to manage this risk now?</i>	RISK SCORE WITH EXISTING MEASURES			FURTHER MANAGEMENT ACTIONS/CONTROLS	TARGET SCORE WITH FURTHER ACTIONS/CONTROLS REQUIRED			COST	RISK OWNER	TARGET DATE
			Impact	Probability	Risk		Impact	Probability	Risk			
4. INFORMATION GOVERNANCE Information Governance/Security/Data Protection policies/procedures/protocols are not followed by staff and members.	<ul style="list-style-type: none"> - Major loss of public confidence in the organisation. - Potential litigation and financial loss to the Council. - Reputational damage to the Council. - 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. - Reduction in the capacity/capability to retain such data. This could also be costly. - Excessive retention of data can still be requested through a Freedom of Information Act if retained. - Council may not share data with the appropriate individuals/bodies accurately, securely and in a timely manner. -Council fails to adequately secure/protect confidential and sensitive data held. 	<ul style="list-style-type: none"> - Clear policies and protocols in place. - Staff have been trained and made aware of the Council's policies and procedures. - Secure storage solutions are now in place. - Paper retention has been reduced through the introduction of scanning etc. - Member induction post May 2015 elections will cover and reinforce the issues around information governance - Programme underway to reinforce to staff the need to manage email data and storage appropriately - Manadatory e-learning module for staff 	4	3	12	<ul style="list-style-type: none"> - Clear and on-going communications to staff to reinforce policies and protocols. - Regular review and monitoring of arrangements across services by Service Managers supported by Information Security/Governance Teams. - Ensure that the policy in place around the management of electronic data and disposal of data is in the awareness of staff - Ongoing review and updating of appropriate information sharing agreements. 	4	2	8		Andy Keeling	31/03/2016 and On-going

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Risk Register Owner: Andy Keeling, COO

Date completed: 31 October 2015

RISK <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: <i>What would occur as a result, how much of a problem would it be, to whom and why?</i>	EXISTING ACTIONS/CONTROLS <i>What are you doing to manage this risk now?</i>	RISK SCORE WITH EXISTING MEASURES			FURTHER MANAGEMENT ACTIONS/CONTROLS	TARGET SCORE WITH FURTHER ACTIONS/CONTROLS REQUIRED			COST	RISK OWNER	TARGET DATE
			Impact	Probability	Risk		Impact	Probability	Risk			
<p>5. BREACHES IN COMPLIANCE WITH REGULATION, POLICIES, PROCEDURES HEALTH AND SAFETY ETC</p> <p>Local management use discretion to apply inconsistent processes and misinterpret Corporate policies & procedures, perpetuating varying standards across business units.</p> <p>The City 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.</p>	<ul style="list-style-type: none"> - Places the organisation at risk e.g. fraud, data loss etc. Potential financial losses / inefficient use of resources. - Possibility of serious injury or death of member of staff or service user/members of the public. - Failure to meet statutory responsibilities. - Reputational damage to the Council. - Negative stakeholder relationships - Potential for increase in the number of insurance claims 	<ul style="list-style-type: none"> - Regular reporting from Internal Audit to Strategic Management Board. Approach to the annual corporate governance review revised and a more effective process established. - 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. - Risk is reported and controlled through Divisional Directors Operational Risk Registers (presented to the CMT each quarter) and these are underpinned by registers at Heads of Service level reviewed and discussed at Divisional Management Teams quarterly. - Regular inspections and reports by the Health and Safety team with all actions being followed up within a reasonable time. A process of more regular reporting to Corporate Management Team on health and safety matters is underway - Significant change to the absence management policy and procedure rolled out 	4	3	12	<ul style="list-style-type: none"> - Continue to review and reinforce key standards and policies via regular communication. - Ensure Managers are appropriately trained and requirements are clearly set out in Job Descriptions and reinforced via appraisals. -Ensure Internal Audit findings are acted on in a timely manner. - Strategic monitoring and reporting in relation to Health & Safety being reviewed to raise profile and ensure responsibilities are reinforced from the top. - Consider the creation of a policy schedule to maintain an overview of all Council policies. - Review new absence management procedures after 12 months 	4	2	8		Kamal Adatia / Miranda Cannon	31/3/2016 and On-going

Appendix 1 - LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 31 October 2015

RISK <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: <i>What would occur as a result, how much of a problem would it be, to whom and why?</i>	EXISTING ACTIONS/CONTROLS <i>What are you doing to manage this risk now?</i>	RISK SCORE WITH EXISTING MEASURES			FURTHER MANAGEMENT ACTIONS/CONTROLS	TARGET SCORE WITH FURTHER ACTIONS/CONTROLS REQUIRED			COST	RISK OWNER	TARGET DATE
			Impact	Probability	Risk		Impact	Probability	Risk			
6. SAFEGUARDING 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.	<ul style="list-style-type: none"> - Death or serious injury. - Serious case reviews initiated. -Reputational damage to the Council. - Citizens lose confidence in the Council. - Negatively impacts on relationships with stakeholders. - Impacts severely on staff morale - Leads to high turnover of social workers and managers. 	<ul style="list-style-type: none"> - Safeguarding Adults and Children's Boards in place. - Regular reviews of policies/procedures and close supervision of staff. - Range of quality assurance processes exist within the Divisions. - Range of developments, including corporate training, exist within the Divisions to manage, support recruit and retain staff. - Improvement Board established following the Ofsted inspection and other arrangements eg Performance Board set up -24/7 Duty and Advice Service in place (and identified as a strength by OFSTED). 	5	3	15	<ul style="list-style-type: none"> - Board performance and framework development. - Chair of Board has direct accountability through Chief Operating Officer. - Regular bi-annual meetings with Mayor and Adults and Children's Lead Members. - Full implementation of all necessary improvements identified via the Ofsted inspection of Children's Services - Review of assessments and plans following OFSTED to ensure all are 'good enough quality', to include training of staff as appropriate. -Social work electronic recording system will be developed by xx/xx/2015. 	5	2	10		Andy Keeling /Frances Craven	31/3/2016 and On-going

Appendix 1 - LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 31 October 2015

RISK <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: <i>What would occur as a result, how much of a problem would it be, to whom and why?</i>	EXISTING ACTIONS/CONTROLS What are you doing to manage this risk now?	RISK SCORE WITH EXISTING MEASURES			FURTHER MANAGEMENT ACTIONS/CONTROLS	TARGET SCORE WITH FURTHER ACTIONS/CONTROLS REQUIRED			COST	RISK OWNER	TARGET DATE
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7. SCHOOL IMPROVEMENT <div style="text-align: right; font-size: 2em; font-weight: bold;">62</div>	Poor OFSTED outcome for schools Increased risk of schools going into category of special measures Poor outcome for Local Authority if inspected under the OFSTED framework for LA School Improvement effectiveness	Revised desk top analysis to identify potential underperformance in individual schools and settings Revised School Improvement Framework Regular reporting to DMT and LMB on schools causing concern and targeted work Self evaluation against OFSTED framework for inspection completed At risk schools discussed and warning notices considered Inspection file being collated to evidence effective and good practice in targetted work with schools	4	4	16	Targeted visits by Director of Learning Revised support packages Single plan implementation for RI schools Local Authority Reviews of individual schools to be negotiated Preparation for inspection to include briefing to all schools	4	2	8		Frances Craven	31/3/2016 and On-going

Appendix 1 - LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 31 October 2015

RISK <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: <i>What would occur as a result, how much of a problem would it be, to whom and why?</i>	EXISTING ACTIONS/CONTROLS <i>What are you doing to manage this risk now?</i>	RISK SCORE WITH EXISTING MEASURES			FURTHER MANAGEMENT ACTIONS/CONTROLS	TARGET SCORE WITH FURTHER ACTIONS/CONTROLS REQUIRED			COST	RISK OWNER	TARGET DATE
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<p>8. CIVIL CONTINGENCY RESPONSE/INCIDENT RESPONSE</p> <p>Council resources may not be adequate or sufficient to respond should an external incident/disaster occur (for example, the impact of climate change leading to floods placing responsibility to the Council to house evacuees from other counties/areas) .</p>	<p>- An increase in inclement weather (flood, heat, waves, drought, windstorm, increased snow fall etc.) building the right infrastructure and new statutory flood and water risk management duties.</p> <p>- Having sufficient financial resources and flexibility to address these challenges becomes increasingly difficult.</p> <p>- Having sufficient assets/contingency arrangements.</p> <p>-Lack of resources could lead to inadequate response .</p> <p>- Impact on the publics health and wellbeing, safety/housing needs etc.</p> <p>- Adverse impact on budget</p> <p>- Reputational impact</p> <p>- Death/injury</p> <p>- Potential for increase in the number of insurance claims</p> <p>- negative relationships with stakeholders</p>	<p>- Corporate Management of this is outlined in the carbon action plan which covers all areas of management activity across the Council and its partners to reduce carbon.</p> <p>- Implementation is monitored through a carbon management board. Day to day management of climate change responsibility rests with the Operational Directors and their Heads of Service.</p> <p>- Risk is reported and controlled through the Divisional Directors Operational Risk Registers (presented to Corporate Management Team each quarter) and these are underpinned through regular reviews as part of the revised Eco-Management Audit Scheme (EMAS) system.</p> <p>- Local Resilience Forum (LRF) county wide partnering arrangement.</p> <p>- Leicester City Council (LCC) is part of the Resilience Partnership of local authorities in LLR</p> <p>LLR Health Protection Committee coordinates health protection response across LA/PHE/NHS</p>	4	3	12	<p>- 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.</p> <p>- LRF and Resilience Partnership arrangements continue to be reviewed. Robust schedule of plan reviews and training in place and agreed via the LRF</p> <p>LLR-wide Health Protection Committee arrangements under review to provide assurance around management of health protection risks/ incidents and outbreaks</p>	4	2	8		<p>Miranda Cannon / Alison Greenhill/ Ruth Tennant</p>	31/3/2016 and ongoing

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<p>9. RESOURCE: CAPACITY, CAPABILITY, RETENTION & DEVELOPMENT</p> <p>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, should 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.</p>	<ul style="list-style-type: none"> - The Council does not have the right skills, behaviours and competencies in terms of the workforce to deliver the city's vision and priorities. - The Council fails to maximise the potential of its key resource. - Staff become demotivated/are under pressure which has an impact on productivity and delivery across the Council. - Disruption to service delivery. - Impacts on continuity of services. Creates risks in delivery because information on processes/procedures etc is lost - Service demands may not be met. - Reputational damage. - Financial impacts. - Drain on resources 	<ul style="list-style-type: none"> - Human Resources (HR) review has built in capacity for longer-term workforce planning and a more strategic approach. Strategic HR work programme agreed which captures this. - Talent match (internal jobs market) now being rolled out across the Council and running for a pilot period - HR Workforce Planning Team actively involved in supporting areas where there are existing pressures eg children's services - Organisational vision and values currently being finalised to support many aspects of organisational management and staff engagement 	4	3	12	<ul style="list-style-type: none"> - Continue to develop the Council's workforce planning approach and fundamentally review how workforce development will support this in future. - Consider retention mechanisms and succession planning. - Roll out vision and values across the organisation and embed in ways of working 	3	3	9		Miranda Cannon	31/03/16 and ongoing

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10. CONTRACT MANAGEMENT & PROCUREMENT Contract management protocols/procedures are not robust and there is lack of understanding/awareness within the Council. Service areas may exercise partnership arrangements/ collaborative agreements where formalised/legal contracts are not in place and possibly these may not be legally binding.	<ul style="list-style-type: none"> - Reputational damage. - Financial impacts; valuable funding is used for rectification of issues. - Increase in staff resources to defend a challenge. - Potential for litigation and fines being incurred. - Contract service level agreements may not be adhered to. - The Council does not receive value for money for the services it procures. - The Council is challenged in the reduction of contracts when re-tendered. - Discouraged providers may not tender for the contract in the future, potentially reducing the portfolio of providers and even reducing the availability of high quality providers. 	<ul style="list-style-type: none"> - Revised and improved Contract Procedure Rules now in place along with associated guidance. - Policy that all procurement over a de minimis threshold must be carried out by one of the specialist procurement teams. - Professional procurement staff recruited and now in post - Contract Risk Management training available from RMIS - Engagement with local supplier groups 	3	3	9	<ul style="list-style-type: none"> - Development of new procurement template documentation - Implementation of new electronic tendering system - Professional training for procurement staff (MCIPS) - Training in procurement and contract management for staff across the Council - Enhanced engagement with local business to widen portfolio of potential suppliers - Development of communications plan to ensure all staff are informed of above as appropriate to their role. 	3	3	9		Alison Greenhill	13/03/2016

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11. ASSET MANAGEMENT Absence of an asset management strategy will affect the future conditions/status of buildings.	<ul style="list-style-type: none"> - Reputational damage. - Increase in costs. - Loss of predicted revenue. - Deterioration of assets. - Potential harm to the public. - New business are not attracted to Leicester. - The council's assets may fall into disrepair losing income and increasing maintenance costs. In a worse case scenario assets may be totally lost and community engagement too. 	<ul style="list-style-type: none"> -A single corporate asset management system is now in place. -Annual Planned Maintenance Programme is in place to cover the most urgent health and safety issues in the estate. -Central Maintenance Fund is available to address urgent repair items in the estate. -Phases one and two of the central accommodation strategy have been effectively implemented which has significantly reduced the backlog maintenance issues in the estate. -Transforming Neighbourhood Services review in place to reduce the level of backlog maintenance issues in the neighbourhood estate. -Building Schools for the Future (BSF) and Primary programmes are proceeding on course with a new Hard Facilities Management Offer for BSF Phase 3-6 using local contractors being concluded. -Condition surveys have now been completed for all neighbourhood and leisure assets 	5	4	20	-Phase 3 Accommodation Strategy nearing completion. Plans for Phase 4 are underway. - Establishment of a corporate asset management group. - Implementation of Transforming neighbourhood services - Continued development of effective planned maintenance programme - performance measurement in place to provide assurance regarding compliance- concerto being established and populated to work as the single corporate asset management system	5	3	15		Frank Jordan	31/12/2015

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12. NATIONAL AGENDA/CHANGES IN LEGISLATION/ GOVERNMENT ETC On-going changes in government, legislation etc. gives rise to new demands and responsibilities with insufficient time for implementation and insufficient budget.	<ul style="list-style-type: none"> - Loss of income. - Services may not be delivered. - Reputational damage. - The budget may not be sufficient to deliver the expected service demand. - Statutory services. such as public health may be reduced and or the Council is unable to protect and safeguard the public, vulnerable individuals etc. - Implementation of unpopular fees for services required by the Public of the Council. - The health and wellbeing of the City may be impacted. -Causing service failure or significant cost over runs. 	Directors keep abreast of policy change and development in their portfolios. The implications of change described and discussed. Including political briefings if required. Budgeting takes account of national changes. Staff are trained in new requirements.	4	3	12	Examine options for service integration; improved leadership development; manage demand better; have honest conversations with the public about what can be expected from us; improve commissioning activity across the Council.	3	2	6		Andy Keeling	31/03/2016

Appendix 2 - Leicester City Council Operational Risk Register

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Risk What is the issue: <i>what is the root cause/ problem – what could go wrong</i>	Consequence /effect: <i>what would occur as a result, how much of a problem would it be ?, to whom and why</i>	Existing actions/controls	Risk Score with existing measures (See Scoring Table)			Further management actions/controls required	Target Score with further controls (See Scoring Table)			Cost	Risk Owner	Review Date
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STRATEGIC AREA - Adult Social Care												
1. Adult Social Care & Safeguarding - Integration agenda. Risks associated with large programme of change in challenging financial context. <div style="font-size: 2em; font-weight: bold; text-align: center;">73</div>	Failure against national commitments on integration. Services are not aligned; Financial risk; Conflict between priorities of organisations; Transformation programme targets are not met.	High visibility at partnership forums; Support to frontline staff to maintain operational relationship management; Communication strategy for transformation in context of integration includes partners.	4	4	16	Establish clear partnership arrangement to agree and deliver Integrated Care in Leicester; maximise Better Care Fund (BCF) opportunity.	3	3	9		Ruth Lake	BCF plan complete; implementation planning through 2014/15
2. Adult Social Care & Safeguarding - Operational Capacity. Risk of legal challenge / fines from being unable to meet the additional demands arising from Cheshire West judgement on DOLS. Risk re capacity to effectively scope the new DoLS cases; challenge from practice in care homes in applying DoLS via urgent applications in inappropriate circumstances	Breach of legislation; financial liability re ICO; breach of confidence in the Council	Manager briefings to ensure legal requirements understood; scoping of high risk cases to understand new DOLS cases; prioritisation of action on cases; monitoring of incoming pressures for DOLS team and use of independent BIA capacity; engagement with legal services re COP applications and pressures. Additional resources agreed for recruitment via budget setting	4	4	16	Tracking of anticipated legal guidance on application of case law in practice; consideration of additional resources to support scoping exercise as this has not been completed due to lack of resources / competing priorities. Meeting with legal services to assess position / agree actions to mitigate risk 24 March. Issue to be escalated to Leadership Team. Further work via NHSE MCA project and HOS to address care home practice which is exacerbating the volume and timescales risks	4	3	#		Ruth Lake	31/03/16

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3. Adult Social Care & Safeguarding - Failure to deliver satisfactory Intermediate care capacity. Ineffective partnership working with Leicester City NHS results in failure to implement new Intensive Care unit.	Failure to deliver intermediate care priorities and make efficiency targets; capital/reputational/ political risks.	Strategy and redesign work to establish cross-economy commitment to intermediate care models	4	4	16	Engage with Health & Wellbeing Board as it establishes; establish programme board with Care Commissioning Group input	3	3	9		Ruth Lake	Work will be ongoing throughout 2014 to 2016
4. Adult Social Care & Safeguarding - Meet Health & Safety (H&S) expectations in regulated provision. Fail to maintain safe water systems in all units; Failure to maintain essential health and safety in intermediate care provision.	Ill health or death to residents and/or staff or visitors from water borne infections or poor H&S practices.	Water hygiene monitoring practice in place	5	3	15	Ensure all registered managers go on required training and fully understand the requirements for temperature checking, flushing regimes, tap cleaning etc. and can closely monitor those carrying out these tasks.	5	2	#		Ruth Lake	31.03.2016
5. Care Services & Commissioning (ASC) - Implementation of the 5 Year Leicester, Leicestershire and Rutland (LLR) Better Care Together Plan carries high financial and political risk	Financial impact/legal challenge	An LLR Programme Board has been established that includes health and social care chief officers	5	4	20	An LLR Programme Board has been established that includes health and social care chief officers	3	3	9		Tracie Rees	01.01.2019

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75	6. Care Services & Commissioning (ASC) - Failure to carry out effective statutory consultation will result in financial and reputational damage to the council.	Council could face legal challenge through judicial review	Consultations being run as a dedicated project overseen by a senior manager with some temporary additional resource. Ensure time is built into each review, development of all strategies etc. to allow for consultation	5	4	20	Stakeholder engagement strategy in place and we always seek advice from legal services and corporate consultation team. Legal services sign off all consultation materials and agree the approach and methodology. Officers to seek guidance from the corporate consultation team when needed	4	3	#	Pot Multi £M	Tracie Rees	31.05.2016 and ongoing
	7. Care Services & Commissioning (ASC) Quality of care in the Independent regulated services including; residential homes, domiciliary care and supported living providers falls below standards	Detriment (harm) to individuals, groups or the Council (financial or reputational)	High level Audit processes in places via Adult Social Care contracts and assurance team. This is in addition to Care Quality Commission inspections.	5	4	20	Quality Assurance Framework to be used to support identified failing providers.	5	3	#		Tracie Rees	31/03/2016 and ongoing
	8. Care Services & Commissioning (ASC) - Delivery of LD day services using large percentage of agency staff.	Reduced quality, safeguarding, staff sickness, safety	Reed opening up the market, developing induction days and tools, benchmarking training and using the Swedish Derogation rule for consistency.	4	4	16	Monitor and engage with Reed to ensure development measures are undertaken. Monitor quality of agency staff	2	3	6		Tracie Rees	31.03.2016 and ongoing

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9. Care Services & Commissioning (ASC) Review of Residential Care. Financial risk - largest area of spend and danger of inappropriate models of care.	Continued escalation of spend; inappropriate placements	Project Board in place; extensive research, analysis and engagement	4	4	16	Robust governance through project board, Commissioning Board and Lead Member Briefing	3	3	9	Current spend £44 M gross	Tracie Rees	31/03/2016 and ongoing
10. Care Services & Commissioning (ASC) Non compliance with our duties under the Equalities Act. Failure to adequately identify and address (where possible) equality impacts of proposed actions.	Council could face legal challenge through judicial review	Equality impact assessments (EIA) are built into service reviews, strategy developments and decision making which help to identify equality impacts and actions to be taken.	5	3	15	Ensure all staff are fully aware of when to use EIA's and build this into their routine work (when necessary). Training to be offered through Better Care Together.	5	2	#	Pot Multi £M	Tracie Rees	31/03/2016 and ongoing

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STRATEGIC AREA - City Development and Neighbourhoods												
11. Housing - Impact of Welfare Reform on Housing Rents Account (HRA) rental income collection. Universal Credit (UC) is to be fully implemented in 2017 . 77	Under UC, claimants will receive all their benefits, including housing costs element the, directly themselves, monthly in arrears. They will have to pay their FULL rent out of this. The biggest challenge to the HRA will be to collect the full rent from those working age claimants whose housing costs are no longer paid directly to the Landlord (LCC) as they are now. Higher numbers of tenants in rent arrears leading to loss of rental income will adversely affect the HRA income. Could lead to greater number of evictions. Further welfare cuts in 2015. Summer budget will reduce tenants income.	On-going promotion of Clockwise accounts with tenants. Focus STAR team support on those affected. maximise the number of tenants claiming DHP for bedroom tax affected cases. Identified tenants who are over-occupying in order to help with down-sizing. Promotion/awareness to tenants of Discretionary Housing Payments (DHP). Income Management team strengthened. Amended Allocations policy to assist downsizing	4	4	16	Development of Northgates IT system (phase 2) to support paperless direct debits. Executive have agreed to consult on the introduction of mandatory direct debits or Clockwise accounts for New tenants. Consultation ends early November. Proposed changes to internal business processes to re-introduce pre-tenancy determinations interviews to collate financial information prior to tenancy sign up. Need for further new processes in IMT	4	3	#		Ann Branson	30.11.2015 and ongoing

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12. Housing - Risk of Legal challenge, liability and reputational consequence if properties are not adequately maintained. Greater financial investment needed in the future. Rent reduction of 1% per annum for next 4 years will threaten budget for maintenance.	Poor living conditions, H&S risks to tenants, properties falling into disrepair. Reputational risk	On-going capital investment (25 year strategy and planned maintenance programmes). On-going day to day responsive repairs service. Minimum standard for property re-letting. In house Quality Control team. Continue to review more effective ways of maintaining the stock.	5	3	15	Reviewed October 2015. No further copntrols necessary.	5	3	#		Ann Branson	31.03.2016
13. Investment - Delay and compensation event claims are received leading to extensive costs.	Contingency held to address unforeseen issues may be overspent	All claims are monitored and are challenged using internal and external resources. Continued dialogue with the Finance Team to monitor the financial position.	5	4	20	Review meeting established with the contractor and information being sought to substantiate claims with the assistance of a programme analyst and specialist advisors To date information has not been forthcoming from the Leicester and Leicestershire Economic Partnernship. To date claims have been settled where they are justified and claims with inadequate information or inaccuracy rebutted.	4	3	#	Contingency provision is over subscribed	Mark Lloyd	30.04.2016 and ongoing

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14. Investment - Raising educational achievement -The discontinuation of PCP (reduction in capital investment) and the continuing need to accommodate pupil increases.	A Statutory duty is not met	Delivery of Basic Need Programme to address pupil placements required by September 2015.	4	4	16	Continued assessment & development across the Primary School estate.	4	3	#	Staff time	Mark Lloyd	30/09/2015 then review 6 monthly
15. Investment - Schools Capital. Raising educational achievement.	Reduction in capital investment in schools with ageing school stock and deteriorating condition Potential to not meet statutory building requirements. Reputational damage to the council.	Develop long term strategy across the Primary School estate	4	4	16	Develop long term strategy across the primary and retained secondary school estate is now underway, Condition surveys being undertaken in order to formulate a 3 year programme of works for Planned Capital Maintenance.	4	2	8	Staff time	Mark Lloyd	30/09/2015 then review 6 monthly
16. Investment - Maintaining Income (Capital and Revenue) on behalf of the Council	Economic downturn affecting budget	Void and arrears monitored Monthly .	4	4	16	Send rent demands, reviews and renewals on time - collect rent on time. Manage tenants in arrears.	3	4	#	Staff time	Mark Lloyd	30.04.2016 and ongoing

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80	17. Investment - Loss of use of Asset	Closure of buildings due to asbestos	5	3	15	1. Ensure 100% compliance with asbestos returns with accurate data by holding Building Responsible Officers to account. 2.Ensure all buildings have an asbestos register	3	2	6	Staff time	Mark Lloyd	30.04.2016 and ongoing
		Closure of buildings due to poor water hygiene standards	1. Implementation of control regime comprising ongoing regular monitoring, reports, risk assessment reviews and maintenance with allocated budgets. 2. Water hygiene monitoring returns to be reported to DivMT and Heads of Property monthly. To Corporate Management Team (CMT) if cause for concern. 3. Spend of allocated capital budget for water hygiene and production of ongoing prioritised schedule of works ongoing. 4. Water hygiene responsibilities in non-op estate have been confirmed and necessary action taken.				1. Seek 100% compliance with water hygiene returns with accurate data. 2.Further budget for 13/14 works approved in capital programme subject to Corporate Management Team decision. 3. More rigorous audit of Building Responsible Officer monitoring to be undertaken.					

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<p>20. Local Services and Enforcement - LACK OF ADEQUATE RESOURCE CAPACITY</p> <p>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.</p> <p>During times of change, staff are not always aware of the changes being made, such as the recent relocation requirements, needs and plans etc, resulting in confusion etc.</p>	<p>- Teams already at a minimum and extra workloads are unsustainable.</p> <p>- As demand-led services increase, workload and public expectations increase.</p> <p>- Likelihood of key person dependency as teams reduce further (fewer people in key roles).</p> <p>- Potential risk of non-compliance or breaches/lack of a substantial control environment.</p> <p>- Service delivery requirements not met.</p> <p>- Staff wellbeing may be harmed.</p>	<p>- Existing prioritisation arrangements are in place.</p> <p>- Policies and procedures are in place.</p> <p>- Processes are in place.</p>	4	4	16	<p>- Review of succession planning is to be conducted.</p> <p>- Need to assess the service demand against the resource availability to understand impacts and generate action plans.</p> <p>- Develop further prioritisation arrangements.</p> <p>- Continually assess through performance appraisals and individuals one-to-ones.</p>	3	3	9		John Leach	31/03/16

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21. Local Services and Enforcement REDUCTION IN INCOME GENERATION PROGRAMMES With reductions in public demand in building, parking, licencing, income generated by the Council may be significantly reduced and income generation/revenue targets may not be met. Also, 'one off' income programmes are set as recurring within the budgets/accounts; impacting further on future financial targets.	- Budgets are not adhered to. - Income streams continue to reduce (e.g. Building Regs) due to the economic climate. - Targets remain the same or increase, against income sources and staff reductions. - One off income is disclosed as recurring, increasing the savings gap.	- Budgets are in place and alternative savings option appraisals are performed and saving plans are implemented. - Policies and procedures are in place. - Adhoc business development arrangements are in place.	3	5	15	- Need to review income targets for recurring and 'one off' income with finance to resolve on-going issues. - Enhance the business development resources/opportunity. - Budget strategy review. - Service review/impacts. - Further marketing and promotional projects.	3	4	#	N/A	John Leach	31/03/2016 Ongoing

Appendix 2 - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 31 October 2015

Risk What is the issue: <i>what is the root cause/ problem – what could go wrong</i>	Consequence /effect: <i>what would occur as a result, how much of a problem would it be ?, to whom and why</i>	Existing actions/controls	Risk Score with existing measures (See Scoring Table)			Further management actions/controls required	Target Score with further controls (See Scoring Table)			Cost	Risk Owner	Review Date
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22. Local Services and Enforcement RESOURCE & CAPACITY - INCREASED WORKFORCE AGE PROFILE Specialist skills and knowledge within the team may be lost due to future retirement programmes. Furthermore, national surveys have identified a lack of aspiration in individuals (younger generation, female workforce and some ethnicities) wishing to join the Council within these roles.	- Teams already at a minimum number and extra workloads may be unsustainable. - Likelihood of key person dependency as teams reduce further (fewer people in key roles). - Potential non-compliance with legislation/regulation. - Potential stress-related absence/claims. - Quality of service delivery may be affected.	- "Step up" - work experience utilise. - Graduate project officers. - Training & Mentoring - Knowledge sharing	3	5	15	- Succession planning review is required. - Continue to enhance and develop the apprenticeship scheme. - Commence positive promotion of the work/career in this area. - Seek funding for apprenticeship. - Ensure knowledge sharing takes place. - Training/ Mentoring/ Structuring.	3	4	#	N/A	John Leach	31/03/2016 Ongoing

Appendix 2 - Leicester City Council Operational Risk Register

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STRATEGIC AREA - Corporate Resources and Support												
23. Delivery, Communications and Political Governance - UNPLANNED ELECTION EVENT The service may struggle to manage a number of unplanned, additional elections, as well as a number of different type of elections e.g. House of Lords, Referendums etc.	- Elections not performed appropriately/challenges received. - Reputational damage. - Adverse effect on finances. - Media coverage. - Public complaints. - Increase in resource requirements. - Could lead to increased expectations on the existing trained core team; who hold relevant and detailed knowledge. - The potential repetition of impacts and pressures that arose during 2011 elections.	Returning officer and nominated deputies are in place. - Insurance is in place. - Many elections can be planned and have set dates. - May 2015 elections enabled newer members of the core team to develop further skills and experience in specific aspects of the elections process	4	4	16	'- Develop skills and expertise across the wider electoral services team. - Ensure that there is a robust planning support structure in place. Develop a potential 'business continuity plan' to build resilience and stability. - Use external or peer support where feasible e.g. from other local authorities. - Consider training/up-skilling a pool of contingency staff. - Review further as a management team. (Actions required to maintain risk score).	4	4	#		Miranda Cannon	31.03.2016 and ongoing

Appendix 2 - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 31 October 2015

Risk What is the issue: <i>what is the root cause/ problem – what could go wrong</i>	Consequence /effect: <i>what would occur as a result, how much of a problem would it be ?, to whom and why</i>	Existing actions/controls	Risk Score with existing measures (See Scoring Table)			Further management actions/controls required	Target Score with further controls (See Scoring Table)			Cost	Risk Owner	Review Date
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<p>24. Delivery, Communications and Political Governance - LEGAL CHALLENGE Increased legal challenges may heighten the need to ensure that processes are effective, efficient, communicated in a uniform manner and that managers and staff follow explicit guidance. Equalities Impact Assessments (EIAs) are likely to become an increasingly targeted area for Legal Challenge.</p>	<p>- Communications are not appropriate (present the right information, performed in a uniform manner, not consistently worded, communicated or the tone are appropriate), leading to legal challenge. - Equalities Impact Assessments cannot address all potential areas of legal challenge on Public Sector Equality Duty grounds. - Lack of legal expertise/appropriate resources. - Potential for legal challenge/judicial review by providers, staff, service users, etc. - Reputational damage/media exposure. - Unplanned adverse effect on budget/finance - Resource intensive to defend legal challenges/judicial reviews.</p>	<p>Equality Impact Assessments (EIAs) are performed to help ensure the Council meets the Public Sector Equality Duty (PSED). - On-going reviews of outcomes of other PSED challenges inform our approach to demonstrating compliance with our PSED, and lessons from these shared / communicated and used to revise our approach where appropriate. - Processes and procedures in place. - Staff are aware of duties, responsibilities and relevant considerations required to demonstrate compliance with PSED. - Expert support eg HR, equalities, consultation, CPMO in place with supporting guidance. Equalities e-learning module developed and being rolled out. - EIA process (what needs to be considered when) and EIA templates recently reviewed and revised.</p>	4	4	16	<p>- Continue to review external practice eg from other Local Authorities and partners, which have been deemed as best practice and implement locally as appropriate. - Ensure the correct resources, with the relevant skills and experience are allocated to roles. - Ensure HR support is available. - Implement agreed actions in relation to strengthening evidence based decision making including use of data and research</p>	4	3	#		Miranda Cannon	31.03.2016

Appendix 2 - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 31 October 2015

Risk What is the issue: <i>what is the root cause/ problem – what could go wrong</i>	Consequence /effect: <i>what would occur as a result, how much of a problem would it be ?, to whom and why</i>	Existing actions/controls	Risk Score with existing measures (See Scoring Table)			Further management actions/controls required	Target Score with further controls (See Scoring Table)			Cost	Risk Owner	Review Date
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87	<ul style="list-style-type: none"> - Unrealistic public/political expectations. - Procurement process may be challenged. - Legal challenges focus on process rather than content. 	<ul style="list-style-type: none"> - Equality checklist for different stages of capital projects being developed so that equalities considerations at each stage are recorded and signed off - Council EIA template being used for Health & Well Being Board reports and also for Better Care Together reports, standardising our approach with partners particularly in Health sector. - Work underway to further develop internal skills and capacity in relation to robust evidence based decision making 				<ul style="list-style-type: none"> Mandatory equalities e-learning package being scoped and developed - EIA e-learning module being developed - Consider these actions as one element of a wider package of support for evidence-based policy making and service development, linking in with divisional actions to promote the sharing of intelligence, strengthen practice around option appraisal, consultation and evaluation, and provide practical help with cost-benefit analysis (e.g. researching the scope of a problem, the reasons for intervention, and good practice solutions). 						

Appendix 2 - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 31 October 2015

Risk What is the issue: <i>what is the root cause/ problem – what could go wrong</i>	Consequence /effect: <i>what would occur as a result, how much of a problem would it be ?, to whom and why</i>	Existing actions/controls	Risk Score with existing measures (See Scoring Table)			Further management actions/controls required	Target Score with further controls (See Scoring Table)			Cost	Risk Owner	Review Date
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<p>25.Information and Customer Access Information Governance compliance Key areas of risk are: flexible working practices which expose data to new risks, inappropriate disclosure of personal data, insecure and excessive information sharing externally and internally, lack of universal participation in Information Governance training, lack of awareness of the compliance and enabling role of Information Governance and failure to comply with the Regulation of Investigatory Powers Act 2000. (Also see corresponding risks around Data Protection and Freedom of Information compliance.)</p>	<ul style="list-style-type: none"> - Data may be lost or shared inappropriately. - Potential legal challenge. - Breaches in regulation/legislation, which may incur fines, reputational damage and negative media coverage. - Local breaches are not reported to the Information Governance Team until a compliant arises. There may be a number of unreported information governance breaches which are unreported and being managed at a local level. - Subject Access Requests: this area has failed in compliance in 2013, and could fail again in the future. 	<ul style="list-style-type: none"> - Policies and procedures in place e.g. security, retention and disposal. - Devices are encrypted. - Staff are briefed on Information Governance compliance and asset management. - Improvement plan identifies necessary procedural updates etc. - Good liaison with Information Commissioner's Office and increased visibility and compliance. - Regular reports to Directors on the importance of Information Governance compliance. - Staff are required to complete Information Governance training on induction and all staff were asked to complete training in 2013. 	4	5	20	<ul style="list-style-type: none"> - Requirement for all to complete annual Information Governance awareness training should be enforced. - Introduce a self-service Information Governance health check for Managers to check their team's compliance and identify their own improvement actions. - Information Governance issues to be addressed more consistently in contracts outside IT Procurement (where this is systematic). 	4	3	#		Alison Greenhill	31.03.2016

Appendix 2 - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 31 October 2015

Risk What is the issue: <i>what is the root cause/ problem – what could go wrong</i>	Consequence /effect: <i>what would occur as a result, how much of a problem would it be ?, to whom and why</i>	Existing actions/controls	Risk Score with existing measures (See Scoring Table)			Further management actions/controls required	Target Score with further controls (See Scoring Table)			Cost	Risk Owner	Review Date
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25.Information and Customer Access Information Governance compliance - Continued <div style="text-align: center; font-size: 2em;">68</div>		- Leicester City Council submissions to the NHS Information Governance (IG) Toolkit provide a health check on Information Governance policies and systems. - Self service IG Healthcheck tool for managers has been drafted. Next stage is testing. NB staff turnover and high rates of change are increasing the Council's exposure to risk here.				- Need for services facing high staff turnover to prioritise Data Protection and security training to maintain capability levels. NB: in a changing context, controls need to evolve and be constantly refreshed to maintain the risk exposure at the current level and prevent it from increasing. Therefore, no reduction in risk exposure is anticipated.						

Appendix 2 - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 31 October 2015

Risk What is the issue: <i>what is the root cause/ problem – what could go wrong</i>	Consequence /effect: <i>what would occur as a result, how much of a problem would it be ?, to whom and why</i>	Existing actions/controls	Risk Score with existing measures (See Scoring Table)			Further management actions/controls required	Target Score with further controls (See Scoring Table)			Cost	Risk Owner	Review Date
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<p>26. Information and Customer Access Staff: Capacity, capability and recruitment Capacity: There are insufficient resources to meet increase in demands, such as business application outage, application failures etc., due to an already lean structure. Teams are being worked increasingly hard including weekends and out of hours. Staff Retention: With a buoyant market place for the team's skills, staff may seek career progression outside the Council. Formal career progression opportunities may not be available internally. Recruitment: Department requires highly skilled people but applicants may be less likely to apply for jobs at the Council as it may not be seen as the employer of first choice.</p>	<p>Unable to attract high calibre, skilled individuals. - Lack of adequate succession planning in some areas, leading to increased key person dependency vulnerability. - Vital skills and expertise are lost e.g. Lync, data warehouse. - Vacancies create more workload pressures and impact on the wellbeing of the remaining staff. - Staff more likely to elsewhere as the market picks up, especially as Job Evaluation means people are already being asked to do more for less. - Unable to meet service demand and service Level Agreement and to deliver core services. Reputational damage.</p>	<p>- On-going review with HR to ascertain options. Options such as graduate recruitment being investigated and implemented where appropriate. - Training, motivation, internal career development to retain and develop staff. - Market increments for key posts (</p>	4	4	16	<p>Consider up skilling/cross skilling the Team to increase scope of roles etc. - Work with HR to address particular concerns. - succession planning, shaped by skills matrix. - Apprenticeships and graduate schemes for regular input of new talent/skills. - Capture and more proactively manage service demand. - Implement formal out of hours procedure. - review technology architecture to remove any unnecessary complexity and reduce dependency on hard to source skills</p>	3	4	#		Alison Greenhill	31.03.2016

Appendix 2 - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 31 October 2015

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26. Information and Customer Access - Continued Key person/team dependency: Reliance on key people/teams, for e.g. Transformation Team, Finance (Agresso) to deliver the service may leave, or could be on long term absence. Structure/Role coverage: There is no formal out of hours service in place to support services, which operate out of Council hours, such as evenings and weekends. Some needs met by goodwill.						- Review existing support contacts to ensure we understand what maintenance support is offered and that we're making best use of these arrangements. - Embed new senior management arrangements.						
27. Information and Customer Access Finance and budget - impact on ability to meet Council requirements On-going pressure to reduce costs within the council which is impacting on the service capacity.	- Continued cuts lead to not enough people to deliver the service - Service demand may not be met - Targets and deadlines may be missed, e.g. delivery of new programmes and business solutions. - Loss of front line productivity across the Council as services are not available when needed.	- Engaging with the review of IT services to ensure there is a clear understanding of the services provided and the potential impacts of major service cuts. - Raise profile and demonstrate value of the team and the need for specialised resource.	4	4	16	- On-going existing actions.	4	4	#		Alison Greenhill	31.03.2016

Appendix 2 - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 31 October 2015

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<p>28. Information and Customer Access Information Security The information and IT security environment is changing rapidly, altering the risk profile and requiring constant adjustment of controls e.g. Challenges of cloud computing, use of mobile devices for flexible working, bring your own device). It is challenging for central IT and information services to evolve infrastructure, policy, practice and guidance to keep up, and for the wider employee base to adapt their working practices to keep the organisation's information secure. In addition, requirements for national Code of Connection compliance also change over time, placing new security demands on the organisation. Failure to stay on top of security risks presents the risk of information security breaches.</p>	<ul style="list-style-type: none"> - Information security breaches in which personal and/or sensitive Information is compromised. - potential for Data Protection monetary penalties, negative press coverage, reputational impact. - Impact on individuals (employees, service users, citizens) of their Information being compromised, including distress or damage such as identity theft and reputational impact. - Reduced trust in the Council, impacting on its ability to deliver key services - Lost productive time due to IT downtime 	<ul style="list-style-type: none"> - IT security provisions - encryption, firewalls, virus protection, Secure Socket Layer connections where needed, access control. - Security standards, policies and procedures, maintained, proactively communicated and published for universal access. - Dedicated security roles undergoing professional development. - Assurance routes via 1. Work to obtain and maintain Public Service Network accreditation, 2. Internal audit, 3. Information Governance Toolkit. - Information and IT security are integral to IT procurement exercises, to ensure that software and hardware offer good security. - Technical Information Security Group to raise security issues, address concerns, track implementation of internal audit recs. - New approach to report on uptake of Data Protection training to support managers in compliance - targeting Children's Services first. 	4	4	16	<ul style="list-style-type: none"> - Keep controls up to date to respond to evolving threats. - Increase manager awareness of the negative impact of staff change etc. on security awareness and capabilities. - Adjust security provisions to meet the next year's Public Service Network requirements. <p>NB: in a changing context, controls need to evolve to maintain the risk exposure at the current level and prevent it from increasing. Therefore, only a limited risk exposure is anticipated.</p>	4	3	#		Alison Greenhill	31.03.2016

Appendix 2 - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 31 October 2015

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29. Information and Customer Access Capacity and Service Reporting Across the estate, the utilisation of application and network related hardware may not be fully understood. 96	- Reputational damage - Service delivery may not be met - Effect on available resources i.e. budget and staff if unplanned upgrades required - Negative effect on productivity - Affects ability to plan	- none noted currently (Tools are available but not being used)	3	5	15	- Maximise use of available tools - Develop framework/guidelines for operating procedures	2	4	8		Alison Greenhill	31.03.2016

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<p>30. Information and Customer Access Demand and change management</p> <p>There is no clear demand pipeline especially around project related activity, which means it is difficult to plan staffing, prioritise and manage workloads etc. There is no Target Operating Model, so that service level expectations/outputs and deliverables are not always clear and not delivered upon under a uniform agreement across the business. In some instances, the least relevant priority is dealt with rather than the most significant. This is exacerbated as there is currently no consistent way to capture and manage Business Application support and demand. ICT cannot provide the additional flexibility, complexity and time/resources required by rising customer expectations.</p>	<ul style="list-style-type: none"> - Improvements are not made to processes and procedures. - Inefficient and/or ineffective operations are in place. - Internal reputation impacts. - Demand may not be met. - Service delivery affected. - Incidents are not appropriately identified and rectified. - Increased reliance on IT staff rather than departmental self-sufficiency. - Increased demand on ICT resources. - Supplier response times and deadlines to rectify fixes/changes are lengthy and not always a priority. 	<ul style="list-style-type: none"> - Tactical improvement actions and plans have been identified and are in the process of being implemented. - Gateway process in place - Organisational restructure has been suggested and is being considered. - Business Continuity Management arrangements under review. 	3	5	15	<ul style="list-style-type: none"> - Implement holistic Disaster Recovery Plan. - Confirm roles and responsibilities. - Ask services to involve the customer services team in the planning/phasing/releasing of information etc. - Intended focus on more long term and forward planning. - Consider establishing a demand team (as part of the Methods review) 	3	5	#		Alison Greenhill	31.03.2016

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31. Information and Customer Access Demand and change management - Continued <div style="text-align: right; font-size: 2em; font-weight: bold;">95</div>	<ul style="list-style-type: none"> - Contract arrangements do not include performance targets, turnaround times SLA information etc., the Council is unable to hold them to account. - Data could be lost/unable to be restored - Delays in projects, tasks and assignments. - Adverse effect on budget. 					<ul style="list-style-type: none"> - Unlikely to be able to influence this risk in the near future as fundamental organisational change is required, so management actions are to maintain status quo and prevent the risk worsening. 						

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<p>32. Information and Customer Access Impact on record keeping from use of shared drives and email Information on line of business systems including the Council's EDRMS can be more robustly managed than that on email and shared drives. Email has become the predominant means of business communication BUT this means that records of Council activities and decisions are stored in Outlook rather than systems where they can be sufficiently protected, findable and available as Council records. Shared drive management is also problematic . Many teams do not have a mature shared drive structure in place, and structures are sprawling. Some officers do not have access to shared spaces, only to individual Home drives.</p>	<p>-Excessive IT overhead from backing up and keeping available huge volumes of data, a proportion of which is redundant. - Business impact of not seeing the wood for the trees, where documents and files are accumulated to excess without consistent filing practices, naming conventions and disposal routines, and where defunct materials are still cluttering up drives. - Potential inability to access corporate records in personal storage locations without the presence of specific members of staff. - Potential loss of corporate records when employees leave the organisation and have used personal not corporate filing.</p>	<p>- Policies in place (e.g. Information Management Policy, Records Retention Schedule). - ICT induction briefly addresses email management and filing systems. Being reviewed now so there are stronger messages about managing content. - Information Management Team advising teams on an ad hoc basis re good records practice. - Guidance written on a shared drive refresh process - being tested with Children's Centres. Will enable a scaling up of assistance to services. - Draft guidance in place for driving down email volumes. In testing.</p>	3	5	15	<p>- Enterprise Content Management project to enable teams to review their saved content, to organise it and to cut it back to the necessary. - Relaunch of Information and Records Management policies. - Rollout of information management training for managers. - Improved induction training for information management. - Integration of IM skills into wider courses where appropriate. - Create a self service information and records healthcheck helping services to prioritise addressing weak areas (Jan-Mar 2015).</p>	3	4	#		Alison Greenhill	31.03.2016

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32. Information and Customer Access Impact on record keeping from use of shared drives and email - Continued Even where well designed filing structures are in place, electronic disposal of records at the end of their lifetime is usually not taking place, leading to accumulation of materials.	<ul style="list-style-type: none"> - The accumulation of past materials impedes effective working on current issues. - Potential for the Council to be unable to locate the evidence it may need for its decisions and actions. - Increased overhead of responding to Freedom of Information requests. 				<ul style="list-style-type: none"> - The success of the above controls is conditional on effective communications and strong buy-in cascaded across the organisation from senior management down. - Progress is also currently impeded by limited staff resources in Information Management. Restructure underway to increase skilled capacity. 							

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<p>33. Legal - Key areas of risk are: flexible working practices which expose data to new risks, inappropriate disclosure of personal data, insecure and excessive information sharing externally and internally, lack of universal participation in Information Governance training, lack of awareness of the compliance and enabling role of Information Governance and failure to comply with the Regulation of Investigatory Powers Act 2000. (Also see corresponding risks around Data Protection and Freedom of Information compliance.)</p>	<p>- Data may be lost or shared inappropriately. - Potential legal challenge. - Breaches in regulation/legislation, which may incur fines, reputational damage and negative media coverage. - Local breaches are not reported to the Information Governance Team until a compliant arises. There may be a number of unreported information governance breaches which are unreported and being managed at a local level. - Subject Access Requests: this area has failed in compliance in 2013, and could fail again in the future.</p>	<p>- Policies and procedures in place e.g. security, retention and disposal. - Devices are encrypted. - Staff briefed on Information Governance (IG) compliance and asset mgmnt. - Improvement plan identifies necessary procedural updates etc. - Good liaison with Information Commissioners Office (ICO) and increased visibility and compliance. - Regular reports to Directors on the importance of IG compliance. - Staff are required to complete IG training on induction and all staff were asked to complete training in 2013. - Leicester City Council submissions to the NHS Information Governance Toolkit provide a health check on IG policies and systems.</p>	4	5	20	<p>- Requirement for all to complete annual IG awareness training should be enforced. - Introduce a self-service IG health check for Managers to check their team's compliance and identify their own improvement actions. - IG issues to be addressed more consistently in contracts outside IT Procurement (where this is systematic). - Need for services facing high staff turnover to prioritise Data Protection and security training to maintain capability levels. NB: in a changing context, controls need to evolve and be constantly refreshed to maintain the risk exposure at the current level and prevent it from increasing.</p>	4	3	#		Kamal Adatia	31/03/2016 Ongoing

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			Impact	Probability	Risk		Impact	Probability	Risk			
33. Legal - Continued		- Self service Information Governance Healthcheck tool for managers has been drafted. Next stage is testing. NB staff turnover and high rates of change are increasing the Council's exposure to risk here.				Therefore, no reduction in risk exposure is anticipated.						
STRATEGIC AREA - Education and Children's Services												
34. Children's and Young People- Improvement - Changing for the better LCCIB Improvement Plan -Budget Pressures on the divisional budget	Services to vulnerable children, young people and families would be reduced and affect safeguarding of children, and potentially have an adverse impact on delivering the Leicester City Council Improvement Plan	Deliver savings as part of the reviews taking place across LCC, including Education & Children's with clear explanations of the potential risks and impact. Deliver savings to meet the budget pressure within the CYPF Division	5	4	20	Identify further projects to ensure delivery of savings, assess impact and agree any further mitigating factors	4	4	#		Claire Pyper	31.03.2016 and ongoing

Appendix 2 - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 31 October 2015

Risk What is the issue: <i>what is the root cause/ problem – what could go wrong</i>	Consequence /effect: <i>what would occur as a result, how much of a problem would it be ?, to whom and why</i>	Existing actions/controls	Risk Score with existing measures (See Scoring Table)			Further management actions/controls required	Target Score with further controls (See Scoring Table)			Cost	Risk Owner	Review Date
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100	Requirements to reduce public sector funding affect the Council's ability to fund key areas of improvement work	Workforce continues to be in flux and subject to high turnover, which impairs consistent service and increases risks for vulnerable children and young people. Insufficient funding in local authority and partner services to deliver improvement work and maintain level of Early Help and statutory services.	Priorities for short and long term funding of improvement work are being considered by senior managers and elected members. Proposed savings in Early Help services are currently being developed in consideration of Leicester City Council 2015/18 budget. Impact on services to Children young people and families is being assessed as part of savings proposals. Pressures on the Out of Authority placement and increase in Looked After Children (LAC) numbers beyond allocated budget. Funding of two PA's for over 16's and retention payments for social workers and team managers in front line teams already agreed. Advanced Practitioners appointed				Further consideration of other identified improvement areas to be discussed. Further areas of the Resource Plan under consideration Quality Assessment post to be advertised in September					

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101	Increase in number of children looked after results in overspend, compensatory savings have to be made in other services	Reduced Early Help Services, resulting in less early intervention and higher numbers of children and families escalating to higher levels of need, putting additional strain on Children's Social Care budget.				Targeted work to safely and appropriately reduce the numbers of children in care and monitor the numbers of children requiring high cost externally commissioned placements. Further work to be carried out to consider future commissioning arrangements for young people who are victims of CSE.						
	Cost of agency social workers, including staffing over capacity, and interim staff working on improvements results in overspend, compensatory savings have to be made in other services	Increase in overspend, due to the higher costs of agency workers; and additional staff to carry out improvement work, reduce caseloads and ensure capacity to carry out key jobs is in place				Workforce Strategy sets out plans to attract permanent staff to Leicester and retain incoming and existing staff. Strategy includes progression and workforce development. Regular monitoring of staff appointments to agency posts.						
						Examination of existing controls, including social work practice, decision making, work to address young people on the 'edge of care', placement commissioning and exits from care.						
						Continued work on recruitment, retention and induction. Focus on recruitment of permanent Team Managers.						

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Permanent staff absence (sick leave, maternity leave, disciplinary action) results in higher costs because of the need to pay agency worker	Regular monitoring of staff performance, and absence.	Continuing to take a robust approach to managing staff absence and reduce the amount of time that is lost due to sickness.				Children in Need (CIN) Attendance management-briefings for all CIN managers at induction and dedicated HR support put in place to support management of absence management						
Staff leave, resulting in the need to fill posts with agency workers	Additional expenditure on agency staff. Loss of experience and continuity.	Workforce Strategy developed and being implemented. Use of agency staff to fill vacant positions while permanent recruitment takes place. National and regional problem of availability of experienced social workers and Team Managers is impacting on LCC.				Ensure progression in place for experienced workers following appointment of new Team Managers. Individual discussions with staff wanting to progress, or dissuade them from leaving.						

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103												
35. Children's and Young People - Safeguarding Staff fail to recognise and act to safeguard and mitigate the risks of significant harm to children	No interventions where action needs to be taken, interventions that do not make enough difference to children's lives, an increased risk of significant harm, and/or an avoidable child death.	Agreed improvement plan in place, being implemented and monitored, including all Ofsted recs • Additional short term CIN Team in place to increase capacity • Early Help Offer re-launched with training for staff/ partners • Thresholds documents re-launch • Weekly CIN Performance meetings to look at key performance areas and spot checks on identified areas • Team Manager training to reinforce management oversight • Distribution of agreed Service Standards across the Children's Workforce • External audit of Ofsted cases • Workforce Development Programme with aim of attracting workers to Leicester City, retention programme, growing own social workers and stabilising workforce • Revised supervision and case recording policies * External auditors feedback on cases with recommendations for improvement	3	5	15	Further Implementation of the Leicester City Children's improvement plan including: • Quality Assurance work by external auditors used to drive up practice and management standards, and enable managers to carry out realistic, robust audits • Principal Social Worker to be appointed to improve practice standards • Outcomes of, and learning from, Serious Case Reviews to be communicated to staff, including recommendations on practice and management work with partner organisations to ensure application of the LLR thresholds, reduce inappropriate contacts and referrals and ensure sufficient detail is given to enable robust decision making. * Appointment of 9 Advanced Practitioners (non-case holding) to take on supervisory and quality assurance functions across CIN and LAC	3	4	#		Claire Pyper	31.03.2016 and ongoing

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35. Children's and Young People - Safeguarding CONTINUED		* Feedback to CIN Service about outcomes of Ofsted support visit with actions to address										

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105	Poor quality, inconsistent service to children, young people and their families, and increased risk of significant harm	Weekly performance meetings in CIN • Quality Assurance work by external auditors in conjunction with social workers and team managers, with immediate corrective action for cases identified. • Reports produced on 'Practice Analysis with results of the Quality Assurance work. • Workshops for all social workers and team managers on the outcome of the Practice Analysis in June 2015 • Workforce Development Programme in place * Briefings and rollout implementation of the Service Standards, Supervision Policy and Guidance and the Performance and Quality Assurance Framework * External auditors feedback on cases with recommendations for improvement * Feedback to CIN Service about outcomes of Ofsted support visit with actions to address areas identified as needing improvement * Induction programme in place				• Implementation of the improvement plan including: • Use established frontline (practitioner) Group as 'Champions' • Practice and performance quarterly workshops for all staff • Continued implementation of the Workforce Improvement Plan including recruitment, retention and induction of agency and permanent staff and action to reduce imbalance of agency Team Managers to permanent Team Managers * Equipping social workers with appropriate mobile technology * Business Analysis of the critical area (CIN teams)						

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106	Abuse or injury to children and young people in the City.	Children would be unsafe living with their parents. Where known to Children's Social Care or Early Help, services would not have protected them. Where a child suffered significant harm or death, there could be a Serious Case Review, with outcomes published nationally.	Implementation of Improvement Plans at Operational and Strategic Level. Recruitment of staff. Staff training. Supervision and management oversight.				3	3	9			

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<p>Child Sexual Exploitation:</p> <p>Non-recent cases of CSE where police investigation and/or victims statements demonstrate local authority involvement or culpability in failing to protect victims.</p> <p>Current work on CSE where local authority/partnership working have failed to protect young people from perpetrators</p>	<p>For non-recent and current</p> <p>Reputational risk in a high profile area</p> <p>Allegations against staff or former staff</p> <p>Media coverage</p> <p>Claims against the Council</p>	<p>For non recent cases. Local authority engagement with police in non-recent investigations.</p> <p>For current work. CSE Strategy and Action Plan in place across Leicester, Leicestershire and Rutland Leicester Safeguarding Children Board.</p> <p>Training for local authority and partner agency staff provided through the LSCB and single agency training.</p> <p>Communications Planning.</p> <p>Liquid Logic workspace in place from July 2015. Problem profile (perpetrator information) being put into place by the police.</p> <p>Performance Framework being established. LCC considering budget allocation to establish a CSE team in conjunction with Leicestershire.</p>	3	5	15	<p>CSE Team to be established. Audit work being carried out on young people who are 'missing' or subject of CSE, to be completed by October 2015 and actions considered. Plans for a multi-agency team across Leicester, Leicestershire and Rutland to work on CSE</p> <p>Work to ensure more robust approach</p>	4	4	#			

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108	Impact on staff morale, engagement with vulnerable families, partner confidence and public reputation	Serious Case Reviews not yet published, first set due for approval December 2015; second set in January/February 2015. LSCB partner agreement and media engagement about the messages to be released. Themes and actions arising from pre-publication messages already included in Improvement Plan, or being communicated separately to staff.	3	5	15	Work through LSCB groups to disseminate messages from the Serious Case Reviews.						
Increased demand for service following the publication of the Ofsted report; or due to increasing population of the City	Higher numbers of contacts and referrals diverts core role of social workers to increase time pressures to potentially affect quality of work with children at higher risks of neglect and/or abuse.	Regular checks on demands for Early Help and Children's Social Care through performance information	3	5	15	Continue to monitor, raise with partners through LSCB Examine through Children's Trust and consider multi-agency solutions Encouraging schools to buy in Family Support work						

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Abuse or injury to children in a range of care placements	Children would be unsafe and have experienced significant harm while in the Council's care.	Ensure maintenance of robust safer recruitment processes and Local Authority Designated Officer arrangements.	3	5	15	No further controls identified. Compile and monitor critical Young people identified as being at risk of CSE						

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36. Children's and Young People - Workforce - Staff fail to recognise and act to safeguard and mitigate the risks of significant harm to children - Insufficient high quality workforce at practitioner and manager levels including: <ul style="list-style-type: none"> • Turnover/retention of agency staff • Poor quality agency staff • Current Permanent staff leaving • Difficulty in recruiting permanent staff to Service Manager, Team Manager and Social Worker posts due to pressure to perform to required standards • Practical problems that affect day to day work • Leicester not able to attract staff while 'inadequate' 	De-stabilisation of workforce and a ripple effect from CIN Teams to other teams in social care. New agency staff struggle to pick up cases that have been through several interim social workers causes stress to new staff	Retention package has been approved <ul style="list-style-type: none"> • Additional CIN team in place to reduce pressure points across the 9 CIN teams • Workforce Improvement Plan in place • Implementation of recruitment and retention aspects of the Workforce Strategy and Improvement Plan • Health check by Liquid Logic Original Suppliers • Contact with Other LAs successfully using Liquid Logic *Workforce Project Officer working in collaboration with the service to recruit agency and permanent staff *Non-compliant or poor quality agency staff asked to leave *Capability/disciplinary action in relation to permanent staff *Exit interviews with departing staff *Dedicated HR support to CIN to progress capability/disciplinary action Mobile phones and laptops being supplied to staff. Search for new accommodation under way.	5	4	20	Continued work to implement Service Standards, address key areas of staff performance through management action, follow up findings from Performance and Quality Assurance reports	4	4	#		Claire Pyper	31.03.2016

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Insufficient high quality workforce in support services resulting in key support functions not being carried out including Business Support, Liquid Logic report writing, Liquid Logic training and floorwalking	Key tasks underpinning Improvement Plan not carried out, or delayed due to lack of staff	Continued recruitment of key staff including consideration of secondments * Business Analysis of the critical area (CIN teams) *Roll out of mobile technology to staff				Recruitment of an additional trainer for Liquid Logic, and further work to recruit report writers. Consideration of Business Support functions in business analysis work						

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37. Children's and Young People - Liquid Logic - Liquid Logic's children's recording system does not work effectively to ensure business processes, support good practice or evidencing children are appropriately safeguarded 112	Practitioner/manager training does not enhance system use Resistance among some staff hampers the use of the system Due to increased demand for social care requirements from the BAS team (ICT for Liquid Logic), the early help reporting roll out in September is at risk. Change is not embedded and the system is unable to discover where things are going wrong & progress is not being maintained * Turnover of staff prevents effective use of the system * Shortage of training not enabling effective use of system * ICT support for use of system is hampered by insufficient report writers and trainers * Inconsistent use of system leads to errors in recording and performance of system	<ul style="list-style-type: none"> • Health check by Liquid Logic in August 2015 with recommendations communicated in September 2015 * Consequence of Healthcheck remedies will be delayed implementation of LL Version 11 to February 2016 * POD group meets monthly and focusses on LL issues raised by front line staff and managers * Aide memoires issued to staff to assist with use * Training and helpline in place * Priority list in place for LL reports • Contact with Other LAs successfully using Liquid Logic * New staff undergo induction programme including Liquid Logic training. * Floorwalker support ended in May 2015 	5	4	20	<ul style="list-style-type: none"> • Actions taken with provider: <ul style="list-style-type: none"> - Prioritisation and implementation identified through the Health check and for V11 High level project plan to be developed. Recruitment of Liquid Logic report builders and training of others in Performance team to undertake query and report building in Liquid Logic • Task and finish group for Care Plans • Communication Strategy and plan is being developed and used Health check and Implementation of V11 need to be linked to drive efficient use of the system. Single route for agreement of all future work. Trainers under single management. Role of champions to be reviewed. 	4	4	#		Claire Pyper	31.03.2016

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113	Early Help module system implementation is delayed with governance arrangements not in place, training not available, partners not participating.	Lack of confidence in Early Help Assessment. Partners not engaging in Liquid Logic training or using the system. Partners not signing Information Sharing Agreement therefore information cannot be shared or partners do not take on the LP role.	Project board meets fortnightly reviewing risks and progress, Risk Assessment in place, data protection guidance drafted, options being explored to include EHA as part of the ISA for LSCB partners.				Allocation of trainers and BAS report writers to the Early Help system through deployment of existing resources and temporary recruitment of additional staff. Discussion at the LCCIB and the Early Help Group of the Children's Trust Board about how to increase the allocation of Lead Practitioners in partner agencies due to take place October 2015.						
38. Children's and Young People - Inspections - Impact of poor outcomes from Ofsted Inspections.	Poor quality, inconsistent service to children, young people and families. Additional expenditure for improvement work. External scrutiny from Ofsted and DfE. Potential difficulty in attracting staff. Reputational damage to the Council.	Ofsted inspection of Children's Social Care under the Single Inspection Framework took place in January/February 2015, report published March 2015, judgement of 'inadequate'. Inspections and monitoring visits of Children's Residential Homes are carried out regularly and tracked through the 'Residential Improvement Plan'. Preparation work in place for inspection of Children's Centres.	3	5	15	Performance and Quality Framework in place. Regular monitoring of performance and quality of service. Meet key targets set by the Improvement board	4	2	8		Claire Pyper	31.03.2016	

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39. Children's and Young People - Early Help - Failure of services and processes to identify and meet the needs of vulnerable young people. Extent and gearing of department budget cuts for 2012-15 compromises operations and generates a higher safeguarding failure.	<ul style="list-style-type: none"> The number of children and young people vulnerable to poor outcomes increases resulting in reduced life chances, subsequent high reliance on specialist high cost services and potentially death. Poorer outcomes overall, children's plans priorities compromised, loss of education, reliance on higher cost services, death etc. Reduced management and admin cover will reduce the capacity of existing staff to complete the data analysis required to identify and track families/children at risk of poor outcomes. * Partners are not engaged with Early Help or contribute to the offer 	<ul style="list-style-type: none"> Early Help and Prevention protocol in place underpinned by the Early Help and Prevention Strategy. Launch of the EHA, resources and website (Mar 15) Training programme and comms plan in place Initial stakeholder analysis completed (Jan 15), more detailed one underway (May 15) Partnership Performance Framework drafted and EH reports for SEG that evidence impact and progress CC & FS business care project group meets fortnightly to ensure the implementation of recommendations are on track Health Check underway with cyp, families, staff and partners (May/June) results to be published Aug 15 Increase Traded Family Support services within schools 	4	4	16	Embedding the Early Help Assessment with all service providers including schools. Deployment of newly redesigned Family Support role. Complete identified work post implementation of the review . Task and Finish group to be set up to oversee the implementation of the recommendation of the Business case	3	4	#		Claire Pyper	31.03.2016 and ongoing

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41. Children's and Young People - Placements for children and young people who are looked after - Inability to recruit and retain foster carers →	Insufficient internal foster care placements leading to greater use of Independent Fostering Agencies and greater cost to the Council.	Targeting resources to focus on mainstream foster carers. Foster carer allowances report to be considered by DMT to review payment. Foster carer scheme for teenagers to be considered as part of an 'invest to save' bid.	4	4	16	Consideration of raising foster care allowances to national requirement. Consideration of teenage fostering scheme.	3	4	#		Claire Pyper	31.03.2016
→ Inability to find sufficient suitable residential placements for children and young people with complex needs	Insufficient/unsuitable residential care that does not meet children and young people's needs and leads to higher costs for the council and poor outcomes for children and young people. Council's statutory responsibilities as a Corporate Parent are not fulfilled	Management decision making. Placement Commissioning service.				Proposals for invest to save for young people 'on the edge of care'. Increased use of Wigston Lane for young people moving into independence.						

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42. Children's and Young People - Access to records - Delay in the process in dealing with subject access requests & police disclosures	ICO fines and negative LA public attention	Clear action plan in place and situation monitored by senior managers. New manager in place.	3	2	6	Plans to increase the number of staff to ensure backlog situation does not reoccur	3	2	6		Claire Pyper	31.03.2016
43. Children's and Young People - Elected Members - Failure to engage Elected Members and secure their commitment to delivery of the Improvement Plan	*Partial improvements which will not secure the improvements required for Leicester City Children's Services to improve from Inadequate. *Escalation of DfE intervention *The risk of harm, neglect and/or abuse for children and young people is increased.	<ul style="list-style-type: none"> • Lead Member for CYPF is Board Member. • Lead Member is briefed on a weekly basis. • Lead Member sends progress updates to members * Regular 1-1 meetings between Strategic Director and City Mayor 	2	4	8	* The Improvement Plan is regularly scrutinised by Elected Members, via Children's Scrutiny arrangements. Corporate Parenting Forum has revised terms of reference and is considering key areas of performance related to LAC * Training will be delivered to CYP members from November 2015	2	4	8		Claire Pyper	31.03.2016 and ongoing

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44. Learning Quality and Performance Leicester City Council reputation / relationships with schools are hindered by the delay in resolving snags and defects items with schools. 118	Low school engagement in sharing and / or celebrating impact of Building Schools For Future (BSF). Complaints from schools are likely to increase. High project staff turn over impact on schools confidence in LCC resolving snags and defects.	BSF School's in phase 3 to 6 identified as high risks are indicated on internal CPMO report with mitigating actions.	5	5	25	Resource management between property and education to be agreed. Children's Capital Governance to be reviewed to ensure resolution to snags and defects is reported and managed through the system. Clarity to schools provided on escalation route for snags and defects concerns.	5	5	#	staff time	Jane Winterbone	31.03.2016 and ongoing
45. Learning Quality and Performance - Leicester could be subject to a targeted Ofsted inspection with multiple inspections across schools followed by Local Authority (LA) inspection.	LA can provide evidence to support positive outcome but resource demands would be significant. Major issue about credibility of service which could increase the number of schools changing to academy status	School improvement reserve budget	4	4	16	Positive response to recommendations identified in peer review completion of a detailed Self Evaluation Form (SEF) leading to a revised school improvement Framework Close work between LA Officers, Department of Education & Ofsted representation to manage RI/SM schools Action plans in place for new teams in the raising achievement service linked to SEF	3	4	#		Jane Winterbone	31.03.2016

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			Impact	Probability	Risk		Impact	Probability	Risk			
46. Learning Quality and Performance (LQP) - Children's Capital Investment Delayed capital projects disrupts educational improvements in schools 1 6	The schools overall time and capacity to focus on educational improvements is reduced and/or comprised building issues and disruption.	LQP services to be targeted where necessary to provide additional educational support and guidance in build delay works. Resolution to relationship and reputational management with BSF schools yet to be finalised.	4	4	16	CPMO reporting to be reestablished between property and childrens to provide regular update to resolve issues.	3	2	6	Staff time	Jane Winterbone	31.03.2016 and ongoing
47. Learning Quality and Performance School closure required due to significant health and safety snags and defects works incomplete in capital projects. i.e. heating, ventilation, water and fire system failures	Statutory education days in schools for Children and Young People not met	Building Review Groups (BRG) have now ended with BSF schools - further clarity on contract management to be discussed with property.	4	4	16	Resource management plan of snags and defect resolution to be supported in BSF post handover.	4	4	#	Staff time	Jane Winterbone	31.03.2016 and ongoing

Appendix 2 - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 31 October 2015

Risk What is the issue: <i>what is the root cause/ problem – what could go wrong</i>	Consequence /effect: <i>what would occur as a result, how much of a problem would it be ?, to whom and why</i>	Existing actions/controls	Risk Score with existing measures (See Scoring Table)			Further management actions/controls required	Target Score with further controls (See Scoring Table)			Cost	Risk Owner	Review Date
			Impact	Probability	Risk		Impact	Probability	Risk			
48. Learning Quality and Performance - Loss of contractual BSF knowledge and Intelligence through high staff turnover in project teams leading to poor decisions and non contractual compliance	Resolution to issues delayed. Reactive handover with no record of change, agreement or clarity for schools. BSF staff now in redundancy process and to be brought to an end by March 16.	School have been asked to request BRG reports from BSF project team so that they can take ownership in prioritising issues / actions against education needs. Awaiting final list of issues and snags from property.	4	4	16	Resource management plan of how schools will be supported in BSF post handover to be developed between property and education.	4	5	#	staff time	Jane Winterbone	31.03.2016 and ongoing
49. Learning Quality and Performance - Schools in Ofsted categories or below floor standard converted to academies by order of the secretary of state.	Schools no longer Local Authorities (LA) schools; impact on overall schools budget and reputation of authority. Difficult to maintain an overview of Children /young people that the LA continue to be responsible for.	School improvement strategy and LA support plans. School2School partnership are in place. Performance dialogue meeting between School Improvement Advisor and school leadership teams for every school in the City. Support and challenge is provided in inverse proportion to need.	3	5	15	Targeted support packages in place for schools in scope for conversion. Half termly progress checks through team around the school meetings Whole school reviews for those schools that are Requires Improvement or in Special Measures - Regular reports submitted to Divisional Management Team re current position	3	4	#		Jane Winterbone	31.03.2016

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50. Strategic Commissioning and Business Development - Safeguarding/ teaching and learning workforce programmes are ineffective and Local Authority has insufficiently trained staff to deliver and manage the range. <div style="font-size: 2em; font-weight: bold; text-align: center;">121</div>	Stress management failings, lacks capacity and competency. Potential adverse impact on inspection outcomes.	Work Life Balance policies, and supporting wellbeing website www.childrensworkforce/supporting wellbeing Learning Training & Development Plan refreshed – new Department priority and focus on qualification and safeguarding training.	4	4	16	Management to implement health and safety and wellbeing policies and seek advice and support to mitigate risk of undue stress in the workforce New corporate team to actively engage in implementing workforce strategy and limited strategy and plans.	4	3	#		Frances Craven	01.03.2016

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			Impact	Probability	Risk		Impact	Probability	Risk			
STRATEGIC AREA - Public Health												
51. Public Health - Data Access and Sharing - 1. Unresolved issues in national guidance on this matter. 2. Pseudominised Hospital Episode Statistics data for 10 years has not yet been released to us. 3. No current access to birth and deaths (temporarily withdrawn) and risk will be there depending on how long Office of National Statistics takes to approve permissions. 4. Regarding data from General Practitioners (Systemone) the requirements for a data agreement with all data owners. This process is complicated and detailed.	Offer a limited services in terms of core offer and other analyses required.	Audit Information Governance within Division to support move to Information Governance Toolkit Level 3 Division of Public Health is at Information Governance Toolkit Level 2. Awaiting national decisions ether within the Department of Health, NHS England, Health and Social Care Information Centre and or the Information Governance Officer. Application made for births and deaths data. Current access through GEMCSU has not yet been activated for testing.	4	4	16	More timely data being released nationally on line (aggregated - does not support analysis at lower level). Maintain Information Governance Toolkit Level 2 and work to Level 3. Awaiting national decisions either within the Department of Health, NHS England, Health and Social Care Information Commissioner and/or the Information Governance Officer (secondary care data). Follow up application to Office of National Statistics. Arrangements in place for the sharing of NHS data for certain public helath commissioned services via risk stratification data extract information agreements being drawn up for specific projects (for primary care data). Continue to chase	4	3	#		Ruth Tennant	31/03/16

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Risks as at: 31 October 2015

Risk What is the issue: <i>what is the root cause/ problem – what could go wrong</i>	Consequence /effect: <i>what would occur as a result, how much of a problem would it be ?, to whom and why</i>	Existing actions/controls	Risk Score with existing measures (See Scoring Table)			Further management actions/controls required	Target Score with further controls (See Scoring Table)			Cost	Risk Owner	Review Date
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123	<p>Potential future succession planning issues.</p> <p>Less effective commissioning of specialist programmes</p> <p>Contracts are procured without the correct expertise/knowledge resulting in corrective action of legal costs.</p> <p>Incurring of additional costs through a need for agency and temporary staff to provide cover for work areas</p>	<p>Adherence to Local Government Association/Public Health England guidance relating to recruitment of staff</p> <p>Job description written in a relevant way to attract target applicants.</p> <p>Pay scales broadly similar to National Health Service/market force.</p> <p>Job evaluation complete</p> <p>Engaged with HR colleagues to understand and put in place steps to shape our recruitment offering to entice high calibre, relevant etc candidates in future recruitment and enable successful succession planning</p> <p>An interim a market supplement will be applied for to ensure posts can be advertised closer to former NHS levels. In the longer term a higher substantive banding or the role will be sought.</p>	4	4	16	Seek grading scheme beyond market supplements.	4	1	4		Ruth Tennant	31.03.2016

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<p>53. Public Health The failure to address the issues that will facilitate a smooth transition of HVS from NHS to LA Agreement has been reached with NHS England regarding the level of resource to be transferred. However, there are still some ambiguities e.g.. FNP licence fee. Furthermore, there is also a lack of performance data from the provider and an issue regarding the commissioning of registered versus resident population.</p>	<p>Possible reputational risk through the LA being forced to reduce service levels to meet unfunded costs Registered versus resident population: may give rise to safeguarding issues as families could possibly be inadvertently missed</p>	<p>- Health Visiting Transfer Group with LA has considered the issue and worked with NHS England to clarify scope and funding. Performance framework negotiated with provider re Health Visiting contract. Lead to be recruited and Action plan to be developed. Commissioning for Quality and Innovation (CQUIN) monies attached to delivery (£104K from NHS England, £104K from LCC). Ongoing meetings with NHS England and provider Discussion between NHS England and FNP National Unit to clarify ambiguities regarding FNP licence fee. Estate costs are currently being reviewed</p>	4	4	16	<p>Review of Health Visiting, Family Nurse Partnership and School Nursing (Healthy Child Programme 0-19 years) currently being undertaken for reprocurring services within budget. Awaiting response through NHS England Area Team or directly from NHS England nationally at this stage. Task group being set up across LLR to discuss a progressive action plan on moving from a registered to resident population HVS is included in the 0-19 year old service review currently underway</p>	4	3	#		Ruth Tennant	31.12.2015

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54. Public Health - Integrated Sexual Health Service Provider (Staffordshire, Stoke on Trent Partnership) unable to continue to deliver the contracted services due to an apparent financial shortfall between the contract value and delivery costs.	Provider could give notice before end of contract forcing early reprocurement Quality of service could be compromised Potential financial, legal and reputational risk to the Council	Leicester City and Leicestershire and Rutland County Councils have a joint partnership management group who are work closely with the provider.	4	4	16	Continued meetings with other commissioners, legal advice sought, action plan awaited from provider action plan awaited from provider by end of November 2015	4	3	#		Ruth Tennant	30.11.2015

Appendix 2 - Leicester City Council Operational Risk Register

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Risks as at: 31 October 2015

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			Impact	Probability	Risk		Impact	Probability	Risk			
<p>55. Public Health- Clinical Governance - There is currently a lack of clinical governance at a corporate level within the Local Authority. The Director of Public Health (DPH) has an assurance role, however, the depth and levels of assurance allowing them to discharge their duties is currently unclear. In addition, to perform a robust assurance programme over all of the DPHs accountabilities would require significant investment/resource.</p>	<p>Potential risks to patients and the public. Possible failure of external reviews/appraisals. Increase in costs. Uncertainties about existing arrangements.</p>	<p>'Clinical Governance Group (Public Health, SC Contracts and Assurance, Audit and Assurance) continuously reviews existing CG arrangements, emerging issues/incidents and provider quality reports , and develops robust approach to CG. -Internal PGD (patient group direction) policy in place and used for all new/review PGDs Current public health contract inventory has been risk-prioritised for potential CG issues. 'There are existing arrangements with stakeholders/providers; such as CCG , LPT etc who are required to deliver clinical governance assurance. Public health contracts are monitored through existing contracts and quality schedules. Draft report for QSG completed</p>	5	3	15	<p>Continual on-going stakeholder engagement and development of existing and future relationships. Incident reporting protocol through the single point of contact at LCC will be implemented later this year, to ensure robust reporting of all incidents, including safeguarding Progress report to be made to Quality Surveillance Group. The new Quality Assessment Framework (QAF), to be implemented later this year, will apply to all new and existing LCC contracts and will include robust and consistent CG process of assessment and monitoring, which is enforceable through contract</p>	4	3	#		Ruth Tennant	31.03.2016

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			Impact	Probability	Risk		Impact	Probability	Risk			
56. Public Health- Potentially having to deliver a £1.7 million in year saving	Non/ reduced delivery of services Cutting contracted services mid year Potential financial, legal and reputational risk to the Council	Review of current cost pressure areas has been undertaken and areas for possible cost savings is underway Assessment of proposals to work within the potentially available budget	4	5	20	Review budgets and PH contracts to identify possible savings Review directorate priorities and potentially allocate funding from lower priority areas.	5	3	#		Ruth Tennant	30.11.2015

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57.Public Health-CLAIMING PROCESS FOR GP PROVIDERS- The clinical systems used by GP providers to claim payment for public health commissioned services are insufficiently robust to ensure payment accuracy <div style="font-size: 2em; font-weight: bold; text-align: center;">128</div>	Service quality could be compromised due to unreliable clinical coding Performance management could be compromised by inaccurate count data Provider loss of confidence in the payment system where there is a disparity between claims and payment Potential financial, legal and reputational risk to the Council	Alternative spread sheet based payment claim system has been introduced Working with contracts team and CCG to provide a verification system for claims External audit of clinical services delivered by GP practices underway for the NHS Health Check Programme	4	5	20	Continue with the audit of specific cases and involve NHS and city council audit and risk staff as necessary; Ensure all steps and actions are documented; Issue of letter to particular 'problem' practices and inform practices in general warning of claiming accuracy and the city councils stance on this Bring forward plan for routine programme of audits; DMT to ensure that there are adequate resources for audit longer term; Regular reports to DMT and DPH. Continue to work with LCCCG and LCC contracts team to support the implementation of robust claiming mechanisms	4	4	#		Ruth Tennant	31.12.2015

Divisional Risk Register (Children, Young People & Families Division)

Completed by (Risk Owner): Clair Pyper

V5

Date completed: 27.10.15

Business Objective and Strategic Priority this impacts on	Risk What is the issue: whats is the root cause/ problem – what could go wrong	Consequence /effect: what would occur as a result, how much of a problem would it be ?, to whom and why	Existing actions/controls	Risk Score with existing measures (See Scoring Table Below)			Further management actions/controls required	Target Score with further management actions/ controls required (See Scoring Table Below)			Cost	Risk Owner	Target Date	
				5	4	20		4	4	16				
1. Budget														
129	Improvement - changing for the better LCCIB Improvement Plan	a) Pressures on the divisional budget	Services to vulnerable children, young people and families would be reduced and affect safeguarding of children, and potentially have an adverse impact on delivering the Leicester City Council Improvement Plan	5	4	20	Identify further projects to ensure delivery of savings, assess impact and agree any further mitigating factors	4	4	16		CP	31/03/17	
		b) Requirements to reduce public sector funding affect the Council's ability to fund key areas of improvement work	Workforce continues to be in flux and subject to high turnover, which impairs consistent service and increases risks for vulnerable children and young people. Insufficient funding in local authority and partner services to deliver improvement work and maintain level of Early Help and statutory services.	5	4	20	Further consideration of other identified improvement areas to be discussed. Further areas of the Resource Plan under consideration QA post to be advertised in September	4	4	16		FC	31/03/17	
		c) Increase in number of children looked after results in overspend, compensatory savings have to be made in other services	Reduced Early Help Services, resulting in less early intervention and higher numbers of children and families escalating to higher levels of need, putting additional strain on Children's Social Care budget.	Targeted work to safely and appropriately reduce the numbers of children in care and monitor the numbers of children requiring high cost externally commissioned placements. Further work to be carried out to consider future commissioning arrangements for young people who are victims of CSE.	5	4	20	Examination of existing controls, including social work practice, decision making, work to address young people on the 'edge of care', placement commissioning and exits from care.	4	4	16			31/03/17
		d) Cost of agency social workers, including staffing over capacity, and interim staff working on improvements results in overspend, compensatory savings have to be made in other services	Increase in overspend, due to the higher costs of agency workers; and additional staff to carry out improvement work, reduce caseloads and ensure capacity to carry out key jobs is in place.	Workforce Strategy sets out plans to attract permanent staff to Leicester and retain incoming and existing staff. Strategy includes progression and workforce development. Regular monitoring of staff appointments to agency posts.	5	4	20	Continued work on recruitment, retention and induction. Focus on recruitment of permanent Team Managers.	4	4	16			31/03/17

Divisional Risk Register (Children, Young People & Families Division)

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				4	4	16		4	4	16			
	e) Permanent staff absence (sick leave, maternity leave, disciplinary action) results in higher costs because of the need to pay agency workers	Regular monitoring of staff performance, and absence.	Continuing to take a robust approach to managing staff absence and reduce the amount of time that is lost due to sickness.	4	4	16	CIN Attendance management-briefings for all CIN managers at induction and dedicated HR support put in place to support management of absence management	4	4	16			30/06/16
	f) Staff leave, resulting in the need to fill posts with agency workers	Additional expenditure on agency staff. Loss of experience and continuity.	Workforce Strategy developed and being implemented. Use of agency staff to fill vacant positions while permanent recruitment takes place. National and regional problem of availability of experienced social workers and Team Managers is impacting on LCC.	4	4	16	Ensure progression in place for experienced workers following appointment of new Team Managers. Individual discussions with staff wanting to progress, or dissuade them from leaving.	4	4	16			31/03/2016 ongoing

Divisional Risk Register (Children, Young People & Families Division)

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2. Safeguarding													
Improvement - changing for the better LCCIB Improvement Palan	2 a) Staff fail to recognise and act to safeguard and mitigate the risks of significant harm to children,	No interventions where action needs to be taken, interventions that do not make enough difference to children's lives, an increased risk of significant harm, and/or an avoidable child death.	<ul style="list-style-type: none"> Agreed improvement plan in place, being implemented and monitored, including all Ofsted recommendations Additional short term CIN Team in place to increase capacity Early Help Offer re-launched with training for staff and partners Thresholds documents re-launch Weekly CIN Performance meetings to look at key performance areas and carry out spot checks on identified areas of work Team Manager training to reinforce management oversight Distribution of agreed Service Standards across the Children's Workforce External audit of Ofsted cases Workforce Development Programme with aim of attracting workers to Leicester City, retention programme, growing own social workers and stabilising workforce Revised supervision and case recording policies * External auditors feedback on cases with recommendations for improvement * Feedback to CIN Service about outcomes of Ofsted support visit with actions to address 	3	5	15	<ul style="list-style-type: none"> Further Implementation of the Leicester City Children's improvement plan including: Quality Assurance work by external auditors used to drive up practice and management standards, and enable managers to carry out realistic, robust audits Principal Social Worker to be appointed to improve practice standards Outcomes of, and learning from, Serious Case Reviews to be communicated to staff, including recommendations on practice and management work with partner organisations to ensure application of the LLR thresholds, reduce inappropriate contacts and referrals and ensure sufficient detail is given to enable robust decision making. * Appointment of 9 Advanced Practitioners (non-case holding) to take on supervisory and quality assurance functions across CIN and LAC 	3	4	12		Clair Pyper	30/09/16
	b) Practitioners and managers do not work to required standards	Poor quality, inconsistent service to children, young people and their families, and increased risk of significant harm	<ul style="list-style-type: none"> Weekly performance meetings in CIN Quality Assurance work by external auditors in conjunction with social workers and team managers, with immediate corrective action for cases identified. Reports produced on 'Practice Analysis with results of the Quality Assurance work. Workshops for all social workers and team managers on the outcome of the Practice Analysis in June 2015 Workforce Development Programme in place * Briefings and rollout implementation of the Service Standards, Supervision Policy and Guidance and the Performance and Quality Assurance Framework * External auditors feedback on cases with recommendations for improvement * Feedback to CIN Service about outcomes of Ofsted support visit with actions to address areas identified as needing improvement * Induction programme in place 	3	5	15	<ul style="list-style-type: none"> Implementation of the improvement plan including: Use established frontline (practitioner) Group as 'Champions' Practice and performance quarterly workshops for all staff Continued implementation of the Workforce Improvement Plan including recruitment, retention and induction of agency and permanent staff and action to reduce imbalance of agency Team Managers to permanent Team Managers * Equipping social workers with appropriate mobile technology * Business Analysis of the critical area (CIN teams) 	3	4	12		Clair Pyper	30/09/16

Divisional Risk Register (Children, Young People & Families Division)

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				3	5	15		3	5	15			
	c) Abuse or injury to children and young people in the City. Also see iii and iv in the LCCIB Risk Register.	Children would be unsafe living with their parents. Where known to Children's Social Care or Early Help, services would not have protected them. Where a child suffered significant harm or death, there could be a Serious Case Review, with outcomes published nationally.	Implementation of Improvement Plans at Operational and Strategic Level. Recruitment of staff. Staff training. Supervision and management oversight.	3	5	15		3	4	12			30/09/16
132	d) Child Sexual Exploitation: Non-recent cases of CSE where police investigation and/or victims statements demonstrate local authority involvement or culpability in failing to protect victims. Current work on CSE where local authority/partnership working have failed to protect young people from perpetrators	<u>For non-recent and current</u> Reputational risk in a high profile area Allegations against staff or former staff Media coverage Claims against the Council	<u>For non recent cases.</u> Local authority engagement with police in non-recent investigations. <u>For current work.</u> CSE Strategy and Action Plan in place across Leicester, Leicestershire and Rutland LSCB's. Training for local authority and partner agency staff provided through the LSCB and single agency training. Communications Planning. Liquid Logic workspace in place from July 2015. Problem profile (perpetrator information) being put into place by the police. Performance Framework being established. LCC considering budget allocation to establish a CSE team in conjunction with Leicestershire.	3	5	15	CSE Team to be established. Audit work being carried out on young people who are 'missing' or subject of CSE, to be completed by October 2015 and actions considered. Plans for a multi-agency team across Leicester, Leicestershire and Rutland to work on CSE Work to ensure more robust approach	3	5	15			30/09/16
	f) Publication of Serious Case Reviews for cases that occurred in 2013/14	Impact on staff morale, engagement with vulnerable families, partner confidence and public reputation	Serious Case Reviews not yet published, first set due for approval December 2015; second set in January/February 2015. LSCB partner agreement and media engagement about the messages to be released. Themes and actions arising from pre-publication messages already included in Improvement Plan, or being communicated separately to staff.	5	4	20	Work through LSCB groups to disseminate messages from the SCRs.	5	4	20			30/03/16
	g) Increased demand for service following the publication of the Ofsted report; or due to increasing population of the City	higher numbers of contacts and referrals diverts core role of social workers to increase time pressures to potentially affect quality of work with children at higher risks of neglect and/or abuse.	Regular checks on demands for Early Help and Children's Social Care through performance information	3	5	15	Continue to monitor, raise with partners through LSCB Examine through Children's Trust and consider multi-agency solutions Encouraging schools to buy in Family Support work	3	5	15			30/09/2016 ongoing

Divisional Risk Register (Children, Young People & Families Division)

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V5

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				5	4	20		5	4	20			
	h) Abuse or injury to children in a range of care placements	Children would be unsafe and have experienced significant harm while in the Council's care.	Ensure maintenance of robust safer recruitment processes and LADO arrangements.	5	4	20	No further controls identified. Compile and monitor critical Young people identified as being at risk of CSE	5	4	20		CP	30/09/2016 ongoing
	3. Workforce												
133	a) Insufficient high quality workforce at practitioner and manager levels including: • Turnover/retention of agency staff • Poor quality agency staff • Current Permanent staff leaving • Difficulty in recruiting permanent staff to Service Manager, Team Manager and Social Worker posts due to pressure to perform to required standards • Practical problems that affect day to day work • Leicester not able to attract staff while 'inadequate'	De-stabilisation of workforce and a ripple effect from CIN Teams to other teams in social care. New agency staff struggle to pick up cases that have been through several interim social workers causes stress to new staff	Retention package has been approved • Additional CIN team in place to reduce pressure points across the 9 CIN teams • Workforce Improvement Plan in place • Implementation of recruitment and retention aspects of the Workforce Strategy and Improvement Plan • Health check by Liquid Logic Original Suppliers • Contact with Other LAs successfully using Liquid Logic *Workforce Project Officer working in collaboration with the service to recruit agency and permanent staff *Non-compliant or poor quality agency staff asked to leave *Capability/disciplinary action in relation to permanent staff *Exit interviews with departing staff *Dedicated HR support to CIN to progress capability/disciplinary action Mobile phones and laptops being supplied to staff. Search for new accommodation under way.	5	4	20	Continued work to implement Service Standards, address key areas of staff performance through management action, follow up findings from Performance and Quality Assurance reports	4	4	16		Clair Pyper	31/03/17
	b) Insufficient high quality workforce in support services resulting in key support functions not being carried out including Business Support, Liquid Logic report writing, Liquid Logic training and floorwalking	Key tasks underpinning Improvement Plan not carried out, or delayed due to lack of staff	Continued recruitment of key staff including consideration of secondments * Business Analysis of the critical area (CIN teams) *Roll out of mobile technology to staff	5	4	20	Recruitment of an additional trainer for Liquid Logic, and further work to recruit report writers. Consideration of Business Support functions in business analysis work	4	4	16			30/06/16

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Business Objective and Strategic Priority this impacts on	Risk What is the issue: whats is the root cause/ problem – what could go wrong	Consequence /effect: what would occur as a result, how much of a problem would it be ?, to whom and why	Existing actions/controls	Risk Score with existing measures (See Scoring Table Below)			Further management actions/controls required	Target Score with further management actions/ controls required (See Scoring Table Below)			Cost	Risk Owner	Target Date
	4. Liquid Logic												
134	Liquid Logic's children's recording system does not work effectively to ensure business processes, support good practice or evidencing children are appropriately safeguarded	Practitioner/manager training does not enhance use of the system Resistance among some staff hampers the use of the system Due to increased demand for social care requirements from the BAS team (ICT for Liquid Logic), the early help reporting roll out in September is at risk. Change is not embedded and the system is unable to discover where things are going wrong & progress is not being maintained * Turnover of staff prevents effective use of the system * Shortage of training not enabling effective use of system * ICT support for use of system is hampered by insufficient report writers and trainers * Inconsistent use of system leads to errors in recording and performance of system	<ul style="list-style-type: none"> Health check by Liquid Logic in August 2015 with recommendations communicated in September 2015 Consequence of Healthcheck remedies will be delayed implementation of LL Version 11 to February 2016 POD group meets monthly and focusses on LL issues raised by front line staff and managers Aide memoires issued to staff to assist with use Training and helpline in place Priority list in place for LL reports Contact with Other LAs successfully using Liquid Logic New staff undergo induction programme including Liquid Logic training. Floorwalker support ended in May 2015 	5	4	20	<ul style="list-style-type: none"> Actions taken with provider: <ul style="list-style-type: none"> Prioritisation and implementation identified through the Health check and for V11 High level project plan to be developed. Recruitment of Liquid Logic report builders and training of others in Performance team to undertake query and report building in Liquid Logic Task and finish group for Care Plans Communication Strategy and plan is being developed and used Health check and Implementation of V11 need to be linked to drive efficient use of the system. Single route for agreement of all future work. Trainers under single management. Role of champions to be reviewed. 	4	4	16		Liz Best	31/03/16
	Early Help Liquid Logic Module system implementation is delayed with governance arrangements not in place, training not available, partners not participating.	Lack of confidence in Early Help Assessment. Partners not engaging in Liquid Logic training or using the system. Partners not signing Information Sharing Agreement therefore information cannot be shared or partners do not take on the LP role.	Project board meets fortnightly reviewing risks and progress, Risk Assessment in place, data protection guidance drafted, options being explored to include EHA as part of the ISA for LSCB partners.	5	4	20	Allocation of trainers and BAS report writers to the EH system through deployment of existing resources and temporary recruitment of additional staff. Discussion at the LCCIB and the Early Help Group of the Children's Trust Board about how to increase the allocation of Lead Practitioners in partner agencies due to take place October 2015.	4	4	16		JD	31/03/16

Divisional Risk Register (Children, Young People & Families Division)

Completed by (Risk Owner): Clair Pyper

V5

Date completed: 27.10.15

Business Objective and Strategic Priority this impacts on	Risk What is the issue: whats is the root cause/ problem – what could go wrong	Consequence /effect: what would occur as a result, how much of a problem would it be ?, to whom and why	Existing actions/controls	Risk Score with existing measures (See Scoring Table Below)			Further management actions/controls required	Target Score with further management actions/ controls required (See Scoring Table Below)			Cost	Risk Owner	Target Date
				4	5	20		4	2	8			
Improvement -	5. Inspections												
	Impact of poor outcomes from Ofsted Inspections. Also see LCCIB Risk Register.	Poor quality, inconsistent service to children, young people and families. Additional expenditure for improvement work. External scrutiny from Ofsted and DfE. Potential difficulty in attracting staff. Reputational damage to the Council.	Ofsted inspection of Children's Social Care under the Single Inspection Framework took place in January/February 2015, report published March 2015, judgement of 'inadequate'. Inspections and monitoring visits of Children's Residential Homes are carried out regularly and tracked through the 'Residential Improvement Plan'. Preparation work in place for inspection of Children's Centres.	4	5	20	Performance and Quality Framework in place. Regular monitoring of performance and quality of service. Meet key targets set by the Improvement board	4	2	8		All	31/03/2016 Ongoing
	6. Early Help												
135	Risk is : Failure of services and processes to identify and meet the needs of vulnerable young people. Extent and gearing of department budget cuts for 2012-15 compromises operations and generates a higher safeguarding failure.	<ul style="list-style-type: none"> The number of children and young people vulnerable to poor outcomes increases resulting in reduced life chances, subsequent high reliance on specialist high cost services and potentially death. Poorer outcomes overall, children's plans priorities compromised, loss of education, reliance on higher cost services, death etc. Reduced management and admin cover will reduce the capacity of existing staff to complete the data analysis required to identify and track families/children at risk of poor outcomes. <p>* Partners are not engaged with Early Help or contribute to the offer</p>	<ul style="list-style-type: none"> Early Help and Prevention protocol in place underpinned by the Early Help and Prevention Strategy. Launch of the EHA, resources and website (Mar 15) Training programme and comms plan in place Initial stakeholder analysis completed (Jan 15), more detailed one underway (May 15) Partnership Performance Framework drafted and EH reports for SEG that evidence impact and progress CC & FS business care project group meets fortnightly to ensure the implementation of recommendations are on track Health Check underway with cyp, families, staff and partners (May/June) results to be published Aug 15 Increase Traded Family Support services within schools 	5	4	20	Embedding the Early Help Assessment with all service providers including schools. Deployment of newly redesigned Family Support role. Complete identified work post implementation of the review . Task and Finish group to be set up to oversee the implementation of the recommendation of the Business case	4	4	16		JD	30/09/17
	7. School Attendance												
	Risk of failure to address children not attending school	Children out of school on an 'unauthorised' basis could be at risk of safeguarding harm, or becoming a victim or perpetrator of crime. Legal action against LA possible for failure to fulfil statutory duty of enforcement of regular school attendance (s.437-446 EA 1996)	EWS holds regular Pastoral Referral meetings with all schools, using threshold list of pupils to identify any pupil attending below 95% & then determines appropriate action. Education Welfare services now integrated under one division .	3	3	9	Regular supervision of EWO managed caseload to identify where legal action against parents is appropriate.	2	2	4		David Thrussell Ellen Collier	31/03/2016 Ongoing
	Risk of failure to identify and address Children not receiving education (CNRE) cases	Child(ren) could be at risk of safeguarding harm, for which LA could face litigation for failure to fulfil its statutory duties. (s.11 Children act 2004 & s.436A EA 1996) and potential claims re failure to develop to full potential due to loss of access to educational opportunities.	ONE team data officer specifically appointed to effectively identify, track and locate whereabouts of YP and refer onto EWS for more in depth investigation work where necessary.	3	3	9	Work within LA monitored on a termly basis by the Attendance Strategy Group.	2	2	4			31/03/2016 Ongoing

Divisional Risk Register (Children, Young People & Families Division)

Completed by (Risk Owner): Clair Pyper

V5

Date completed: 27.10.15

Business Objective and Strategic Priority this impacts on	Risk What is the issue: whats is the root cause/ problem – what could go wrong	Consequence /effect: what would occur as a result, how much of a problem would it be ?, to whom and why	Existing actions/controls	Risk Score with existing measures (See Scoring Table Below)			Further management actions/controls required	Target Score with further management actions/ controls required (See Scoring Table Below)			Cost	Risk Owner	Target Date
	8. Placements for children and young people who are looked after												
	Ability to recruit and retain foster carers	Insufficient internal foster care placements leading to greater use of Independent Fostering Agencies and greater cost to the Council.	Targeting resources to focus on mainstream foster carers. Foster carer allowances report to be considered by DMT to review payment. Foster carer scheme for teenagers to be considered as part of an 'invest to save' bid.	4	4	16	Consideration of raising foster care allowances to national requirement. Consideration of teenage fostering scheme.	3	4	12			30/06/16
	Ability to find sufficient suitable residential placements for children and young people with complex needs	Insufficient/unsuitable residential care that does not meet children and young people's needs and leads to higher costs for the council and poor outcomes for children and young people. Council's statutory responsibilities as a Corporate Parent are not fulfilled	Management decision making. Placement Commissioning service.	4	4	16	Proposals for invest to save for young people 'on the edge of care'. Increased use of Wigston Lane for young people moving into independence.	3	4	12			30/06/16
	9. Access to records												
136	Delay in the process in dealing with subject access requests & police disclosures leading to ICO fines and negative LA public attention	Reputational damage and fines issued by the ICO	Clear action plan in place and situation monitored by senior managers. New manager in place.	3	2	6	Plans to increase the number of staff to ensure backlog situation does not reoccur	3	2	6		EB	31/03/2016 ongoing
	10. Elected Members												
	Failure to engage Elected Members and secure their commitment to delivery of the Improvement Plan	*Partial improvements which will not secure the improvements required for Leicester City Children's Services to improve from Inadequate. *Escalation of DfE intervention *The risk of harm, neglect and/or abuse for children and young people is increased.	<ul style="list-style-type: none"> Lead Member for CYPF is Board Member. Lead Member is briefed on a weekly basis. Lead Member sends progress updates to members * Regular 1-1 meetings between Strategic Director and City Mayor	2	4	8	* The Improvement Plan is regularly scrutinised by Elected Members, via Children's Scrutiny arrangements. Corporate Parenting Forum has revised terms of reference and is considering key areas of performance related to LAC * Training will be delivered to CYP members from November 2015	2	3	6		Frances Craven	31/03/16

Appendix 4 – Risk Assessment Scoring Guide and Matrix 2016

	IMPACT	SCORE	BENCHMARK EFFECTS
CRITERIA 137	CRITICAL/ CATASTROPHIC	5	<ul style="list-style-type: none"> • Multiple deaths of employees or those in the Council's care • Inability to function effectively, Council-wide • Will lead to resignation of Chief Executive and/or Leader of the Council • Corporate Manslaughter charges • Service delivery has to be taken over by Central Government • Front page news story in National Press (e.g. Baby P) • Financial loss over £10m
	MAJOR	4	<ul style="list-style-type: none"> • Suspicious death in Council's care • Major disruption to Council's critical services for more than 48hrs (e.g. major ICT failure) • Noticeable impact in achieving strategic objectives • Will lead to resignation of Strategic Director and/ or Cabinet Member • Adverse coverage in National Press/Front page news locally • Financial loss £5m - £10m
	MODERATE	3	<ul style="list-style-type: none"> • Serious Injury to employees or those in the Council's care • Disruption to one critical Council Service for more than 48hrs • Will lead to resignation of Divisional Director/ Project Director • Adverse coverage in local press • Financial loss £1m - £5m
	MINOR	2	<ul style="list-style-type: none"> • Minor Injury to employees or those in the Council's care • Manageable disruption to internal services • Disciplinary action against employee • Financial loss £100k to £1m
	INSIGNIFICANT/ NEGLIGIBLE	1	<ul style="list-style-type: none"> • Day-to-day operational problems • Financial loss less than £100k

LIKELIHOOD	SCORE	EXPECTED FREQUENCY
ALMOST CERTAIN	5	Reasonable to expect that the event WILL undoubtedly happen/recur, possibly frequently.
PROBABLE/LIKELY	4	Event is MORE THAN LIKELY to occur. Will probably happen/recur, but it is not a persisting issue.
POSSIBLE	3	LITTLE LIKELIHOOD of event occurring. It might happen or recur occasionally.
UNLIKELY	2	Event NOT EXPECTED . Do not expect it to happen/recur, but it is possible it may do so.
VERY UNLIKELY/RARE	1	EXCEPTIONAL event. This will probably never happen/recur.

Appendix 4 – Risk Assessment Scoring Guide and Matrix 2016

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

LIKELIHOOD (A)	Almost Certain 5	5	10	15	20	25
	Probable/Likely 4	4	8	12	16	20
	Possible 3	3	6	9	12	15
	Unlikely 2	2	4	6	8	10
	Very unlikely/ Rare 1	1	2	3	4	5
		<i>Insignificant/ Negligible</i> 1	<i>Minor</i> 2	<i>Moderate</i> 3	<i>Major</i> 4	Critical/ Catastrophic 5
IMPACT (B)						

Appendix 5 - Insurance Claims Data

LEICESTER CITY COUNCIL - Insurance Claims Received 1 April 2015 - 31 December 2015

Claims received 2015 and being dealt with

Incidents	Total Claims	Repudiated	In Progress	Paid	Amount Paid
39	553 (507)	198 (250)	281 (187)	74 (70)	109917 (£94,656)

Breakdown by Area and Type of Claim												
Division		Responsible Director			Claim Type					Total Number	£ Value	
					Employers Liability	Public Liability	Prof/Officials Indemnity	Personal Injury	Motor			
Local Services & Enforcement		John Leach				4	47		16	48	115 (90)	60231
Plan, Trsport & Economic Dev.		Andrew L Smith				1	107	1	71	35	215 (219)	20692
Children, Young People and Families		Clair Pyper					1	3	1	3	8 (8)	4347
Housing		Ann Branson				7	104		53	98	262 (195)	20031
Adult Soc Care & Safeguarding		Ruth Lake				1	1		1	1	4 (7)	
Del, Comms & Pol Governance		Miranda Cannon				1	2		2		5 (1)	838
Information & Cust Access		Alison Greenhill									0 (1)	
Property		Mark Lloyd				1	3		1	1	6 (12)	3378
Comm and Business Dev		Vacant										
Learning Services (incl Schools)		Jane Winterbone				1	7	1	7	1	17 (23)	50
Finance		Alison Greenhill				2			2		4 (0)	
Legal Services		Kamal Adatia									0 (0)	
Culture & Neighbourhood Svcs		Liz Blythe					5		6	1	12 (12)	350
City Public Health & Health Imp		Ivan Browne									0 (0)	
Care Svcs & Commissioning		Tracie Rees								1	1 (2)	
Total						18	277	5	160	189	649 (570)	109917

Last 12 months rolling repudiation rate - 77%

Last 12 months year on year numbers - down 3%

Last 12 months year on year values - up 14%

Appendix 6 – Risk Management Strategy and Policy Statement 2016

Risk Management Policy Statement 2016

Our approach to the management of risk

Risk management is all about managing the Council's threats and opportunities. By managing the Council's threats effectively we will be in a stronger position to deliver the Council's objectives. It is acknowledged that risk is a feature of all business activity and is a particular attribute of the more creative of its strategic developments. The Council accepts the need to take proportionate risk to achieve its strategic obligations, but expects that these are properly identified and managed. By managing these opportunities in a structured process the Council will be in a better position to provide improved services and better value for money.

The Council will undertake to:-

1. Identify, manage and act on opportunities as well as threats to enable the Council to achieve its objectives and integrate risk management into the culture and day to day working of the Council.
2. Manage risk in accordance with best practice and comply with statutory requirements.
3. Ensure that a systemic approach to risk management is adopted as part of Divisional Planning and Performance Management.
4. Anticipate and respond to changing social, environmental and legislative requirements.
5. Keep up to date and develop our processes for the identification/management of risk.
6. Have in place a defined outline of individual roles and responsibilities to manage risk.
7. Raise awareness of the need for risk management to those involved in developing the Council's policies and delivering services.
8. Demonstrate the benefits of effective risk management through:-
 - Cohesive leadership and improved management controls;
 - Improved resource management – people, time, and assets;
 - Improved efficiency and effectiveness in service and project delivery;
 - Better protection of employees, residents and others from harm;
 - Reduction in losses leading to lower insurance premiums; and,
 - Improved reputation for the Council;
9. Ensure risk assessments (identification of, and plans to manage, risk) are an integral part of all papers; plans; and, proposals to the Executive and the Corporate Management Team.
10. Recognise that it is not possible, nor desirable, to eliminate risk entirely, and so have a comprehensive insurance programme that protects the Council from significant financial loss following damage or loss of its assets.

Andy Keeling
Chief Operating Officer

Sir Peter Soulsby
City Mayor

INTRODUCTION

1. This Risk Management Strategy is a high level document that seeks to promote identification, assessment and response to key risks that may adversely impact the achievement of the Council's aims and objectives. This strategy builds on, and replaces, the 2015 Risk Management Strategy. Through the continued development of these strategies, the maturity of the Council's risk management will be reflected in a more enabled and proactive culture of embracing innovative opportunities and managing risks.

AIMS and OBJECTIVES

2. The aims and objectives of Leicester City Council's Risk Management Strategy are:-
 - To provide the Executive, Members and senior officers with regular risk management reports that give a comprehensive picture of the Council's risk profile;
 - To assist the Council and its partners to adopt a "fit for purpose" methodology towards identification, evaluation and control of risks and to help ensure those risks are reduced to an acceptable level – the 'risk appetite';
 - To ensure that transparent and robust systems are in place to track and report upon existing and emerging risks which potentially could cause damage to the Council or have an effect on the achievement of objectives;
 - To help further integrate risk management into the culture and day to day working of the Council and ensure a cross divisional/operational approach is applied;
 - To provide reliable information on which to base the annual strategic and operational risk and governance assurance statements;
 - To ensure a consistent approach in the identification, assessment and management of risk ('the risk cycle') throughout the organisation.

ROLES and RESPONSIBILITIES

3. Given the diversity of services and the wide range of potential risks, it is essential that responsibility for identifying and taking action to address potential risks is clear. No one person or group should perform risk management. Commitment and involvement of staff at every level is needed to effectively carry out risk management. Although different staff/managers will have specific duties to assist in this process, it is important that they all know and understand their role. This staff involvement may also take in views and comments from other Divisional teams who may have experience of managing similar risks.

RISK DEFINITION AND APPETITE

4. At Leicester City Council we use the definition of risk taken from the International Risk Management Standard '*ISO31000 – Risk Management Principles and Guidelines standard and BS65000 – Guidance on Organisational Resilience*':

"Risk is the effect of uncertainty on objectives"

5. When discussing risk management it is easy to give the impression that all risks must be eliminated. However, risk is a part of everyday life and taking risks may also be a route to success, if managed properly. Elimination of all risk is not practicable. Risk appetite is the amount of risk an organisation is prepared to accept, tolerate or be exposed to at any point in time. Appendix 1A below attempts to demonstrate the Council's risk appetite. All of the risks that sit below the black line, the Council is prepared to tolerate. This does not mean that we do not plan for their occurrence, but that we should have considered their occurrence, and where

appropriate, given some thought to what we would do if that risk materialises. An example of this would be total loss of a building by fire. This is a typical 'high impact' but 'low likelihood' risk that cannot realistically be managed day to day, beyond normal management responsibilities; but which (should it occur) would be dealt with through the activation of an effective Business Continuity Plan and Insurance cover – both significant mitigants to that risk.

6. Risk appetite needs to be considered at all levels of the organisation – from strategic decision makers to operational deliverers. The Authority's risk appetite is the amount of risk that it is prepared to take in order to achieve its objectives. Defining the Authority's risk appetite provides the strategic guidance necessary for decision-making. The Authority's risk appetite is determined by individual circumstances. In general terms, the Authority's approach to providing services is to be innovative and to seek continuous improvement within a framework of robust corporate governance. This framework includes risk management that identifies and assesses risks appertaining to decisions being considered or proposed.
7. Decisions on whether to proceed with such proposals are part of the challenge process and are only taken after the careful assessment of the identified risks and an analysis of the risks compared to the benefits. As such, risk appetite should be considered for every proposal and risk rather than an over-arching concept for the entire Authority. There will be areas where a higher level of risk will be taken in supporting innovation in service delivery. These will be offset by areas where it maintains a lower than cautious appetite - for example, in matters of compliance with law and public confidence in the Authority. Risk appetite can therefore be varied for specific risks, provided this is approved by appropriate officers and/or Members. However, in all circumstances:
 - The Authority would wish to manage its financial affairs such that no action will be taken which would jeopardise its ability to continue as a going concern; and
 - The Authority would wish to secure the legal integrity of its actions at all times.

Despite this, at times the Authority may be forced to take risks beyond its choosing to comply with central government directives or to satisfy public expectations of improved services.

8. Local Authorities are, historically, risk averse. The aim of most local authorities is that key strategic and operational risks are well controlled, minimising the likelihood of an occurrence. However, it is recognised that there are costs involved in being too risk averse and avoiding risk, both in terms of bureaucracy and opportunity costs.
9. Leicester City Council's approach is to be risk aware rather than risk averse, and to manage risk. As set out in its Risk Management Policy Statement, it is acknowledged that risk is a feature of all business activity and is a particular attribute of the more creative of its strategic developments. Directors and Members are not opposed to risk; however, they are committed to taking risk with full awareness of the potential implications of those risks and in the knowledge that a robust plan is to be implemented to manage them. The Council's risk management process allows this 'positive risk taking' to be evidenced.
10. 'Positive risk taking' is a process of weighing up the potential benefits and impacts of exercising a choice of action over another course of action. This entails identifying the potential risks involved, and developing plans and controls that reflect the positive potentials and stated priorities of the Council. It then involves using available resources and support to achieve desired outcomes, and to minimise any potential 'harmful' impacts. It is certainly not negligent ignorance of potential risks but, usually, a carefully thought out strategy for managing a specific risk or set of circumstances.

11. However, having an effective risk management framework does not mean that mistakes and losses will not occur. Effective risk management means that unacceptable risks are highlighted, allowing appropriate action to be taken to minimise the risk of potential loss. The principle is simple, but this relies upon a number of individuals acting in unity, applying the same methodology to reach a soundly based conclusion. However, it is recognised that risk management is judgemental, and is not infallible. Incidents will still happen, but the Council will be in a better position to recover from these incidents with effective risk/business continuity management processes in place.

RISK FINANCING

12. Risk Financing is the process which determines the optimal balance between retaining and transferring risk within an organisation. It also addresses the financial management of retained risk and may best be defined as money consumed in losses, funded either from internal reserves (such as the Insurance Fund) or from the purchase of 'external' insurance (such as the catastrophe cover provided by the Council's external insurers).

13. Leicester City Council's strategy for Risk Financing is to maintain an insurance fund and only externally insure for catastrophe cover. The Council's strategy is to review the balance between external/internal cover on an annual basis in the light of market conditions and claims experience. This balance will be influenced by the effectiveness of the risk management process embedded at the Council and the process is managed by the Risk Management and Insurance Services team on behalf of the Director of Finance.

RISK MANAGEMENT PROCESS

14. This outlines the process which managers and staff should use to identify, assess, control, monitor and report their risks. Risk Management is intended to help managers and staff achieve their objectives safely and is not intended to hinder or restrict them. The process ensures that risk management is approached consistently across all of the many diverse activities of the Council.

15. There are five key steps in the risk management process. These stages are covered in greater detail in the Risk Management Toolkit – a step-by-step guide to risk management at Leicester City Council - which is available to all members, managers and staff via the RMIS Interface site. The risk management process is also explained in detail in the 'Identifying and Assessing Operational Risk' training course, which is now mandatory for staff that complete risk assessments and teaches staff to:-

- **Identify** - Management identify risks through discussion as a group, or discussion with their staff. The Risk Management and Insurance services team are available to support this process either by attending or facilitating risk 'workshops' or delivering risk identification and mitigation training to managers and their business teams in advance of their own sessions;
- **Assess/Analyse** - Management assess the likelihood of such risks occurring and the impact on the Council/their objectives using only the Council's approved risk assessment form and the 5x5 scoring methodology;
- **Manage** - Management determine the best way to manage their risks e.g. terminate, treat, transfer, tolerate or take the opportunity (see paragraph 18 below);
- **Monitor** – Management should monitor their risks and the effectiveness of their identified management controls;

- **Review** - Management ensure identified risks are regularly reviewed. This will normally be managed by means of a Risk Register (see sections 18 – 24 below for more detail).

16. The Strategic objectives of the Council and individual Divisional Operational objectives provide the starting point for the management of risk. Managers should not think about risk in the abstract, but consider events that might affect the Council's achievement of its objectives. Strategic risks are linked to Strategic objectives and Operational risks linked to Divisional service delivery objectives and day to day activities need, as a minimum, to be identified and monitored. This is best done by the effective use of Risk Assessments/Registers.
17. Risk Management is driven both top down and bottom up, to ensure risks are appropriately considered. To do this, all managers need to encourage participation in the process, through regular discussions/review with their staff. The Risk Management process seeks to work with and support the business and **not** add a layer of bureaucracy.

MANAGE THE RISKS

18. Once risks have been identified and assessed by management, those managers should determine how their identified risks are to be dealt with – a process commonly known as the five T's:-

- **Terminate** or avoid the activity or circumstance that gives rise to the risk e.g. stop doing something or find a different way of doing it;
- **Treat** the risk e.g. take actions to reduce the likelihood that the risk event will materialise or better manage the consequences if it does. This is the most common option for a local authority;
- **Transfer** the risk, e.g. pass the risk to another party through insurance or by contracting with a third party to deliver on your behalf. This reduces the impact if a risk event occurs;
- **Tolerate** the risk. By taking an informed decision to retain risks, monitor the situation and bear losses out of normal operating costs. Typically this method will be used when the cost of treating the risk is a lot more than the cost arising should the risk occur;
- **Take** the Opportunity. This option is not an alternative to the above; rather it is an option which should be considered whenever tolerating, transferring or treating a risk. There are two considerations here:
 - Consider whether or not at the same time as mitigating a threat, an opportunity arises to exploit positive impact. For example, if a large sum of capital funding is to be put at risk in a major project, are the relevant controls good enough to justify increasing the sum at stake to gain even greater advantage?;
 - Consider also, whether or not circumstances arise which, whilst not generating threats, offer positive opportunities. For example, a drop in the cost of goods or services frees up resource which may be able to be redeployed.

REVIEWING THE RISKS

20. It is important that those risks that have been identified as needing action are subject to periodic review, to assess whether the risk of an event or occurrence still remains acceptable and whether or not further controls are needed. If not, appropriate action(s) should be determined and noted. The frequency of reviews to be decided by management, depending on the type and value of the risks identified (see also 22 below). Currently at Leicester City Council, the significant Strategic and Operational Risks are reviewed and reported on a quarterly basis.

RISK EXPOSURE AND TRACKING

21. After evaluating the measures already in existence to mitigate and control risk, there may still be some remaining exposure to risk (residual risk). It is important to stress that such exposure is not necessarily wrong, what is important is that the Council knows what its key business risks are; what controls are in place to manage (mitigate) these risks; and, what the potential impact of any residual risk exposure is. It is also important that the Council can demonstrate that risk management actions (the mitigating controls identified by managers as being needed) in the operational and service areas are implemented, remain appropriate and are working effectively.
22. Significant operational risks should continue to be logged and monitored using the operational risk registers. It is the responsibility of each Divisional Director to ensure that operational risks are recorded and monitored via a risk register. The Risk Management and Insurance Services (RMIS) team produce a pro-forma risk assessment/register that **must** be used by all business areas. The 'scoring' of these risks **must** also be carried out using the Council's 5x5 risk matrix as this ensures compliance with both best practice and the risk management standard ISO31000. These registers and the risks identified are aligned to the Council's operating structure. The process for reviewing and reporting Operational Risks at Leicester City Council should be:
- At least quarterly (during January, April, July and October) Divisional Directors should review and agree risks during their 121 with each of their Heads of Service (HoS). Following work since mid-2014 by the Manager, Risk Management, all HoS should have a risk register for their services in place by June 2016 which will allow this process to function properly. The HoS should then have in place a mechanism allowing their direct reports to flag risk issues with them and will have to consider/decide whether their direct reports too should compile a risk register.
 - Divisional Directors will take the most significant of their HoS service area risks (if any) and add them to their Divisional Operational Risk Register (DORR). The complete DORR should then be agreed by their Divisional Management Team;
 - Divisional Directors should, as appropriate, review and discuss their DORRs during their 121 with their Strategic Director at least quarterly (see 24 below);
 - Once agreed, the DORRs are then submitted to Risk Management and Insurance Services (RMIS) on, or before, the first working day of February, May, August and November;
 - The RMIS staff will then review (for obvious errors) all of the Divisional Operational Risk Registers and compile the Council's Operational Risk Register with the most significant of these risks (currently those with a risk score of 15 or above);
 - The Head of Internal Audit and Risk Management will then submit the Council's Operational Risk Register to the Corporate Management Team for agreement and final approval; and to the Audit and Risk Committee for noting.
23. These most significant risks identified by the Divisional Directors feed into the Council's Operational Risk Register which is managed by the Corporate Management Team. They are accountable for ensuring that all operational risks are identified against service delivery objectives; that plans are implemented to control these exposures; and that key risks are included within individual service plans.
24. The Strategic Directors have created, manage and monitor a Strategic Risk Register for those risks which may affect achievement of the Council's strategic objectives. The most significant of these risks, those that may threaten the Council's overall strategic aims, form this register which is reviewed and updated by those Directors each quarter. Responsibility for these risks rests with named Strategic Directors. As part of the overall process of escalation, each Strategic Director should also have risk on their 121 agenda with their Divisional Directors at least

quarterly as one of the significant Strategic Risks is a serious failing of the management of Operational Risks by their Divisional Directors.

25. The RMIS team facilitate and support this process and will continue to maintain the Operational and Strategic Risk Registers, using the input from each Divisional Operational Risk Register and the Strategic Risk Register. These registers will be reported quarterly to the Corporate Management Team and the Audit and Risk Committee. As part of this process, bespoke training needs may be identified and the RMIS team will provide training and support upon request.
26. All risks identified, both operational and strategic, will need to be tracked and monitored by regular, quarterly reviews of the risk registers (at the quarterly 121's mentioned above). This will ensure that any changes in risks are identified for action; there is an effective audit trail; and, the necessary information for ongoing monitoring and reports exists.

PARTNERSHIP RISK

27. It is recognised that partnership working is a key area where associated risk needs to be identified and controlled. Best practice states that local authorities must meet two key responsibilities for each partnership they have. They must:-
 - Provide assurance that the risks associated with working in partnership with another organisation have been identified and prioritised and are appropriately managed (partnership risks);
 - Ensure that the individual partnership members have effective risk management procedures in place (individual partner risks).

RISK MANAGEMENT TRAINING

28. Since January 2010, risk management training has been delivered, and continues to be offered to all staff (and Members) to explain risk management methodology. An annual programme of training (covering risk, insurance and business continuity planning) remains available to all staff, managers and Members. However, Directors and managers should still identify those staff that need this training through the staff appraisal process (existing staff) and through the jobs specification process (new staff). Appropriate training will be provided by the Risk Management and Insurance Services team, within the resources available. As mentioned above, in October 2014, Corporate Management Team made this training mandatory for staff that have to carry out a risk assessment.

REVIEW OF RISK MANAGEMENT STRATEGY AND POLICY

29. This Risk Management Strategy and the associated Policy Statement are intended to assist in the development/integration of risk management from now until December 2016.
30. All such documents and processes will remain subject to periodic review. The next planned review to occur in Quarter 4 2016. This allows any changes in process to be aligned to the Council's financial year end.

RISK MANAGEMENT AT LEICESTER CITY COUNCIL

31. A continuing robust risk management process needs to continue to be applied to all our activities during the next 12 months and beyond. To achieve this we need to identify our priority exposures, address these, incorporate appropriate risk management strategies and risk improvements into our service delivery in line with the Council's priorities, monitoring and reviewing emerging risk to determine how it affects those priorities and to account for changes in

our operations and to enable us to make well-informed decisions. Risk must be considered as an integral part of Divisional planning, performance management, financial planning and strategic policy-making processes. The cultural perception of risk management has to continue changing from a 'have-to-do' to a 'need-to-do'.

32. The Head of Internal Audit and Risk Management will continue to maintain a central copy of the Strategic and Operational Risk Registers, as well as the Divisional Operational Risk Registers. Internal Audit will continue to utilise these registers to produce a programme of 'process audits', which will test the maturity and embeddings of the risk strategy in the business areas – subject to resource being available. So, the Council's Risk Strategy and Policy will help Director's to report appropriately upon their risk and their risk registers will be used pro-actively to inform the Internal Audit work programme which, in turn, allows assurance to be given to both the Corporate Management Team (officers) and the Audit and Risk Committee (members) that risk is being properly identified and managed at Leicester City Council.
33. The management of risk should be included in job descriptions for all operational service area managers with responsibility and accountability for risks, and be included in every director/manager's objectives and performance appraisal discussion.
34. Directors and managers should also ensure that all stakeholders (employees, volunteers, contractors and partners) are made aware of their responsibilities for risk management and are aware of the lines of escalation for risk related issues. Risk management is most successful when it is explicitly linked to operational performance.

Appendix 1A - RISK APPETITE

Key to Table:

The numbers in the boxes indicate the overall risk score which is simply the 'Impact score' (horizontal axis) multiplied by the 'Likelihood score' (vertical axis), which is then coloured coded to reflect a 'RAG' status. The solid black line indicates what Directors consider to be the Council's 'risk appetite' (see paragraphs 4-11 above) where they are comfortable with risks that sit below and to the left of that line.

LIKELIHOOD (A)	Almost Certain 5	5	10	15	20	25
	Probable/Likely 4	4	8	12	16	20
	Possible 3	3	6	9	12	15
	Unlikely 2	2	4	6	8	10
	Very unlikely/ Rare 1	1	2	3	4	5
		<i>Insignificant/ Negligible</i> 1	<i>Minor</i> 2	<i>Moderate</i> 3	<i>Major</i> 4	<i>Critical/ Catastrophic</i> 5
IMPACT (B)						

	IMPACT	SCORE	BENCHMARK EFFECTS
CRITERIA	<i>CRITICAL/ CATASTROPHIC</i>	5	<ul style="list-style-type: none"> • Multiple deaths of employees or those in the Council's care • Inability to function effectively, Council-wide • Will lead to resignation of Chief Operating Officer and/or City Mayor • Corporate Manslaughter charges • Service delivery has to be taken over by Central Government • Front page news story in National Press • Financial loss over £10m
	<i>MAJOR</i>	4	<ul style="list-style-type: none"> • Suspicious death in Council's care • Major disruption to Council's critical services for more than 48hrs (e.g. major ICT failure) • Noticeable impact in achieving strategic objectives • Will lead to resignation of Strategic Director and/ or Executive Member • Adverse coverage in National Press/Front page news locally • Financial loss £5m - £10m
	<i>MODERATE</i>	3	<ul style="list-style-type: none"> • Serious Injury to employees or those in the Council's care • Disruption to one critical Council Service for more than 48hrs • Will lead to resignation of Divisional Director/ Project Director • Adverse coverage in local press • Financial loss £1m - £5m
	<i>MINOR</i>	2	<ul style="list-style-type: none"> • Minor Injury to employees or those in the Council's care • Manageable disruption to internal services • Disciplinary action against employee • Financial loss £100k to £1m
	<i>INSIGNIFICANT/ NEGLIGIBLE</i>	1	<ul style="list-style-type: none"> • Day-to-day operational problems • Financial loss less than £100k

LIKELIHOOD	SCORE	EXPECTED FREQUENCY
ALMOST CERTAIN	5	Reasonable to expect that the event WILL undoubtedly happen/recur, possibly frequently and is probable in the current year.
PROBABLE/LIKELY	4	Event is MORE THAN LIKELY to occur. Will probably happen/recur, but it is not a persisting issue. Will possibly happen in the current year and be likely in the longer term.
POSSIBLE	3	LITTLE LIKELIHOOD of event occurring. Not likely in the current year, but reasonably likely in the medium/long term.
UNLIKELY	2	Event NOT EXPECTED . Do not expect it to happen/recur. Extremely unlikely to happen in the current year, but possible in the longer term.
VERY UNLIKELY/RARE	1	EXCEPTIONAL event. This will probably never happen/recur. A barely feasible event.

Appendix 7 - Leicester City Council's Business Continuity Management Strategy and Policy Statement - 2016

Policy Statement - 2016

This Policy sets the direction for Business Continuity Management at Leicester City Council. Disruptive events do occur and are usually unexpected. It might be an external event such as severe weather, utility failure or pandemic flu, or an internal incident such as ICT failure, loss of a major supplier or loss of a key building.

By planning *now* rather than waiting for it to happen, we can get back to normal business in the quickest possible time. This is essential to those who rely on the Council's services and it helps our community retain its confidence in us. Planning ahead means there is less muddling through, more support for staff handling the situation and reduced potential for financial loss.

In a disruptive situation, it will not be possible to run all Council services in the usual way. Whilst all services are important, priority for recovery will be given to those which have been determined to be the most essential, the business-critical activities – those that the Board has agreed must be back up and running within 24 hours, and this is where resources will be directed first.

This enables us to fulfil our duties under the Civil Contingencies Act 2004. The Council has had plans in place for some time and its arrangements align (but not fully comply) with the principles of the International Standard for Business Continuity, ISO22301.

By the Council following the ISO22301 programme, it will improve understanding of our critical assets and processes. Central to the work are preparations to mitigate the impact of disruptive events and recover faster from them. This can be as valuable as a plan or document.

All services and all staff have responsibilities for making sure the Council continues to operate through any crisis. The Business Continuity Strategy outlines these within the overall framework for our approach.

Andy Keeling
Chief Operating Officer

Sir Peter Soulsby
City Mayor

Leicester City Council's Business Continuity Management Strategy 2016

1. Definition

Business Continuity Management (BCM) is not simply about writing a plan, or even a set of plans. It should be a comprehensive management process that systematically analyses the organisation, identifies threats, and builds capabilities to respond to them. It should become our 'culture'.

Although the immediate response to a disruption is a key component, business continuity is more concerned with maintenance and recovery of business functions following such a disruption.

2. Scope

Business Continuity Management (BCM) is a cross-functional, organisation-wide activity; accordingly the arrangements in this strategy apply to:

- All services within the council;
- Every staff member; and,
- All resources and business processes.
- Suppliers, service partners and outsourced services.

3. Requirements and Standards

In addition to making sound business sense for any organisation, the Civil Contingencies Act 2004 places a statutory duty upon the Council, as a Category 1 responder, to:

- Maintain plans to ensure that it can continue to exercise its functions in the event of an emergency so far as is reasonably practicable;
- Assess both internal and external risks – achieved through compliant risk assessment in line with the Risk Management Strategy and Policy;
- Have a clear procedure for invoking business continuity plans;
- Exercise plans and arrange training to those who implement them;
- Review plans and keep them up to date; and
- To advise and assist local businesses and organisations with their BCM arrangements.

Business Continuity Management arrangements are effective only if specifically built for the organisation. The Council's programme is aligned with the principles of ISO22301, the International Standard, and also to PAS200, a recent standard for Crisis Management. It is reinforced by reference to the Business Continuity Institute's Good Practice Guidelines.

4. Methodology

The ultimate aim is to embed Business Continuity Management within the Council's culture. Training and education is an ongoing task but awareness and capability is also a product of the structures put in place and the way we manage our programme. Key stages in such a programme are:

- **Understanding our organisation:** Intelligent, in-depth information-gathering. Understanding activities, dependencies (internal & external) and the impact of disruption on each service. Often this will be captured in a formal Business Impact Analysis. Threats are risk assessed at this stage;
- **Determining appropriate Business Continuity Strategy:** Making decisions based on analysis of data gathered. Setting recovery time objectives for services and determining resources required;
- **Developing and implementing a response:** The Business Continuity Plan which pulls together the organisation's response to a disruption and enables resumption of business units according to agreed corporate priorities. Provides strategies for use by response teams; and,
- **Exercising, maintaining and reviewing:** Testing plans, ensuring they keep pace with organisational change and are audited against defined standards.

5. Invoking the Business Continuity Plan

The Corporate Business Continuity Plan (CBCP) is triggered by serious situations such as:

- Serious danger to lives and/or the welfare of Council staff, Members, visitors or service users;
- Major disruption of Council services or interruption of any of its business-critical activities (listed in the CBCP);
- Serious loss or damage to key assets;
- Serious impact on the Council's financial status or political stability; or
- Emergency situations in Leicester, or the wider Local Resilience Forum area (Leicester, Leicestershire and Rutland).

The CBCP may be invoked by any member of the Council's Corporate Business Continuity Management Team as defined within the plan itself. The CBCP is not a plan that will allow recovery of affected services, but guides the efforts of Senior Managers to allow them to be able to recover affected services using the service area's own plans. Effectively, the CBCP covers the Council's 'Strategic' (Gold) and 'Tactical' (Silver) level responses with individual service area plans covering the 'Operational' (Bronze) level.

6. Business Continuity Management (BCM) in the community

The Council will participate in appropriate practitioner groups and work with partner agencies to promote BCM in the community and will advise and assist local organisations with their BCM arrangements. In certain circumstances this may be chargeable.

7. Principles, Responsibilities and Minimum standards

Executive

- Approve the Business Continuity Strategy.

Audit and Risk Committee

- Ensure that the Business Continuity Strategy is produced, approved by the Executive and updated regularly; and,
- Monitor effectiveness of Business Continuity Management (BCM) arrangements via reports from the Head of Internal Audit and Risk Management.

Strategic and Operational Directors

- Ensure the BCM policy, strategy and development plan is enforced and resourced appropriately;
- Participate as required in management teams within the Corporate Business Continuity Plan (CBCP);
- Ensure appropriate levels of staff sit on the 'Strategic' and 'Tactical' Recovery teams within the CBCP;
- Ensure each of their Service Areas has an effective and current BCP in place which is reviewed each year;
- Annually self-certify that effective plans exist for all their services, that these plans remain current and 'fit for purpose'; and that any testing of those plans has been carried out (with the assistance of RMIS, if required);
- Identify staff for training; and,
- Embed BCM culture into the ethos of operational management

Chief Operating Officer/BCM Champion

- During an incident, lead the Council's 'Strategic' BCM response.

Head of Internal Audit and Risk Management

- Overall responsibility for co-ordinating the BCM programme;
- During an incident, co-ordinate the Council's BCM response(s), supporting the COO as 'Strategic' lead;
- Following an incident, facilitate the 'lessons learned' session(s);
- Produce the Corporate BCM framework and key strategies;
- Make available best practice tools (e.g. templates);
- Identify training needs and arrange delivery;
- Support and advise service areas;
- Facilitate testing and exercising of the Council's BCPs when requested by Directors/their teams;
- Quality control – review BCM arrangements for services; and,
- Lead on the Council's statutory duty to promote BCM in the community.

All Heads of Service/Managers

- Lead business continuity arrangements within their area;
- Attend training commensurate with their role;
- Identify staff from their teams that have a role to play in any recovery for suitable training;
- Prepare a recovery plan covering all service delivery functions (priority for critical functions), update at least annually; and,
- Implement the agreed arrangements in the event of a disruption.

All staff

- Familiarisation with business continuity arrangements within their area;
- Attend training commensurate with their role;
- Engage with testing and exercising; and,
- Respond positively during a crisis situation.

8. Specific Roles in the Corporate Business Continuity Plan (CBCP)

Once the CBCP has been triggered, the Strategic/Gold and Tactical/Silver teams have operational control of the situation and are authorised to take all decisions necessary. The Strategic/Gold team have overall control by overseeing, directing and authorising the work of the Tactical/Silver team who are managing the response and deciding, and monitoring, the actions for the Operational/Bronze team(s) to implement.

The CBCP sets out this process in more detail. The following teams are subject to change as the Business Continuity Management Programme develops, but currently are as follows:

Business Continuity Management Team

- Comprised principally of those Directors and Senior Heads of Service who have responsibility for a defined Business Critical Activity. Manages and directs the Council's response to a serious incident affecting Council services or assets.
- Within the Group will be Strategic/Gold and Tactical/Silver teams. The Strategic/Gold team will act as a 'check and challenge' function and leads on communications (internal and external), workforce-related matters and directs non critical services. The Tactical/Silver team will manage the Operational/Bronze (Recovery) teams and keeps the Strategic/Gold team informed of developments.

Recovery Teams

- Comprised principally of Heads of Service and their senior managers. Collective responsibility for resumption of critical services within their divisions by means of their own individual BCPs. Will be directed by and report back to the CBCP 'Tactical' team.

9. Value of Business Continuity Management (BCM)

The wider value of BCM is acknowledged as being 'no longer for high impact, low probability physical events' and is 'becoming an essential enabler of organisational resilience as part of business as usual'. (BCI Good Practice Guidelines 2013). The key benefits of embedding Business Continuity in your business are:

- Having arrangements in place to fulfil your obligations AND being more confident about the decisions you make in a crisis.
- Keeps businesses trading when they would have otherwise have probably failed due to an incident. This shows customers and suppliers you are serious about the resilience of the business, helping to significantly reduce the impact and cost of disruptions.
- Providing assurance and protection to your staff.
- Companies reputation increases, having competitive advantage.
- Insurance premium discounts, reduced excesses and doors opening to new insurance markets
- Allowing what would otherwise be unacceptable risks to be insured.