



Leicester
City Council

MEETING OF THE AUDIT AND RISK COMMITTEE

DATE: WEDNESDAY, 6 DECEMBER 2017

TIME: 5:30 pm

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

Members of the Committee

Councillor Dawood (Chair)

Councillor Westley (Vice-Chair)

Councillors Alfonso, Bajaj, Dr Chowdhury, Hunter and Dr Moore

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

Officer contact: Anita James
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Further information

If you have any queries about any of the above or the business to be discussed, please contact Anita James, **Democratic Support on (0116) 454 6358** or email Anita.James2@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 28 September are attached and Members will be asked to confirm them as a correct record.

4. CHAIRS ANNOUNCEMENTS

- *Outstanding Related Party Transactions Disclosure – 2016/17*

5. EXTERNAL AUDITOR'S ANNUAL AUDIT LETTER 2016/17

Appendix B

The External Auditor submits the Annual Audit Letter summarising the outcome of KPMG's audit work at Leicester City Council in relation to the 2016/17 audit year.

Members are asked to note the contents of the report.

6. APPOINTMENT OF EXTERNAL AUDITOR'S FOR 2018/19 (INCLUDING GRANT CLAIMS)

Appendix C

The Director of Finance submits a report providing the Committee with an update on the appointment of the Council's external auditors for the audit year 2018/19.

Members are asked to note the report.

7. COUNTER FRAUD UPDATE REPORT 2017/18 [Appendix D](#)

The Director of Finance submits a report providing information on Financial Services counter-fraud activities between 1 April 2017 and 30 September 2017.

Members are asked to receive the report and make any recommendations or comments to the Executive or Director of Finance.

8. PROCUREMENT PLAN HALF YEARLY UPDATE REPORT [Appendix E](#)

The Director of Finance submits the Council's Procurement Plan update report as required by the Contract Procedure Rules which sets out a list of forthcoming procurement activity above EU thresholds anticipated in the coming year.

Members are asked to note the report.

9. RISK MANAGEMENT UPDATE [Appendix F](#)

The Director of Finance submits a report presenting an update on the Strategic and Operational Risk Registers, risk training schedule and claims data.

Members are asked to note the contents of the report and make any comments to the Executive or Director of Finance.

10. DRAFT OF THE COMMITTEE'S ANNUAL REPORT TO COUNCIL 2016-17 [Appendix G](#)

The Director of Finance submits the Draft Annual Report of the Audit and risk Committee to Council setting out the Committee's achievements over the municipal year 2016-17.

Members are recommended to approve the report for submission to full Council on 25th January 2018.

11. REVIEW OF THE COMMITTEE'S FORWARD WORKPLAN [Appendix H](#)

The Director of Finance submits a report seeking the Committee's view on the scope of its future work plan and to signal a review of the Audit & Risk Committee's terms of reference.

Members are asked to comment on the terms of reference and associated work plan.

12. INTERNAL AUDIT PLAN Q3 AND Q4 2017/18 [Appendix I](#)

The Director of Finance submits a report presenting the detailed operational audit plan for the remainder of the financial year 2017/18.

Members are asked to note the contents of the report.

13. PRIVATE SESSION

AGENDA

MEMBERS OF THE PUBLIC TO NOTE

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

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

“that the press and public be excluded during the 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 Par 1 of Schedule 12A of the Act, and taking all the circumstances into account, it is considered that the public interest in maintaining the information as exempt outweighs the public interest in disclosing the information.”

Paragraph 3

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

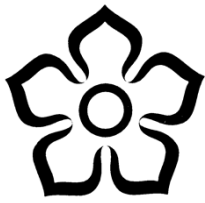
This report concerns the strength of internal controls in the City Council’s financial and management processes and includes references to material weaknesses and areas thereby vulnerable to fraud or other irregularity. It is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

14. SUMMARY OF INTERNAL AUDIT WORK FOR 2017-18 [Appendix J](#) TO END OF SEPTEMBER 2017

The Director of Finance submits a report presenting a summary of Internal Audit work completed in the first half of the financial year 2017-18 to end September 2017.

Members are recommended to receive the report and note the key issues identified.

15. ANY OTHER URGENT BUSINESS



Leicester
City Council

Appendix A

Minutes of the Meeting of the
AUDIT AND RISK COMMITTEE

Held: THURSDAY, 28 SEPTEMBER 2017 at 5:30 pm

P R E S E N T :

Councillor Dawood (Chair)
Councillor Westley (Vice Chair)

Councillor Alfonso
Councillor Bajaj

Councillor Dr Chowdhury
Councillor Dr Moore

* * * * *

19. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Hunter.

20. DECLARATIONS OF INTEREST

No declarations of interest were made.

21. MINUTES OF THE PREVIOUS MEETING

RESOLVED:

That the minutes of the meeting of the Audit and Risk Committee held on 28 June 2017 be confirmed as a correct record.

22. ANNUAL GOVERNANCE REPORT - ISO 260 REPORT TO THOSE CHARGED WITH GOVERNANCE

Representatives of the External Auditor, KPMG, presented the Annual Governance Report, known as the ISO 260 Report to Those Charged with Governance. This included the key findings arising from the audit of Leicester City Council's financial statements for the year ended 31st March 2017, along with the Auditor's assessment of the Council's arrangements to secure value for money (VFM) in its use of resources.

Members also were advised of the requirement for them to authorise the Director of Finance to sign the letter of representation to KPMG from the

Council in connection with the audit of the Council's financial statements.

Members were reminded that this report had been circulated separately to the agenda prior to the meeting.

John Cornett, Director at KPMG LLP (UK), introduced the report, explaining that KPMG intended to issue an unqualified opinion on the Council's financial statements for the year ended 31 March 2017.

Mr Cornett then made the following comments:

- The conclusion that the Council had proper arrangements in place to secure VFM did not mean that this had been achieved;
- The matters listed on the second page of the report as outstanding were normal at this stage;
- The report highlighted a significant audit risk due to significant changes in pension liability, due to the Triennial Valuation of the Local Government Pension Scheme;
- New rules had been introduced by the Chartered Institute of Public Finance and Accountancy (CIPFA) which gave auditors flexibility in how they presented income and expenditure statements. As those for 2016/17 therefore had been prepared in a new format, the income and expenditure statements from 2015/16 had been reorganised, to enable comparisons between that year and 2016/17 to be made;
- Draft financial statements for the year 2017/18 had been produced to a high standard. The help and support of the City Council's Finance team with this had been appreciated;
- A risk regarding the introduction of a new financial ledger was that the 2015 Council Audit Regulations now required the Council's accounts to be produced by the end of May each year and audited by the end of July. This change in dates could make it difficult to prepare the accounts in time for presentation to the Committee in the summer of 2018;
- Attention was drawn to the recommendation made to address that the authority did not perform a periodic check of users' access rights to systems in order to ensure that access privileges were appropriate;
- A qualified opinion had been given in the report's conclusion about VFM due to the findings of the inspection by the Office for Standards in Education (Ofsted) of Looked After Children services. However, in view of the improvements made in those services and the outcome of Ofsted's re-inspection earlier in 2017, this qualification could be lifted;
- In 2016/17 two Councillors did not return their annual related party declarations. One of these was no longer a Councillor and the other had not returned an annual statement for at least three years;

- Ongoing action plans were in place in relation to previous recommendations that had not yet been fully implemented;
- All non-audit work undertaken by the auditors for the Council had been declared;
- An additional fee would be payable to the auditors, due to further work required in relation to the CIES restatement and the triennial pension revaluation. The figure had not been agreed yet, but would be reported to the Committee when it had been determined; and
- All of the matters included in the report had been reported to the Committee during the year.

Members expressed concern that one Councillor continued to not return their annual related party declaration, as the making of this declaration was a statutory requirement. Officers confirmed that attempts to contact the Councillor concerned had been made using various communication methods, but no response had been received. Mr Cornett confirmed that, as failure to return the declaration was not prevalent across the Council, it did not impact on the value of the Council's accounts.

The Committee noted that processes for the periodic reconciliation of the total and individual balances in Housing leaseholder accounts were being developed and would continue to be improved, (prior year recommendation 2, "Leasehold accounts – housing", set out in Appendix 2 to the report, referred). It was anticipated that sufficient information should be available by the end of the current financial year to determine why different amounts were appearing in the total and individual balances.

In response to the prior year recommendation that when a user ceased employment access should be revoked from applications, networks and databases through which access to programs and data was possible, officers confirmed that the Council's information technology staff had identified 31 March 2018 as the date by which this would be fully implemented. (Recommendation 3, "Leavers – Access removal (Network)", set out in Appendix 2 of the report, referred.)

Members were reminded that a recommendation previously had been made that the Council's information technology password policy be changed, to require users to change their password after a specified number of days. (Prior year recommendation 4, "Passwords – Authentication (Network)", set out in Appendix 2 to the report, referred.) However, the Council felt that it operated a strong password system, in line with recommendations by CESG that passwords were made less secure by changing them frequently. It was recognised that the Council's policy could need updating so this would be followed up.

It was noted that, in response to prior year recommendation 6, "Journal Controls", (set out in Appendix 2 to the report), a workflow was being

introduced that would require every journal to be signed off. This would be implemented during the 2018/19 financial year, so would still be outstanding in the 2017/18 External Audit report.

The Committee welcomed the outcome of Ofsted's re-inspection of services for Looked After Children and noted that, although significant progress had been made in improving management arrangements for those services, further work was required. It was recognised that a risk was that progress would stop or be reversed.

RESOLVED:

- 1) That KPMG LLP (UK) be thanked for their work;
- 2) That the Chair write on behalf of the Audit and Risk Committee to the Councillor who continued to not return their annual related party declaration, giving that Councillor two weeks to respond;
- 3) That, if no response to the letter to be sent under resolution 2) above is received within the two week deadline, the Monitoring Officer be asked to look in to the matter and take appropriate action;
- 4) That the ISO 260 Report to Those Charged with Governance be received and noted;
- 5) That the unqualified opinion given by KPMG LLP (UK) on the Council's financial statements for the year ended 31 March 2017 be welcomed; and
- 6) That the Director of Finance be authorised to sign the letter of representation to KPMG from the Council in connection with the audit of the Council's financial statements.

23. ANNUAL GOVERNANCE STATEMENT 2016-2017

The Director of Finance submitted a report seeking approval of the Council's Annual Governance Statement for the financial year 2016 – 2017.

Members were reminded that the format of the statement was mostly prescribed by the principles of the Chartered Institute of Public Finance and Accountancy and Society of Local Authority Chief Executives' framework "Delivering Good Governance in Local Government".

The Committee queried whether any Members' travel expenses recently had been reduced due to them not using the cheapest form of travel available. Officers advised that they were unaware of this situation arising, but would enquire whether it had happened.

RESOLVED:

That the Annual Governance Statement 2016 – 2017 be approved as detailed within the report.

24. STATUTORY STATEMENT OF ACCOUNTS 2016/17

The Director of Finance submitted a report presenting the Council's audited Statement of Accounts for 2016/17, as required under the Accounts and Audit (England) Regulations 2015. These regulations also required those charged with governance, (in the Council's case, the Audit and Risk Committee), to approve a letter of management representation.

Members were reminded that draft management accounts had been presented to the Special Meeting of the Overview Select Committee held on 22 June 2017. Some amendments had been made to these during the audit period, but they were minor changes, being presentational errors or alternations to prior year figures to ensure they could be compared on a like-for-like basis. None of the changes resulted in a change to the overall level of balances. A briefing had been offered to Councillors to help them familiarise themselves with the accounts and to highlight the changes made.

Some Members suggested that higher pay rises for employees would have kept the Council's pay bill at its 2012/13 level. However, some Members suggested that the cumulative effect of pay rises over that period would have increased the Council's pay bill to more than its 2012/13 level. It was noted that the Council offered better rates of pay than some employers, through the Living Wage, but it was suggested that problems with staff retention could arise if concerns about pay levels were not addressed.

Members requested that consideration be given to how they could gain a level of understanding that would enable them to engage fully with the papers presented for consideration. John Cornett, Director at KPMG LLP (UK), (the Council's external auditors), explained that, as the acceptance of the accounts was a one-off activity each year, officers and external auditors aimed to build understanding and assurance during the year. Councillors were not expected to scrutinise each line of the accounts, but they needed to be able to recognise the Council from the information and accounts provided. It therefore was suggested that consideration could be given to this could be addressed in the future operation of the Committee.

It was suggested that more detailed information was needed on complaints received, as there could be significant variations in numbers received and procedures across Council services. For example, it could be expected that more complaints would be received in services such as Adult Social Care, and some services had a two-stage complaints procedure while others had a three-stage procedure. In reply, officers advised that some statutory procedures, such as those relating to complaints about adults' or children's services, differed to the Council's internal procedures.

In response to a query, it was noted that the figures given for the Collection Fund Adjustment Account showed a credit balance. The Council was required

to estimate in January each year what Council Tax income would be for the following financial year and this had been underestimated. The Collection Fund Account showed an overall year-end surplus for 2016/17 of £8.8million, but this included money collected on behalf of the Fire Authority.

RESOLVED:

- 1) That the Director of Finance be asked to liaise with the Chair of this Committee to consider how the Committee should operate in the future in terms of achieving stability of membership that would enable members to gain the knowledge and experience necessary to enable them to engage fully with the functions of the Committee;
- 2) That the auditor's ISA 260 Report to those charged with Governance and the recommendations contained within it be noted, (see also minute 22, "Annual Governance Report – ISO 260 Report to Those Charged with Governance", above);
- 3) That the audited accounts for the year ended 31 March 2017 be adopted as submitted; and
- 4) That the letter of representation submitted by the Director of Finance be approved as set out in the report.

25. INTERNAL AUDIT ANNUAL REPORT AND OPINION FOR THE FINANCIAL YEAR 2016-17

The Director of Finance submitted the Internal Audit Annual Report and Opinion for the financial year 2016-17.

Particular attention was drawn to the confirmation that the outcomes of the self-assessment of the function's effectiveness review, conducted by the former Head of Internal Audit and Risk Management, and reviewed by the Head of Assurance Services at Leicestershire County Council, indicated that reliance could be put on the opinions expressed. These had been used to inform the authority's Annual Governance Statement.

RESOLVED:

- 1) That the Internal Audit Annual Report and Opinion for the financial year 2016-17 be noted;
- 2) That it be noted that, for the year ended 31 March 2017, an internal audit opinion of 'substantial assurance' has been given in relation to the overall adequacy and effectiveness of the Authority's control environment;
- 3) That it be noted that the individual assignment opinions expressed, together with significant matters arising from internal audit work, (see minute 27, "Internal Audit Update Report 2016-17", below), have been given due consideration when developing and reviewing the Authority's Annual

Governance Statement for 2016-17, (see minute 23, "Annual Governance Statement 2016-2017", above); and

- 4) That the conclusions of the self-assessment of the internal audit function's effectiveness be noted.

26. PRIVATE SESSION

RESOLVED:

that the press and public be excluded during consideration of the following item in accordance with the provisions of Section 100A(4) of the Local Government Act 1972, as amended, because it involves the likely disclosure of exempt information, as defined in the paragraph detailed below of Part 1 of Schedule 12A of the Act, and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

PARAGRAPH 3

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

27. INTERNAL AUDIT UPDATE REPORT 2016-17

The Director of Finance submitted the Internal Audit Update Report 2016-17, which summarised Internal Audit work completed during the 2016-17 financial year.

Members noted that audits were ranked by level of assurance and noted how levels of assurance were assessed. From this, it also was noted that the majority of issues that arose were with externally procured systems, (particularly smaller ones). Where these involved the security of the system, specially trained staff undertook penetration tests, which included trying to hack in to systems.

The Committee was advised that some issues had arisen relating to the finances of some schools. A significant proportion of these had been found to have arisen due to governance issues at the schools concerned.

RESOLVED:

- 1) That the report be noted; and
- 2) That the Director of Finance be asked to provide information to members of the Committee further explaining assurance levels, this information to include examples of partial assurance.

28. CLOSE OF MEETING

The meeting closed at 7.03 pm



Annual Audit Letter 2016/17

Leicester City Council

kpmg.com/uk

October 2017



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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. Public Sector Audit Appointments issued a document entitled Statement of Responsibilities of Auditors and Audited Bodies summarising where the responsibilities of auditors begin and end and what is expected from audited bodies. We draw your attention to this document which is available on Public Sector Audit Appointment's website (www.psa.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 (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.

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Section one

Summary

This Annual Audit Letter summarises the outcome from our audit work at Leicester City Council in relation to the 2016/17 audit year. Although it is addressed to Members of the Authority, it is also intended to communicate these key messages to key external stakeholders, including members of the public, and will be placed on the Authority's website.



VFM conclusion

We issued an unqualified conclusion on the Authority's arrangements to secure value for money (VFM conclusion) for 2016/17 on 29 September 2017. This means we are satisfied that during the year the Authority had appropriate arrangements for securing economy, efficiency and effectiveness in the use of its resources.

To arrive at our conclusion we looked at the Authority's arrangements to make informed decision making, sustainable resource deployment and working with partners and third parties.

VFM risk areas

We undertook a risk assessment as part of our VFM audit work to identify the key areas impacting on our VFM conclusion and considered the arrangements you have put in place to mitigate these risks.

Our work identified the following significant matters:

Financial resilience

We have reviewed the Authority's outturn report for 2016/17 and noted the Authority achieved an underspend on the General Fund of £9.6 million against the original budget of £263 million. The Authority has an established reserves strategy, building up reserves over the last three years to allow time to develop the approach to identifying savings. The General Fund stands at £15 million which is the minimum balance recommended by the Director of Finance. The Authority has £172 million in earmarked reserves at year end which is an underlying decline of around £18.3 million in the year. From 2017/18, the Authority plans for reductions in earmarked reserves as it makes investments in transforming services.

We have reviewed Medium Term Financial Strategy (MTFS) income and expenditure assumptions and consider them to be reasonable. The Medium Term Financial Strategy (MTFS) 2017 to 2020 shows a gap in funding of over £58 million up to 2019/20, but the Authority acknowledges that there is a higher underlying gap and that, since there is no allowance for inflation, other than pay awards, that the overall gap for 2019/20 could be higher.

VFM Risk – OFSTED Findings – Children's Services

Whilst recognising that progress had been made in respect of Children's Services, we issued a qualified VFM conclusion to this effect in 2015/16. This year, investment has been made to improve the service. Following a month long inspection in July, OFSTED has removed the inadequate rating for children's services. They have acknowledged that the service overall requires improvement but have rated some aspects of the service as good. Therefore, the Authority is able to demonstrate that arrangements and processes put in place following the initial OFSTED Inspection (March 2015) are appropriate to secure measurable improvements in Children's Services. Consequently, progress to date is sufficient to enable us to remove our historic "except for" qualification to the VFM Conclusion in respect of Children's Services.

We will continue to liaise with key officers at the Council to assess further progress in this area during the 2017/18 audit.

Audit opinion

We issued an unqualified opinion on the Authority's financial statements on 29 September 2017. This means that we believe the financial statements give a true and fair view of the financial position of the Authority and of its expenditure and income for the year.

Section one

Financial statements audit

No material errors were identified during the audit and there were no uncorrected audit differences that we needed to report. We considered the Authority's accounting practices to be appropriate, the draft accounts were published ahead of the deadline and the quality of supporting working papers was good..

Our audit plan identified the Local Government pension scheme triennial revaluation and changes to CIPFA's Code on Local Authority Accounting as significant risks or other areas of audit focus for the year. We noted that all of these areas had been appropriately addressed by the Authority.

We have had regular meetings with officers throughout the year which has facilitated delivery of the audit and have already discussed how we can work together to secure further improvement next year.

Other information accompanying the financial statements

Whilst not explicitly covered by our audit opinion, we review other information that accompanies the financial statements to consider its material consistency with the audited accounts. This year we reviewed the Annual Governance Statement and Narrative Report. We concluded that they were materially consistent with our understanding and the current guidance..

Whole of Government Accounts

The Authority prepares a consolidation pack to support the production of Whole of Government Accounts by HM Treasury. We have reviewed the pack and reported back to the NAO. There were no issues arising from our work on the Whole of Government Accounts.

High priority recommendations

We raised one medium priority recommendation during the course of the audit and did not raise any high priority recommendations. However, of the seven medium priority recommendations raised in the prior year, we found that three had not yet been fully implemented.

Certificate

We issued our certificate on 29 September 2017. The certificate confirms that we have concluded the audit for 2016/17 in accordance with the requirements of the Local Audit & Accountability Act 2014 and the Code of Audit Practice.

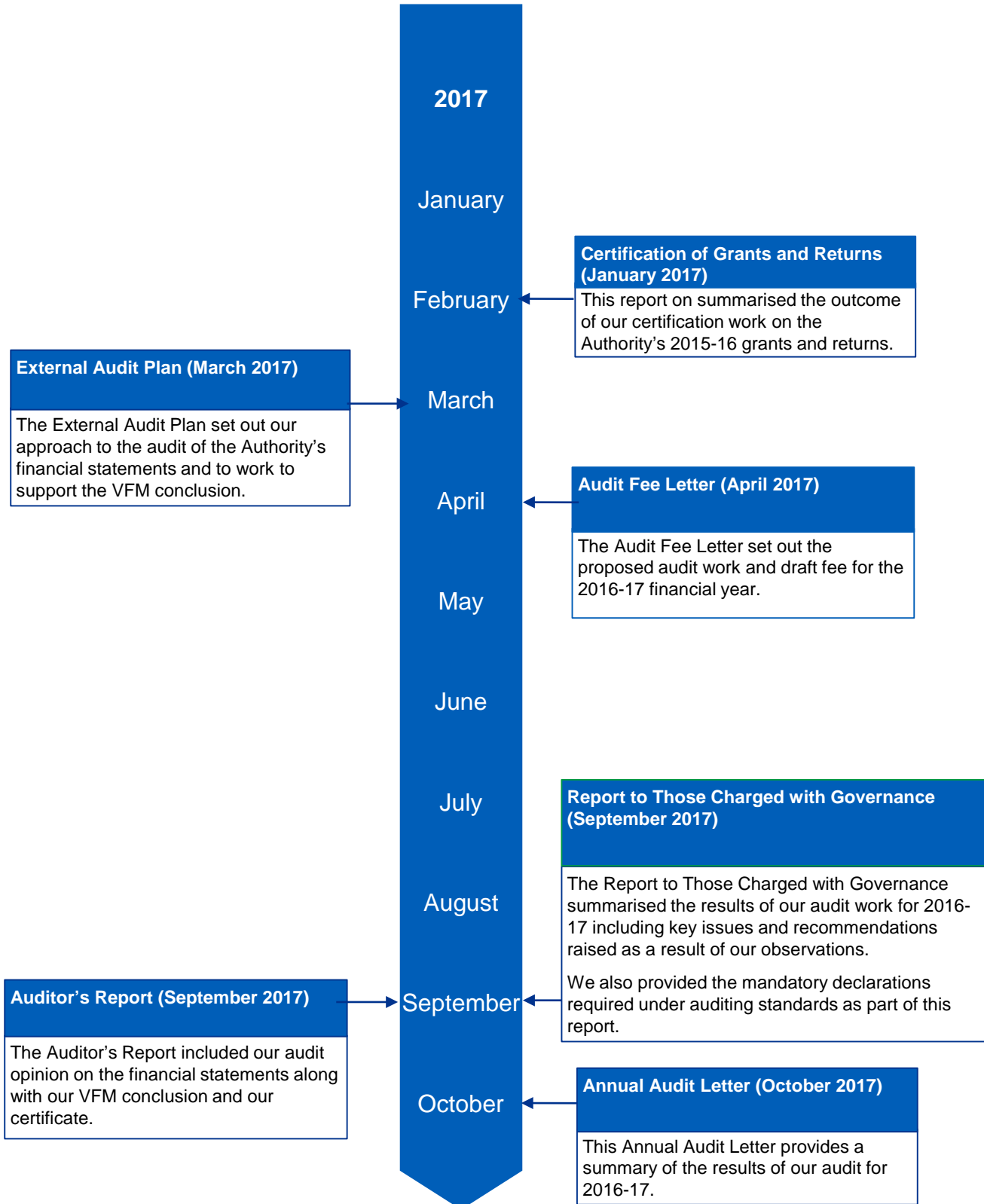
Audit fee

The scale fee set by PSAA for 2016-17 was £146,603, excluding VAT. Further detail is contained in Appendix 2.

Appendix 1

Summary of reports issued

This Appendix summarises the reports we issued since our last Annual Audit Letter.



Appendix 2

Audit fees

This Appendix provides information on our final fees for the 2016/17 audit.

To ensure transparency about the extent of our fee relationship with the Authority we have summarised below the outturn against the 2016/17 planned audit fee.

External audit

The final fee for the audit of the Authority was £146,603 which is in line with the scale fee for the audit..

Certification of grants and returns

Under our terms of engagement with Public Sector Audit Appointments we undertake prescribed work in order to certify the Authority's housing benefit grant claim. The indicative scale fee for this work is £52,785. This certification work is still ongoing and the final fee will be confirmed through our reporting on the outcome of that work in January 2018.

Other services

We charged £5,700 (excluding VAT) for certification of the 2015/16 Pooling of Housing Capital Receipts return and £5,500 for the Teachers' Pensions Return. This work was not related to our responsibilities under the Code of Audit Practice.

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Leicester
City Council

**WARDS AFFECTED:
ALL WARDS (CORPORATE ISSUE)**

AUDIT & RISK COMMITTEE

6th December 2017

Update on the Procurement of the Council's New External Auditors

REPORT OF THE DIRECTOR OF FINANCE

1. Purpose of Report

- 1.1. To provide the Committee with an update on the appointment of the Council's external auditors, who will start in 2018/19.

2. Recommendations

- 2.1. The Audit & Risk Committee is recommended to:

- 2.1.1. Note the proposed appointment of Grant Thornton as external auditor for the Council's annual accounts & grant claims from 2018/19.

3. Background

- 3.1 Since 1 April 2015, the Council has had its external audit provided by KPMG. KPMG was appointed through Public Sector Audit Appointments Ltd (PSAA) and had a contract up to and including the financial year 2016/17, later extended to cover the financial year 2017/18. The Council then needed to appoint its own independent auditor for the next five years, before 31st December 2017.
- 3.2 A report was presented to Audit & Risk Committee on the 16th November 2016, recommending to Council to procure the external audit contract using PSAA following a sector led procurement option. This was then approved by Council on the 24th November, 2016.

4. Report

- 4.1 The appointment proposed for the Council following the sector led procurement process is Grant Thornton.
- 4.2 The proposed external auditors, Grant Thornton UK, currently employ approximately 4,500 staff delivering services to 40,000 clients. They have played a significant role in the public sector for 30 years. The UK Public Sector Assurance Team employs 301 people, including 29 key audit partners, based in designated 'centres of excellence', providing it with locally based public sector specialists across the country. This team is solely dedicated to public audit work in local government and the NHS, with contracts with PSAA, Audit Scotland and the Wales Audit Office.
- 4.3 All councils have been consulted on their proposed external auditors, to ensure there is no conflict of interest. The Council's Director of Finance has confirmed to PSAA that there is no conflict of interest and we have no concerns about the appointment. Therefore it is envisaged this appointment will be confirmed at the PSAA Board meeting in December. This will ensure the appointment is in place by the 31st December 2017, as required by Government regulations.
- 4.4 The PSAA led procurement process did not include the audit of grant claims, for example housing benefits. It is envisaged that the Council will also instruct Grant Thornton to complete this work. Upon Grant Thornton being formally appointed as our external auditors, we will look further into this option.
- 4.5 As noted above, KPMG will audit the current year's accounts, and will therefore present their findings and opinion to the Committee in the summer of 2018.

5. FINANCIAL IMPLICATIONS

- 5.1. The annual statement of accounts audit fees are anticipated to reduce by a national average of 18% in 2018/19 through the new contracts. The fee for 2017/18's accounts is £147k, therefore we are anticipating savings of circa £29k.

6. LEGAL IMPLICATIONS

- 6.1 The contract award to Grant Thornton using the PSAA led procurement is noted. When required, advice will be provided by Procurement and Legal Services on the potential contract to Grant Thornton for the auditing of grant claims to ensure compliance with the Contract Procedure Rules and the Contract Procurement Regulations 2015.

Jenis Taylor, Principal Solicitor (Commercial) Ext 37 1405

7. OTHER IMPLICATIONS

<u>OTHER IMPLICATIONS</u>	<u>YES/NO</u>	<u>PARAGRAPH REFERRED</u>
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights / People on low incomes	No	
Corporate Parenting	No	
Health Inequalities Impact	No	

8. BACKGROUND PAPERS

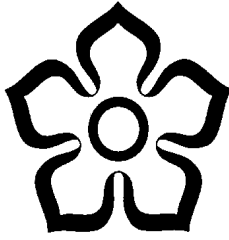
Report to Council on the 24th November 2016 on the procurement of the Council's external audit contract.

9. CONSULTATIONS

10. AUTHOR

Amy Oliver
Chief Accountant – Corporate Accountancy
X 54 5667

Alison Greenhill
Director of Finance



Leicester
City Council

WARDS AFFECTED
All

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:
Audit and Risk Committee

6th December 2017

Counter-Fraud Update Report 2017-18

Report of the Director of Finance

Purpose of the Report

- 1.1. Responsibility for the City Council's counter-fraud work is shared between the Corporate Investigations Team, the Revenues & Benefits Investigations Team both within Financial Services and the Trading Standards Team within Local Services & Enforcement.
- 1.2. The report, which is attached, provides information on Financial Services counter-fraud activities between 1 April 2017 and 30 September 2017.

2. Recommendations

The Committee is recommended to:

- 2.1. Receive the report.
- 2.2. Make any recommendations or comments it sees fit to the Executive or the Director of Finance.

3. Summary

- 3.1. This report includes statistical information on fraud cases. A report on the Council's counter fraud activities was presented to Members of the Audit and Risk Committee on 28 June 2017 and therefore this report seeks only to update Members on statistical information where it is available and to inform them about progress on the teams dealing with fraud.
- 3.2. As part of its work, the Corporate Investigations Team has investigated suspected financial irregularities and made recommendations to reduce the

risk of further losses and improve performance, efficiency, effectiveness and economy in the use of resources by the Council.

3.3. The Trading Standards Service is responsible for fair trading, consumer credit, product safety, food standards, weights & measures and age restricted products. The Team has not been involved in any fraud investigations involving the City Council and affecting its internal control and governance framework or risk profile, during the period of this report.

4. Report

4.1. See the Counter-Fraud Update Report 2017-18, attached.

5. Financial, Legal and Other Implications

5.1. Financial Implications

Fraud can cause the Council significant loss and activity to prevent and detect fraud is a clear financial investment.

Colin Sharpe, Head of Finance, ext. 37 4081

5.2. Legal Implications

Fraud is a criminal offence and therefore represents breach of the law. Other forms of financial irregularity, though not criminal, may be in breach of regulation. The conduct of counter-fraud work of all kinds is bound by law and regulation and the Council is careful to ensure that its activities in this area are properly discharged.

Kamal Adatia

City Barrister & Head of Standards

5.3. Climate Change Implications

This report does not contain any significant climate change implications and therefore should not have a detrimental effect on the Council's climate change targets.

Louise Buckley, Graduate Project Officer (Climate Change)

6. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References Within Supporting Information
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Crime and Disorder	Yes	This report is concerned with fraud and corruption, both of which are

		criminal offences.
Human Rights Act	No	
Elderly/People on Low Income	No	
Corporate Parenting	No	
Health Inequalities Impact	No	
Risk management	Yes	Whole document

7. Background papers – Local Government Act 1972

- 7.1. Files held by Revenues and Benefits, Trading Standards and Housing
Leicester City Council's Anti-Fraud and Corruption Policy and Strategy
Leicester City Council's Finance Procedure Rules
Leicester City Council's Constitution
Leicester City Council's Code of Conduct for Behaviour at Work
Leicester City Council's Information Security Policy Statement
Leicester City Council's Prosecutions Policy
Leicester City Council's Investigators Code of Conduct
Public Bodies Corrupt Practices Act 1889
Chartered Institute of Public Finance & Accountancy (CIPFA) publication
Managing The Risk of Fraud
The Prevention of Social Housing Fraud Act 2013

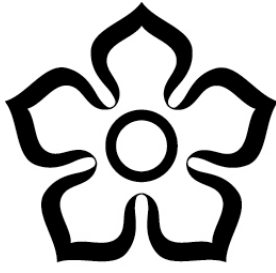
8. Consultations

Roman Leszczyszyn, Head of Regulatory Service, Environmental Services.

9. Report Author

Stuart Limb, Corporate Investigations Manager, ext 2615

Alison Greenhill
Director of Finance



Leicester
City Council

**COUNTER-FRAUD
UPDATE REPORT
2017-18**

COUNTER-FRAUD UPDATE REPORT 2017-18

1. Introduction

1.1 This is a report to the Audit & Risk Committee on the work delivered by Leicester City Council's Corporate Investigations Team during April 2017 to September 2017. It also provides the Committee with an update on the work of the Leicester, Leicestershire and Rutland Intelligence Hub.

2. The First Six Months in Summary

2.1 Corporate Investigations Team

2.2 During the period covered by this report the Corporate Investigations Team has undergone a period of transition due to changes in personnel on the team. There have been vacancies due to members of the team moving to new roles both within and outside of the authority. A recruitment exercise has been completed for 2 permanent Corporate Investigation Officers and 3 fixed-term contracted Corporate Investigation Officers to work on the DCLG funded Intelligence Hub project. The remaining vacancy for the post of Financial Investigator will be completed as a matter of urgency.

2.3 The team has been working hard to progress the investigations which are now developing into more criminal in nature. This is now seeing a step change in the work of the Corporate Team at the authority, as in previous years it was more civil based investigations. The authority prosecuted a case of theft and 7 cases of disabled parking permit (blue badge) offences. There are currently 9 files with Legal Services pending court outcomes.

2.4 The team has embedded the use of the new case management system into the investigations that allows the work to fully compliant with the legislation that governs the recording, retention and subsequent disclosure of evidence. Work continues with the suppliers in the development of more tailored management reports which will improve meaningful reporting of the team's cases and outcomes. Further work is being undertaken to add in both real and projected financial savings that are associated with preventing and detecting fraud.

2.5 There have been savings achieved on Right to Buy Cases, Tenancy Frauds, recovery of outstanding debt, Council Tax Reduction Scheme and Single Person discount frauds. These total £115,800, which is a combination of loss avoidance and income generated for the authority. On future reports a breakdown and an explanation of the notional savings formulae will be provided for the committee.

2.6 The team continues to work with other sections of the authority in an effort to reduce the risk of loss and fraud and this is highlighted by the collaborative approach in verifying Right to Buy (RTB) applications for council homes. All RTBs are subject to background checks by the investigations team and where irregularities or concerns are raised the issues are addressed by a combination of Legal Services, the RTB team and corporate investigations. This not only identifies irregularities but provides a much higher level of assurance around the validity of the sales to tenants.

- 2.7 Work continues in developing the region wide counter fraud intelligence hub which is on behalf of all Local Authorities across Leicester, Leicestershire and Rutland. A large amount of work has been completed in procuring the data warehouse, producing data sharing agreements and a prosecution policy. In addition to the recruitment of the staff who will be working on the project. This continues to be a very challenging task in collating data from the other authorities to data match for the purposes of preventing and detecting fraud. To date all authorities in the project have signed up to the data sharing protocol but some authorities have either provided no data or it has proven to be sporadic in its regularity where data has been provided.
- 2.8 The team continues to investigate a variety of non benefit related cases and provide advice and assistance to management.

3. Review of Performance

- 3.1 Statistical information on the performance of the Corporate Investigations Team during the six months is detailed in the table below.

Registered	146
Closed	135
Investigations In Progress	87
Investigations In Progress more than 6 months old	39
Cautions Accepted	5
Administrative Penalties Accepted	0
Prosecutions - Successful (Guilty)	8
Total files with Solicitors	9

4. The Year Ahead

- 4.1 The report presented to the Committee on 28th June 2017 outlined the major objectives for the Corporate Investigations Team over coming months. The completion of the organisational review of fraud services has changed the emphasis from reactive fraud investigations to proactive fraud searching and offers other partners locally the opportunity to procure fraud investigation services from the Council. Additionally there is a greater emphasis on prosecuting offenders and seeking restitution and compensation for identified losses.

5. Acknowledgment

- 5.1 The Director of Finance acknowledges the efforts of all members of the Corporate Investigations Team, and the help, co-operation and support of Members and officers of the City Council.

Stuart Limb, Corporate Investigations Manager

Executive Decision Report

PROCUREMENT UPDATE 2017/18

Decision to be taken by: **City Mayor**

Decision to be taken on: **7 December 2017**

Lead director: **Alison Greenhill**

Useful information

- Ward(s) affected: **All**
- Report author: **Neil Bayliss**
- Author contact details: **Tel: 0116 454 4021 Email: neil.bayliss@leicester.gov.uk**
- Report version number: **003**
- Date of report: **9 November 2017**

1. Summary

- 1.1 The Council's Contract Procedure Rules require Executive approval of a Procurement Plan – a list of forthcoming procurement activity above EU thresholds anticipated in the coming year. This requirement aligns with the government's requirements of local authorities under the Transparency agenda. There is also a requirement to provide a mid-year update on progress against the Plan and procurement strategy.
- 1.2 Inclusion of a contract in the Plan does not necessarily mean that the procurement will go ahead. As with all expenditure, anticipated contracts will be subject to ongoing challenge as to whether they are required, and whether/how they should be procured. This review process may impact on the anticipated value and/or duration of contract.
- 1.3 The purpose of this report is to inform the Executive of progress against the Plan and obtain approval for the updated 2017/18 Procurement Plan which alerts all stakeholders of the potential up and coming major procurement activity across the Council, which includes renewal of existing contracts for ongoing requirements (e.g. maintenance and service provision contracts) and one-off major capital projects.

2. Recommendations

- 2.1 The Executive is recommended to:
 - i) Approve the attached Procurement Plan;
 - ii) To note the introduction of the Concession Contracts Regulations 2016 and consequential new category of contract to be included in future reports.
 - iii) Note the summary of waiver and extension activity in the current financial year to date as required by Rule 19.2 of the Contract Procedure Rules.

3. Supporting information

Procurement Plan

- 3.1 The Procurement Plan serves two principal purposes:
- a) To inform potential suppliers of major future market activity, including meeting the statutory requirement to publish planned procurement over the EU thresholds; and
 - b) To provide the Executive and other readers with an overview of significant procurement activity and to enable links and efficiencies to be achieved.
- 3.2 The Plan is based on information from Directors and from reviewing the database of existing contracts approaching expiry. Entry on the Plan does not guarantee that procurement will happen and the actual costs may vary from the estimates.
- 3.3 Timely processing and approval of the Plan ensures better procurement planning and allows the market to consider upcoming opportunities, in line with the transparency agenda.
- 3.4 The scope of the Plan can be affected by major reviews across the Council, leading to the extension of existing contracts and uncertainty for including future procurements, with less procurement activity than might usually be expected. It will also be noted that the procurement approach and timing, contract term and values are still to be determined for some procurements, whilst review work takes place.
- 3.5 As required by the Contract Procedure Rules, the updated Plan (attached at Appendix A) includes details of expected procurement processes for contracts valued at over (or close to) the relevant EU threshold.
- | | |
|------------------------------------|------------|
| • Social & Other Specific Services | £589,148 |
| • All Other Goods & Services | £164,176 |
| • Works & Concessions | £4,104,394 |
- 3.6 It should be noted that the EU Thresholds will be re-calculated on 1 January 2018 based on an updated exchange rate between the euro and the pound. This is likely to lead to an increase in the thresholds (possibly 10-15%).
- 3.7 The Contract Procedure Rules provide delegated authority to Divisional Directors to award contracts over the EU threshold so long as those contracts are included in the Procurement Plan – Appendix A (even if these contracts are not awarded until after the end of the current financial year). Any other proposed contract award over the EU threshold must be added to the Procurement Plan as set out in Rule 16 of the Contract Procedure Rules (as approved by Full Council in June 2015).

3.8 Of the 105 procurement exercises included in the original Plan, the following table sets out current progress.

Progress	Number of Procurement Processes
Exercise not started	53
Exercise in progress	19
Exercise on-hold	8
Contract awarded	21
Exercise cancelled	4
Total	105

Procurement Strategy

- 3.9 Following the report of a working group initiated by the Economic Development, Transport & Tourism Scrutiny Commission to develop a social value policy/ strategy, Executive has supported a draft of a Social Value Charter to be finalised and adopted later this financial year. This will become the Council’s Procurement Strategy and be the foundation for the development of clearer performance indicators and targets and which will form the basis for future reporting.
- 3.10 The Council has signed up to the Living Wage Foundation’s Licence Agreement to become a Living Wage Employer. This means that the Council is implementing the Living Wage into its procurement contracts which meet the criteria agreed with the LWF and will ensure all contracts meeting these criteria become compliant with this commitment by 2020.

Contract Procedure Rules

3.11 The current Contract Procedure Rules were approved at Full Council on 18th June 2015. No changes have been made to them since and none are currently proposed. The Head of Procurement has commenced a review of how the new Rules have worked and whether any changes could be beneficial. It is anticipated this will lead to a report in 2018. This will include changes to help the Rules align with the recent Concession Contracts Regulations 2016 as well as any changes that may support the development of the Council’s new finance system. These regulations introduce a new category of public contract which includes contracts where the ‘concessionaire’ takes on the operating risk in exploiting the works/services encompassing demand and/or supply risk. They also set out certain requirements for the contract conditions of concession contracts.

Waivers

3.12 The Contract Procedure Rules also requires the Head of Procurement to report waivers of the Rules to Executive. The tables below show an analysis of the waivers approved during the last financial year and the first part of the current financial year. This is shown by both department and a broad categorisation of the reason for the waiver.

Reason for Waiver	2016/17		2017/18 (to 30 September 2017)	
	Qty	Value	Qty	Value
Continuity of Provision	22	£1,136,177	5	£769,122
Urgency	11	£736,198	4	£488,272
Limited Supply Market	7	£103,872	7	£177,458
Other	8	£114,929	3	£169,900
	48	£2,091,176	19	£1,604,752

Department	2016/17		2017/18 (to 30 September 2017)	
	Qty	Value	Qty	Value
Adult Social Care (ASC)	0	£0	1	£10,200
City Development & Neighbourhoods (CDN)	30	£1,706,860	9	£648,434
Corporate Resources & Support (CRS)	10	£291,855	7	£786,118
Education & Children's Services (ECS)	6	£75,503	1	£155,000
Public Health (PH)	2	£16,958	1	£5,000
	33	£2,091,176	23	£1,604,752

Contract Extensions

3.13 The Contract Procedure Rules also require bi-annual reporting of contract extensions of Large and EU Contracts made where there wasn't provision for this in the original contract. The table below sets out such extensions approved in the last financial year and first half of this one. (Note: Contract values given below include the full contract value from the original start date to the end of the extension period.)

Department	2016/17				2017/18 (to 30 September 2017)			
	Large		EU		Large		EU	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value
ASC							1	£563,176
CDN	1	£145,000	1	£650,000	5	£5,369,500	2	£7,430,000
CRS	1	£150,257			1	£160,743	2	£469,511
ECS			2	£1,040,107			2	£1,157,586
PH			3	£31,619,657				
	2	£295,257	6	£33,309,764	6	£5,530,243	7	£9,620,273

4. Details of Scrutiny

4.1 As required by the Contract Procedure Rules, the Procurement Plan and other contents of this report will be reported to the Audit & Risk Committee on 6 December 2017.

5. Financial, legal and other implications

5.1 Financial implications

5.1.1 Inclusion of contracting activity on the attached Plan is a statement of intent and is subject to the necessary funding being available. The Plan provides a basis for challenge and a more strategic approach to achieving value for money through major procurement activity.

Colin Sharpe
Head of Finance
Ext 37 4081

5.2 Legal implications

5.2.1 The Contract Procedure Rules form part of the Constitution of the Council therefore this report satisfies the Constitution requirements in relation to reporting and procurement procedures.

5.2.2 Each procurement process will need to follow due process in accordance with internal and legislative requirements, with advice from Procurement Services and Legal Services.

5.2.3 It should be noted that the Concession Contracts Regulations are now in force which create a new category of public contract with its own threshold for EU procurement and own rules. The current CPRs do not reflect these recent legal changes however the thresholds reply regardless and will need to be reflected in the procurement plan and contract reporting.

Emma Horton
Head of Law (Commercial, Property & Planning)
Ext 37 1426

5.3 Climate Change and Carbon Reduction implications

5.3.1 There are no significant climate change implications arising directly from this report.

5.4 Equality Impact Assessment

5.4.1 These will be considered a part of each procurement process, as appropriate.

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

5.5.1 Procurement is used to drive wider social value, i.e. to bring about improvements in economic, social and environmental well-being.

6. Background information and other papers:

6.1 None.

7. Summary of appendices:

7.1 Appendix A – Procurement Plan 2017/18 (Updated as at October 2017).

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

8.1 No.

9. Is this a “key decision”?

9.1 No.

Procurement Plan 2017-2018

Inclusion of a contract in the Plan does not necessarily mean that the procurement will go ahead. As with all expenditure, anticipated contracts will be subject to ongoing challenge as to whether they are required, and whether/how they should be procured. This review process may impact on the anticipated value and/or duration of contract.

Name of Contract	Full Contract Value	Anticipated Contract Start Date	Duration of New Contract	Progress Status	Department	Division	Service Area
Acquired Brain Injuries Service	£151,000	01/04/2019	3+2 Years	On-Hold	Adult Social Care & Health	Adult Social Care & Commissioning	Strategic Commissioning
Advocacy Services	£1,250,000	01/04/2019	3+2 Years	On-Hold	Adult Social Care & Health	Adult Social Care & Commissioning	Strategic Commissioning
Assessment and Equipment Service for People who are Deaf, Deafened or Hard of Hearing	£250,000	01/04/2018	3+2 Years	Not Started / No Decision Taken	Adult Social Care & Health	Adult Social Care & Commissioning	Strategic Commissioning
Carers Support Services	£1,265,000	01/04/2019	3+2 Years	On-Hold	Adult Social Care & Health	Adult Social Care & Commissioning	Strategic Commissioning
Community Meals	£575,000	01/10/2018	4 Years	Not Started / No Decision Taken	Adult Social Care & Health	Adult Social Care & Commissioning	Strategic Commissioning
Community Opportunities (Day Care)	£6,600,000	01/04/2018	4 Years	In Progress	Adult Social Care & Health	Adult Social Care & Commissioning	Strategic Commissioning
Delivery of Adult Social Care Functions in HMP Leicester	£225,000	01/04/2018	3+2 Years	In Progress	Adult Social Care & Health	Adult Social Care & Commissioning	Strategic Commissioning
Dementia Care Advisor Service	£3,000,000	01/10/2017	2+3 Years	Awarded	Adult Social Care & Health	Adult Social Care & Commissioning	Strategic Commissioning
Direct Payments Support Services	£2,400,000	01/04/2018	4 Years	In Progress	Adult Social Care & Health	Adult Social Care & Commissioning	Strategic Commissioning
Disabled Persons Support Services (Service User Voice Service)	£231,000	01/01/2019	3+2 Years	On-Hold	Adult Social Care & Health	Adult Social Care & Commissioning	Strategic Commissioning
Domiciliary Support Service (Extra Care at Danbury Gardens)	£700,000	01/12/2017	7 Years	In Progress	Adult Social Care & Health	Adult Social Care & Commissioning	Strategic Commissioning
Extra Care Developments	£3,000,000	To be confirmed	To be confirmed	Not Started / No Decision Taken	Adult Social Care & Health	Adult Social Care & Commissioning	Strategic Commissioning
Headwatch Leicester	£1,100,000	01/04/2018	3+2 Years	Not Started / No Decision Taken	Adult Social Care & Health	Adult Social Care & Commissioning	Strategic Commissioning
Independent Living Support - Floating Support	£1,070,000	01/10/2017	3+2 Years	Awarded	Adult Social Care & Health	Adult Social Care & Commissioning	Strategic Commissioning
Independent Living Support - Supported Housing	£1,860,000	01/10/2017	3+2 Years	Awarded	Adult Social Care & Health	Adult Social Care & Commissioning	Strategic Commissioning
Lifts and Hoists (for Adults with Disabilities)	To be confirmed	01/06/2018	4 Years	Not Started / No Decision Taken	Adult Social Care & Health	Adult Social Care & Commissioning	Strategic Commissioning
Mental Health Recovery & Resilience Recovery Hubs	£6,245,000	01/10/2017	3+2 Years	Awarded	Adult Social Care & Health	Adult Social Care & Commissioning	Strategic Commissioning
Paid Persons Representatives	£750,000	01/04/2018	4 Years	Not Started / No Decision Taken	Adult Social Care & Health	Adult Social Care & Commissioning	Strategic Commissioning
Recovery Hub (Substance Misuse)	£780,000	02/04/2018	3+2 Years	In Progress	Adult Social Care & Health	Adult Social Care & Commissioning	Strategic Commissioning
Residential Rehabilitation Substance Misuse Framework	£1,600,000	To be confirmed	4 Years	Not Started / No Decision Taken	Adult Social Care & Health	Adult Social Care & Commissioning	Strategic Commissioning
Short-Term Residential Care Beds	£1,900,000	03/07/2017	2+3 Years	Awarded	Adult Social Care & Health	Adult Social Care & Commissioning	Strategic Commissioning
Substance Misuse Inpatient Detoxification Service	To be confirmed	01/06/2018	To be confirmed	Not Started / No Decision Taken	Adult Social Care & Health	Adult Social Care & Commissioning	Strategic Commissioning
Visual and Sensory Impairment Service	£1,485,000	01/01/2019	3+2 Years	On-Hold	Adult Social Care & Health	Adult Social Care & Commissioning	Strategic Commissioning
FM Services for the Temporary Modular Buildings (TMBs) at PFI Schools	£200,000	01/08/2017	2+2 Years	Awarded	City Development & Neighbourhoods	Estates & Building Services	Building Services
Servicing of Fire Extinguishers	£260,000	01/04/2018	3+2 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Estates & Building Services	Building Services
Energy Performance Contract (EPC)	£20,000,000	01/04/2018	15 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Estates & Building Services	Energy Services
Home Energy Heating - Private Sector Homes	£900,000	01/04/2018	3 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Estates & Building Services	Energy Services
Home Energy Insulation - Private Sector Homes	£300,000	01/04/2018	3 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Estates & Building Services	Energy Services
LED Lighting	£500,000	01/02/2018	To be confirmed	Not Started / No Decision Taken	City Development & Neighbourhoods	Estates & Building Services	Energy Services
Solar PV	£1,100,000	01/04/2018	To be confirmed	Not Started / No Decision Taken	City Development & Neighbourhoods	Estates & Building Services	Energy Services

Procurement Plan 2017-2018

Inclusion of a contract in the Plan does not necessarily mean that the procurement will go ahead. As with all expenditure, anticipated contracts will be subject to ongoing challenge as to whether they are required, and whether/how they should be procured. This review process may impact on the anticipated value and/or duration of contract.

Name of Contract	Full Contract Value	Anticipated Contract Start Date	Duration of New Contract	Progress Status	Department	Division	Service Area
Solid External Wall Insulation	£1,240,000	01/09/2017	3 Years	Awarded	City Development & Neighbourhoods	Estates & Building Services	Energy Services
Construction Works Framework	£240,000,000	01/04/2018	4 Years	In Progress	City Development & Neighbourhoods	Estates & Building Services	Housing & Property
Lifts - Maintenance, Refurbishment and New Installations	£1,500,000	01/08/2017	To be confirmed	Awarded	City Development & Neighbourhoods	Estates & Building Services	Property
Property Maintenance	To be confirmed	02/04/2018	4 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Estates & Building Services	Property
Security Services	£1,600,000	01/04/2018	4 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Estates & Building Services	Property
Specialist Cleaning Services (Inc. Ad-Hoc, Reactive, Poolside, Windows, Gutters, Facades, Extractions and Kitchens)	£2,500,000	01/04/2018	5 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Estates & Building Services	Property
Washroom Services	£200,000	01/07/2017	5 Years	Awarded	City Development & Neighbourhoods	Estates & Building Services	Property
Digital Television Service & Maintenance	£500,000	15/01/2018	1+4 Years	In Progress	City Development & Neighbourhoods	Housing	Capital Investment
District Heating Heat Metering	£10,000,000	To be confirmed	To be confirmed	Not Started / No Decision Taken	City Development & Neighbourhoods	Housing	Capital Investment
District Heating Repairs - Maintenance & Upgrades	£4,500,000	01/10/2018	2+2 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Housing	Capital Investment
Electrical Upgrades and Rewiring of Domestic Dwellings	£10,000,000	01/04/2018	3+2 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Housing	Capital Investment
Fire Containment & Passive Fire Protection Works	£10,000,000	To be confirmed - Anticipated	3+2 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Housing	Capital Investment
Home Insulation - Energy Saving Initiatives	£10,000,000	To be confirmed	2+2 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Housing	Capital Investment
Kitchen & Bathroom Refurbishments (Supply & Fit) and Repairs & Maintenance to Social Housing	£16,000,000	01/12/2017	2+2 Years	In Progress	City Development & Neighbourhoods	Housing	Capital Investment
Maintenance of Existing BEMS	£240,000	16/06/2018	1+2 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Housing	Capital Investment
Maintenance of Lightning Suppressor and Fall Arrest Systems	£300,000	12/02/2018	1+2 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Housing	Capital Investment
Minor Building Works, Disabled Adaptations & Structural Repairs (Disabled Facility Grants)	£8,000,000	01/06/2018	2+4 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Housing	Capital Investment
Repairs & Maintenance of Ventilations Systems	£250,000	To be confirmed	2+2 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Housing	Capital Investment
Re-Roofing	£5,000,000	01/04/2018	3+2 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Housing	Capital Investment
Structural Repairs & Misc Building Works (Council Houses)	£4,000,000	01/04/2018	2+2 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Housing	Capital Investment
Homelessness Services	£7,162,074	01/04/2018	3+3 Years	In Progress	City Development & Neighbourhoods	Housing	Homelessness, Prevention and Support
Decorating Allowance Card Scheme	£1,000,000	01/04/2018	2+3 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Housing	Housing
House Building	Between £2m - £10m	01/04/2018	To be confirmed	Not Started / No Decision Taken	City Development & Neighbourhoods	Housing	Housing
Housing Mobile Working Solution	Not yet determined likely to be in range of £450,000	01/04/2018	4 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Housing	Housing
Stores Management / Supply of Building & Construction Materials	£45,000,000	01/04/2018	10 Years	In Progress	City Development & Neighbourhoods	Housing	Housing
Commercial Vehicle Replacement Programme	£1,885,800	01/04/2018		Not Started / No Decision Taken	City Development & Neighbourhoods	Housing	Passenger & Fleet Services
18 Ton Refuse Collection Vehicles (RCV)	£185,000	01/10/2017		Awarded	City Development & Neighbourhoods	Housing	Planning & Major Works
Service User Support - Homelessness Prevention Coaching	£250,000	To be confirmed	2 Years?	Not Started / No Decision Taken	City Development & Neighbourhoods	Housing	Social Community Care Supplies & Services
Repairs Fleet Vehicle Racking	£150,000	01/01/2018	1+2 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Housing	Vehicles
Public Protection Solution & Associated Services	£300,000	01/04/2018	10 Years	In Progress	City Development & Neighbourhoods	Neighbourhood & Environmental Services	Local Services & Enforcement

Procurement Plan 2017-2018

Inclusion of a contract in the Plan does not necessarily mean that the procurement will go ahead. As with all expenditure, anticipated contracts will be subject to ongoing challenge as to whether they are required, and whether/how they should be procured. This review process may impact on the anticipated value and/or duration of contract.

Name of Contract	Full Contract Value	Anticipated Contract Start Date	Duration of New Contract	Progress Status	Department	Division	Service Area
Library Management System	£250,000	01/05/2018	5 Years	In Progress	City Development & Neighbourhoods	Neighbourhood & Environmental Services	Neighbourhood Services
Landscaping Works	To be confirmed	01/04/2018	2+2 Years	On-Hold	City Development & Neighbourhoods	Neighbourhood & Environmental Services	Parks & Open Spaces
Parks & Greenspace Fencing	£400,000	01/04/2018	3+2 Years	On-Hold	City Development & Neighbourhoods	Neighbourhood & Environmental Services	Parks & Open Spaces
Parks Signage	£150,000	01/07/2018	3+2 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Neighbourhood & Environmental Services	Parks & Open Spaces
Street Furniture	£160,000	01/07/2018	3+1 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Neighbourhood & Environmental Services	Parks & Open Spaces
Weed Spraying Services	£303,750	29/04/2017	3+2 Years	Awarded	City Development & Neighbourhoods	Neighbourhood & Environmental Services	Parks & Open Spaces
Supply of Fixed Play Equipment & Spares	£750,000	01/01/2018	2+1 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Neighbourhood & Environmental Services	Standards & Development
Infrastructure Delivery Plan and Costing for John Ellis Site	£200,000	01/07/2017	12-15 Months	Awarded	City Development & Neighbourhoods	Planning, Development & Transportation	Development Projects
Site Remediation, Installation of Infrastructure & Services for Former John Ellis Site. Creation of Development Platform	£4,000,000	01/07/2018	2 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Planning, Development & Transportation	Development Projects
Development Partner for Pioneer Park	TBC but likely to require OJEU	To be confirmed	3 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Planning, Development & Transportation	Development Projects
Kerbing	£250,000	01/06/2018	4 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Planning, Development & Transportation	Highways
Highway Maintenance, Construction and Civil Engineering	£16,000,000	01/01/2018	3+1 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Planning, Development & Transportation	Highways
Highway Plant (Without Operator)	£4,000,000	01/04/2018	1+4 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Planning, Development & Transportation	Highways
Maintenance of Highway Structures	£7,000,000	01/01/2018	4 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Planning, Development & Transportation	Highways
Parking Permits Review (inc. Permits)	£20,000	01/04/2018	2+8 Years	In Progress	City Development & Neighbourhoods	Planning, Development & Transportation	Highways
Parking Services IT System (inc. Orion Visitors Permits and Liberty Printers)	£500,000.00	01/04/2018	2+8 Years	In Progress	City Development & Neighbourhoods	Planning, Development & Transportation	Highways
Planning System	£250,000	01/10/2017	10 Years	Awarded	City Development & Neighbourhoods	Planning, Development & Transportation	Planning
Bus Shelters	£7,500,000	01/04/2019	15 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Planning, Development & Transportation	Transport Strategy
Cycle Improvement Schemes (inc. Cycle Lane Improvements)	£10,000,000	01/06/2018	3 Years?	Not Started / No Decision Taken	City Development & Neighbourhoods	Planning, Development & Transportation	Transport Strategy
Leicester North West Major Transport Projects	£10,000,000	01/01/2018	18 Months	In Progress	City Development & Neighbourhoods	Planning, Development & Transportation	Transport Strategy
Maintenance and/or Replacement of Ticketing and Access/Exit Barriers for Multi-storey Car Parks	£200,000	01/03/2018	4+2 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Planning, Development & Transportation	Transport Strategy
Personalised Travel Planning	£215,000	01/04/2018	2 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Planning, Development & Transportation	Transport Strategy
Putney Road/Aylestone Road Junction Consultancy	£150,000	20/11/2017	12-16 Months	In Progress	City Development & Neighbourhoods	Planning, Development & Transportation	Transport Strategy
Putney Road/Aylestone Road Junction Design and Build Works	£4,900,000	03/07/2018	5 Months	Not Started / No Decision Taken	City Development & Neighbourhoods	Planning, Development & Transportation	Transport Strategy
Smart Ticketing	£450,000	01/03/2018	5 Years (TBC)	In Progress	City Development & Neighbourhoods	Planning, Development & Transportation	Transport Strategy
Supply of Traffic Rubber Products	£500,000	21/08/2017	5 Years	Awarded	City Development & Neighbourhoods	Planning, Development & Transportation	Transport Strategy
Sustainable Transport Service Provision	£1,500,000	01/04/2018	2+2 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Planning, Development & Transportation	Transport Strategy
School Cycling Programme (Cycling Schools Programme)	£298,000	02/05/2017	3+2 Years	Awarded	City Development & Neighbourhoods	Planning, Development & Transportation	Transport Strategy & Programmes
Workplace and Neighbourhood Cycling Programme	£300,000	02/05/2017	3+2 Years	Awarded	City Development & Neighbourhoods	Planning, Development & Transportation	Transport Strategy & Programmes
CCTV Cameras at Car Parks	Est. £254,000	01/04/2018	5 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Planning, Development & Transportation	

Procurement Plan 2017-2018

Inclusion of a contract in the Plan does not necessarily mean that the procurement will go ahead. As with all expenditure, anticipated contracts will be subject to ongoing challenge as to whether they are required, and whether/how they should be procured. This review process may impact on the anticipated value and/or duration of contract.

Name of Contract	Full Contract Value	Anticipated Contract Start Date	Duration of New Contract	Progress Status	Department	Division	Service Area
Electric Vehicle Charging Points	£500,000	01/02/2018	5 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Planning, Development & Transportation	
Parking Management System	Est. £220,000	01/04/2018	5 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Planning, Development & Transportation	
Leicester City Market Phase 2b - Construction - Screen	£3,800,000	01/01/2018	1 Year	In Progress	City Development & Neighbourhoods	Tourism, Culture & Inward Investment	Development Projects
Servicing and Remedial Works of Automatic Doors At Various Locations	£600,000	01/04/2018	4 Years	Not Started / No Decision Taken	City Development & Neighbourhoods	Tourism, Culture & Inward Investment	Property
Graphic Design	£175,000	01/06/2018	2+2 Years	Not Started / No Decision Taken	Corporate Resources & Support	Delivery, Communications & Political Governance	Communications and Marketing
Print Services	£650,000	02/04/2018	2+2 Years	Not Started / No Decision Taken	Corporate Resources & Support	Delivery, Communications & Political Governance	Communications and Marketing
Individual Electoral Registration (IER) Mailing	£200,000	01/09/2017	3 Years	Awarded	Corporate Resources & Support	Delivery, Communications & Political Governance	Electoral Services
Apprenticeship Managed Service (inc. Training Provision)	£1,600,000	01/10/2017	2+2 Years	Awarded	Corporate Resources & Support	Delivery, Communications & Political Governance	Human Resources
Active Call Directory System (ACD)	£300,000	01/04/2018	3+7 Years	In Progress	Corporate Resources & Support	Finance	Benefits & Customer Advice
Council Tax - Single Person's Discount Review	£180,000	01/09/2017	2+1 Years	Awarded	Corporate Resources & Support	Finance	Benefits & Customer Advice
Agency Staff (Master Vendor)	£40,000,000	18/11/2017	3+1 Years	Awarded	Corporate Resources & Support	Finance	Business Service Centre
Travel Services (inc. Booking System)	£261,000	01/01/2018	2+1 Years	Not Started / No Decision Taken	Corporate Resources & Support	Finance	Business Service Centre
External Audit	£750,000	01/04/2018	5 Years	In Progress	Corporate Resources & Support	Finance	Finance
Liability Insurance	£600,000	01/09/2018	3+2 Years	Not Started / No Decision Taken	Corporate Resources & Support	Finance	Finance
CCPV Relocation	£300,000	01/04/2018	10 Years	Not Started / No Decision Taken	Corporate Resources & Support	Finance	Information Services
CISCO Support	£300,000	01/04/2018	3 Years	Not Started / No Decision Taken	Corporate Resources & Support	Finance	Information Services
Network Equipment Replacement	£170,000	01/09/2017	4 Years	Awarded	Corporate Resources & Support	Finance	Information Services
PC & Laptops, Screen & Associated Items (Peripherals)	£300,000	Call off purchases	1 Year	In Progress	Corporate Resources & Support	Finance	Information Services
Server Replacement	£200,000	01/04/2018	4 Years	In Progress	Corporate Resources & Support	Finance	Information Services
Hybrid Mail	£750,000	01/10/2017	5 Years	On-Hold	Corporate Resources & Support	Finance	IT Services
Email Filtering Solution	£250,000	01/04/2018	5 Years	Not Started / No Decision Taken	Corporate Resources & Support	Finance	IT Services (Data Networks)
Paper Supplies	£315,000	01/05/2018	3+2 Years	Not Started / No Decision Taken	Corporate Resources & Support	Finance	Procurement Services
Corporate Enforcement Agents & Associated Services	£2,000,000	01/04/2018	7 Years	Not Started / No Decision Taken	Corporate Resources & Support	Finance	Revenues & Customer Support
Social Welfare Advice	£2,900,730	01/12/2018	3+2 Years	Not Started / No Decision Taken	Corporate Resources & Support	Finance	Revenues & Customer Support
Children's Commissioning Placements	>£1,000,000	TBC	TBC	Not Started / No Decision Taken	Education & Children's Services	Children's Social Care & Early Help	Looked After Children
Meat, Meat Products and Poultry	£750,000	09/04/2018	4 Years	Not Started / No Decision Taken	Education & Children's Services	Learning Services	Catering
Milk and Dairy Products	£345,000	09/04/2018	4 Years	Not Started / No Decision Taken	Education & Children's Services	Learning Services	Catering
Supply and Distribution of Potatoes, Fruits, Vegetables and Salads	£375,000	01/08/2017	2+2 Years	Awarded	Education & Children's Services	Learning Services	Catering
Construction of Waterside Primary School	£13,000,000	24/06/2018	18 Months	In Progress	Education & Children's Services	Learning Services	Education Sufficiency and Admissions
Patients Know Best IT System	£150,000	01/03/2018	1+2 Years	Not Started / No Decision Taken	Education & Children's Services	Learning Services	SEND Services

Procurement Plan 2017-2018

Inclusion of a contract in the Plan does not necessarily mean that the procurement will go ahead. As with all expenditure, anticipated contracts will be subject to ongoing challenge as to whether they are required, and whether/how they should be procured. This review process may impact on the anticipated value and/or duration of contract.

Name of Contract	Full Contract Value	Anticipated Contract Start Date	Duration of New Contract	Progress Status	Department	Division	Service Area
Children's Capital Maintenance Programme Phase 2	To be confirmed	To be confirmed	To be confirmed	Not Started / No Decision Taken	Education & Children's Services	Learning Services (Estates & Building Services)	Education Sufficiency and Admissions (Property)
Fullhurst Ellesmere School Expansion	£9,686,807	01/10/2017	2 Years	Awarded	Education & Children's Services	Learning Services (Estates & Building Services)	Education Sufficiency and Admissions (Property)
SEN Schools, PRU and Alternative Provision	To be confirmed	To be confirmed	To be confirmed	Not Started / No Decision Taken	Education & Children's Services	Learning Services (Estates & Building Services)	Education Sufficiency and Admissions (Property)
Temporary Modular Buildings for Primary School Expansion Programme	£4,500,000	Spring / Summer 2017	1 Year	Awarded	Education & Children's Services	Learning Services (Estates & Building Services)	Education Sufficiency and Admissions (Property)
Temporary Modular Buildings for Secondary School Expansion Programme	£3,780,000	Spring / Summer 2017	1 Year	Awarded	Education & Children's Services	Learning Services (Estates & Building Services)	Education Sufficiency and Admissions (Property)
Healthy Eating in Schools Service	£500,000	01/04/2018	2+4 Years	Not Started / No Decision Taken	Public Health	Public Health	Public Health
Healthy Lifestyles Services	£3,650,000	01/04/2018	2+3 Years (To be confirmed)	Not Started / No Decision Taken	Public Health	Public Health	Public Health
Integrated Sexual Health Services	£16,202,000	01/01/2019	3+2 Years (To be confirmed)	Not Started / No Decision Taken	Public Health	Public Health	Public Health
Public Mental Health	£200,000	To be confirmed	To be confirmed	Not Started / No Decision Taken	Public Health	Public Health	Public Health



Leicester
City Council

WARDS AFFECTED:

Audit and Risk Committee

6th December 2017

Operational and Strategic Risk Registers and Insurance Claims Data

Report of the Director of Finance

1. Purpose of the Report

To present to the Audit and Risk Committee an update on the Strategic and Operational Risk Registers, risk training schedule and claims data:

- Appendix 1, the Strategic Risk Register (SRR) providing a summary of the strategic risks facing the council affecting the achievement of the strategic objectives of the council;
- Appendix 2, supports appendix 1, which provides the detail in relation to the council's strategic risks;
- Appendix 2a to inform where changes have been made to the SRR since the last quarter;
- Appendix 3, the Operational Risk Register (ORR) exposure summary, provides a high level summary of the operational risks, which affect the day to day operations of the divisions. Such risks are assessed by Divisional Directors with a risk score of 15 or above for consideration;
- Appendix 4, the ORR, supports Appendix 3, the summary of the ORR, which provides the detail in relation to the council's operational risks;
- Appendix 4a, provides details of where changes are made to the ORR since the last quarter;
- Appendix 5, Insurance Claims Data for the current financial year as at 30th September 2017;
- Appendix 6, informs of the training schedule for 2018, covering risk, business continuity and insurance.

2. Recommendations

Audit and Risk Committee is asked to:

- Note the SRR and ORR as at 31st October 2017, subject to any changes made by the Corporate Management Team as reported to the meeting.
- Note the insurance claims data.
- Note the training timetable for 2018.
- Make any comments to the Executive or Director of Finance.

3. Background

- 3.1 The Council's 2017 Risk Management Strategy requires the development, maintenance and monitoring of both the SRR and ORR.
- 3.2 Both the Strategic Risk Register and ORR process is owned and led by the Chief Operating Officer. The Strategic Directors support the strategic risk register process documenting the key strategic risks facing the council and help to ensure these are managed. The SRR complements the operational risk register process which is supported and managed by the Divisional Directors. Both registers are populated and maintained by the Manager, Risk Management.
- 3.3. The insurance claims data is provided to the Audit and Risk Committee, and is a useful measure of performance and claims received for each department. Paragraph 4.11 and Appendix 5 provide more detail.

4. Report

- 4.1. The SRR has been compiled following a review by all Strategic Directors and has been updated. The summary of the strategic risks is attached as Appendix 1 and Appendix 2 provides the fuller detail of risks. 15 updates to risks were made comprising of changes to controls and targets dates. Appendix 2a indicates in bold and underlined where such alterations were made.
- 4.2 The risks in the ORR are presented by:
- Department (in alphabetical order);
 - Division (again within alphabetical order);
 - Then by 'risk score' with the highest first.
- 4.3 The ORR summary document, Appendix 3, has been compiled using divisional risk registers submitted to RMS by each Divisional Director. The significant risks (scoring 15 and above) identified within these individual registers have been transferred to the Council's ORR.

4.4 Appendix 3, the summary of operational risks, is supported by Appendix 4 which provides details of the operational risks. With regards to the ORR, 42 existing risks have been amended, 1 deleted and 5 new risks added. Appendix 4a indicates in bold and underlined where amendments and deletions have been made. As a reminder, the deletion of a risk does not necessarily mean the risk is eliminated. It refers to the risk score no longer being 'high' and it may well remain within the individual divisional register with a score below 15, which was the case in the deleted risk this quarter.

The key risks that local authorities are currently facing nationally and which are being managed and mitigated include:

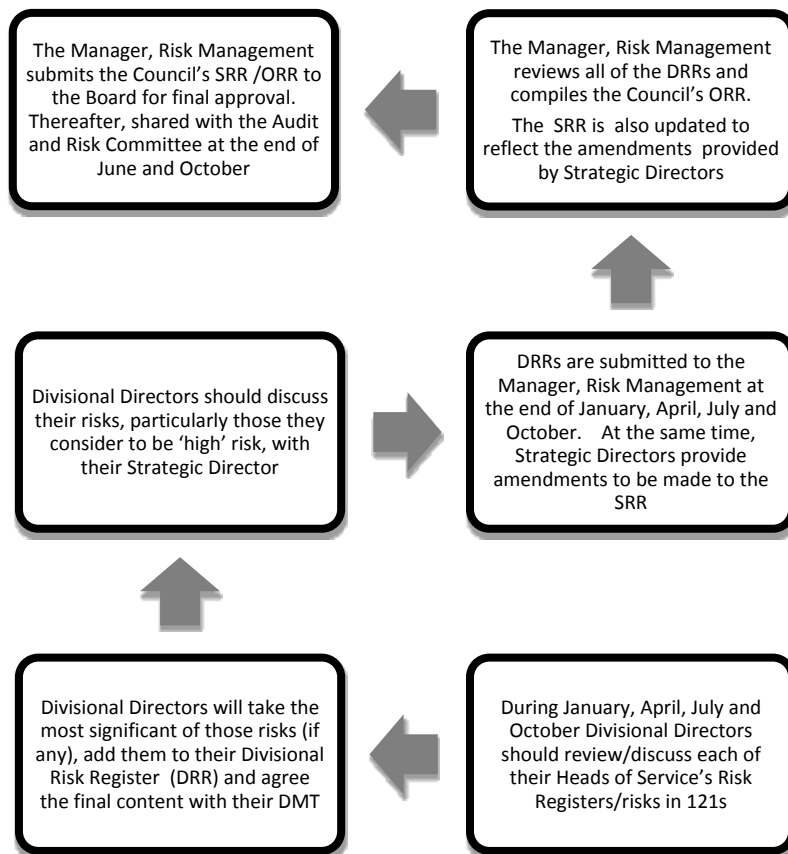
- Cyber security
- Early closedown of year end accounts from 2017/18
- Universal Credit full service
- Foster carers' vicarious liability
- Grenfell Tower impacts
- GDPR / new data protection requirements

4.5 Both the strategic and operational risk registers attached to this report contain the most significant managed/mitigated risks. Whilst there are other key risks, it is the view of Directors that these are sufficiently managed/mitigated for them not to appear in these registers. More detailed registers of operational risks are owned and maintained by individual Divisional Directors and their Heads of Service (and where appropriate their managerial and supervisory staff) as detailed in the Risk Management Policy and Strategy.

4.6 Corporate Management Team was reminded that the Council's Risk Management Strategy refers to the process of embedding risk management within business areas. The risk registers allow this to be evidenced, but if this process is to be demonstrated as a method by which the Council manages its risk profile, it has to be more than a quarterly exercise of submission of a register to RMS. The number of updates/changes to the risk registers each quarter is a positive indication of this, but the process of risk management must become a daily activity throughout the authority to be truly embedded, indicating the Council is managing its risk exposure.

4.8 Risk registers should be working documents that can be sent to RMS or discussed with line management and/or members at any time.

4.9 For clarity, the process for reviewing and reporting operational risks, in line with the Council's strategy, should be as per the following flowchart:



- 4.10 A planned review of the Council's Divisional Risk Registers which complements the ORR by Risk Management Services will take place this financial year. This will be a 'sense check' of risks being reported to ensure that descriptors allow the 'uninitiated' to understand that alignment is taking across the division and to ensure risks are not over scored.
- 4.11 A summary report of claims against the Council received between 1 April to 30th September 2017 is attached as Appendix 5. These display the successful and repudiated claims, breaking these down into business areas and type of claim i.e. slips and trips, potholes etc. Further information is available regarding the background to this data upon request.
- 4.12 Appendix 6 provides details of the risk management and insurance training programme for Council officers. This is presented for the Committee's information and to provide assurance that a robust training programme is in place, to promote a proper understanding of risk and insurance across the Council.

5. Financial, Legal Implications

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

Sonal Devani – Manager, Risk Management – 37 1635

Appendix 1

LCC Strategic Risk Exposure Summary as at 31st October 2017

Risk Index	Risk	I	L	Risk Score 31 Oct 2017	Risk Score 31 July 2017	Risk Score 30 Apr 2017	Variance	Risk Owner
3.	Cyber Risk	5	5	25	25	25	↔	AK / AG
1.	Financial challenges	5	4	20	20	20	↔	AK / AG
12.	Asset Management	5	4	20	20	20	↔	PC / MC
8.	School Improvement	4	4	16	16	16	↔	FC
7.	Safeguarding	5	3	15	15	15	↔	FC / SF
2.	Stakeholder Engagement	4	3	12	12	12	↔	MC / All Strategic Directors
5.	Information Governance	4	3	12	12	12	↔	AK
6.	Compliance with Regulation, Policies, Procedures, Health & Safety etc.	4	3	12	12	12	↔	KA / MC
9.	Civil Contingency Response / Incident Response	4	3	12	12	12	↔	MC / AG / RT
10.	Resource: Capacity, Capability, Retention & Development	4	3	12	12	12	↔	MC
13.	National Agenda / Changes in Legislation / Government etc.	4	3	12	12	12	↔	AK
14.	Channel Shift	4	3	12	12	12	↔	NB / MC / AG
15.	EU Referendum Leave Result	4	3	12	12	12	↔	AK / AG
16.	Fire Risk in Tall Buildings	4	3	12	12 (New)		↔	PC
4.	Business / Service Continuity Management	5	2	10	12	12	↓	AG / MC
11.	Contract Management & Procurement	3	3	9	9	9	↔	AG

Key:

IMPACT (I)	SCORE
CRITICAL/ CATASTROPHIC	5
MAJOR	4
MODERATE	3
MINOR	2
INSIGNIFICANT/ NEGLIGIBLE	1

LIKELIHOOD (L)	SCORE
ALMOST CERTAIN	5
PROBABLE / LIKELY	4
POSSIBLE	3
UNLIKELY	2
VERY UNLIKELY / RARE	1

Risk scores:

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

Risk Owners:

AG	Alison Greenhill
AK	Andy Keeling
FC	Frances Craven
KA	Kamal Adatia
MC	Miranda Cannon
NB	Natalie Blackshaw
PC	Phil Coyne
RT	Ruth Tennant
SF	Steven Forbes

Appendix 2 - LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 31/10/17

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>1. FINANCIAL CHALLENGES The Council fails to respond adequately to the cuts in public sector funding over the coming 2- 3 years.</p>	<p>- Council is placed in severe financial crisis. Reputational damage to the Council and substantial crisis job losses. If the process is not properly managed, the Council will have little money for anything but statutory 'demand led services'</p>	<p>- Budget balanced in 17/18. - Further work required to balance the medium term, particularly driving the spending review programme. - £8m service transformation fund.</p>	5	4	20	<p>- Heavy involvement of City Mayor in ensuring spending review programme delivers. - Appropriate change management/ project management arrangements to be put in place for major review areas</p>	5	2	10		<p>Andy Keeling Alison Greenhill</p>	<p>31/03/2019/ 2020 and On-going</p>

Appendix 2 - LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 31/10/17

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>2. STAKEHOLDER ENGAGEMENT The Council fails to maintain effective relationships with 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. - Review existing arrangements and contracts for VCS engagement and support - Key aspects of partnership working being reviewed and updated in the light of Ofsted findings eg LSCB 	4	2	8		Miranda Cannon / All Strategic Directors	01/04/18 and ongoing

Appendix 2 - LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 31/10/17

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>2. STAKEHOLDER ENGAGEMENT (Continued)</p> <p>If stakeholder engagement is not robust and effective but is critical to the delivery of the Council's priorities, statutory duties etc., these may not be delivered. An example of such is the need to have a continuing, productive partnership relationship with Clinical Commissioning Group which is particularly important in light of the importance for Adult Social Care of the Better Care Together Fund.</p>	<ul style="list-style-type: none"> - There is no common vision or consensus across key partners in the City and therefore the work of individual organisations pulls in different and potentially conflicting directions. - Places a strain on resources and services to manage. - Partners are present round the table but are not collectively owning the agenda or taking on board the responsibilities and actions that arise therefore undermining the approach - Public health and wellbeing may be impacted or the quality of the service delivered to the Public is insufficient, which could cause harm. 	<ul style="list-style-type: none"> - The Council/ Police have a Community Gold meeting which meets approx. once a month and includes Local Policing Unit commanders, the Basic Command Unit commander and council officers from Leicester Anti-Social Behaviour Unit, youth services, community services. This tracks and agrees joint actions to address any known tensions in communities. This is supported by a shared system between front line officers from the police and the council to track community tension. Community joint management group now in place which creates a regular conduit for engagement with community leaders. - LLEP Review has been finalised which has strengthened governance and management of the Leicester, Leicestershire Enterprise Partnership and links with Further Education/Higher Education/ VCS and business sectors. 										
<p>3. CYBER RISK -Loss or compromise of IT systems and/or associated data through cyber security attacks</p>	<ul style="list-style-type: none"> - Potential financial or reputational damage to Council. - Potential Data Protection breaches. - Fines - Service delivery affected 	<ul style="list-style-type: none"> - Ensure close monitoring of existing perimeter and internal security protection. 	5	5	25	<ul style="list-style-type: none"> - Currently out to market for a Security and Incident Event Management service. - IT Security Manager appointed and will be in post August 2016. 	4	3	12		Andy Keeling / Alison Greenhill	01/04/18 and ongoing

Appendix 2 - LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 31/10/17

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>4. 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.</p>	<p>- 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. - Reputational Damage - Vulnerable service users in danger as such users face loss of service. - Financial Impact - Impact on resources</p>	<p>- All the Senior Management Team have roles in either the Corporate Business Continuity Management Team (CBCT) or are Emergency Controllers. - The Manager, Risk Management chairs the Multi-Agency Business Continuity Group. - All Business Critical Activities for the council are identified and named in the Corporate Business Continuity Plan (CBCP) - Critical Services BCPs are reviewed thoroughly and updated annually or as and when changes occur in service areas. These are then submitted to Risk Management Services who cast a critical eye on all these plans. - BCP Strategy and Policy tailored for the council in place to meet organisational needs. - Training offered corporately - 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 - CBCP which is reviewed annually but also updated as and when changes occur which should be reflected in the plan - Resilience Direct Secure Site (web based) holds CBCP and all Business Critical Activities BCPs (alongside emergency planning documentation) and is securely accessed by members of the CBCT - Communications on-call arrangements working more effectively and training run for all staff involved including LRF training - Annual review of critical service business continuity plans in progress and annual self-certification confirming completion of all service business continuity plans</p>	5	2	10	<p>- Further embedding of business continuity management approach. - Further completion of Business Continuity tests. - Further communication/training and awareness for staff on continuity arrangements. - Closer integration of business continuity with Emergency Planning actively under consideration. - Review of ways in which refresher training / meetings are held with a view to integrating into Director/HoS quarterly meetings</p>	4	2	8		<p>Alison Greenhill/ Miranda Cannon</p>	01/04/18 and ongoing

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5. 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. - Mandatory e-learning module for staff - Monthly reporting of incidents to Directors recently implemented 	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	31/01/18 and ongoing

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<p>6. COMPLIANCE WITH REGULATIONS, 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 has been established 	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. - Continue to refine and improve strategic monitoring and reporting in relation to Health & Safety to ensure responsibilities are reinforced from the top. - New Head of HR to take a fresh look at sickness absence management including the policy and procedure 	4	2	8		Kamal Adatia / Miranda Cannon	01/04/18 and ongoing

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7. 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 - Single assessment team in place which has resulted in a reduced caseload and more timely intervention 	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 - overseen by Improvement Board and independency Chair - Performance framework in place across Children's - positive progress highlighted in recent Ofsted reports - Version 11 of Liquid Logic implemented successfully 	5	2	10		Frances Craven/Steven Forbes	31/01/18 and ongoing

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8. SCHOOL IMPROVEMENT	- 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 targeted 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	31/01/18 and ongoing

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<p>9. 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>	<ul style="list-style-type: none"> - 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. - Having sufficient financial resources and flexibility to address these challenges becomes increasingly difficult. - Having sufficient assets/contingency arrangements. - Lack of resources could lead to inadequate response . - Impact on the publics health and wellbeing, safety/housing needs etc. - Adverse impact on budget - Reputational impact - Death/injury - Potential for increase in the number of insurance claims - Negative relationships with stakeholders 	<ul style="list-style-type: none"> - Corporate Management of this is outlined in the Leicester Sustainable Action Plan action plan which covers all areas of management activity across the Council and its partners to reduce carbon. - 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. - 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. - Local Resilience Forum (LRF) county wide partnering arrangement. - Leicester City Council (LCC) is part of the Resilience Partnership of local authorities in LLR LLR Health Protection Committee coordinates health protection response across LA/PHE/NHS - LRF multi-agency flooding TCG exercise held at City Hall to test facilities here. Lessons learnt/debrief held. 	4	3	12	<ul style="list-style-type: none"> - 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. - LRF and Resilience Partnership arrangements continue to be reviewed. - Robust schedule of plan reviews and training in place and agreed via the LRF - LLR-wide Health Protection Committee arrangements under review to provide assurance around management of health protection risks/ incidents and outbreaks 	4	2	8		<p>Miranda Cannon / Alison Greenhill/ Ruth Tennant</p>	01/04/18 and ongoing

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<p>10. 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.</p> <p>The Council does not have the capacity/resilience in resources, should an event/incident occur, may significantly increase the demand on front line services.</p> <p>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"> - Organisational Development Team (OD) working to develop their role and remit and engagement with the organisation - Organisational vision and values continued roll out - Active programme of work to support young people into employment and to utilise graduates, apprenticeships, work placements etc across the Council - Transformation and Service Improvement Team (TSI) actively supporting a range of areas around business change, process re-engineering etc and supporting skills transfer in the process - Recruitment and retention being linked more closely with wider place marketing 	4	3	12	<ul style="list-style-type: none"> - Complete the workforce strategy and use this as a basis for detailed workforce planning and to inform further what OD interventions and L&D activity and support is needed as part of the work of the OD Team - Continue the embedding of the vision and values across the organisation 	3	3	9		Miranda Cannon	01/04/18 and ongoing

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<p>11. CONTRACT MANAGEMENT & PROCUREMENT</p> <p>Contract management protocols/procedures are not robust and there is lack of understanding/awareness within the Council.</p> <p>Service areas may exercise partnership arrangements/ collaborative agreements where formalised/legal contracts are not in place and possibly these may not be legally binding.</p>	<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 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 in post - Contract Risk Management training available from RMIS - Engagement with local supplier groups - Professional training for procurement staff (MCIPS) - Implementation of new electronic tendering system 	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. - Undertake recruitment to address vacancies in the Procurement Services Team - Development of new Service Analysis Team 	3	3	9		<p>Alison Greenhill</p>	<p>31/01/18 and ongoing</p>

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11. CONTRACT MANAGEMENT & PROCUREMENT (Continued). <div style="font-size: 2em; font-weight: bold; text-align: center;">64</div>	<ul style="list-style-type: none"> - Council pay higher fees for services contracted or are unable to exit contracts when service delivery is not inline with the expected quality/contractual requirements. - The Council may not procure goods and services from sustainable providers. 											
12. 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. - Central Maintenance Fund is available to address urgent repair items and Health and Safety items in the estate. - Building Schools for the Future (BSF) programme now complete and a planned maintenance programme for schools has been established - Condition surveys have now been completed for all schools, neighbourhood and leisure assets - Using Buildings Better (UBB) programme now provides a corporate overview of the estate with a focus on rationalising operational assets and improving as appropriate the condition of retained assets, as well as disposal of assets for economic and/or other benefits. The programme encompasses the existing TNS project and accommodation strategy programme, plus work-streams on depots, stores and workshops, Early Help (CYP&F centres primarily), channel shift and surplus assets. It has a strategic focus on assets to be retained and those to be disposed of. 	5	4	20	- Continued development of effective planned maintenance programme across the estate-performance measurement in place to provide assurance regarding compliance- concerto being established and populated to work as the single corporate asset management system	5	3	15		Phil Coyne/Miranda Cannon	01/04/18 and ongoing

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13. NATIONAL AGENDA/CHANGES IN LEGISLATION/ GOVERNMENT ETC Ongoing changes in government, legislation etc. gives rise to new demands and responsibilities with insufficient time for implementation and insufficient budget.	- 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	31/01/18 and ongoing

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14. CHANNEL SHIFT The Council may be unsuccessful in channel shifting customers to less resource intensive forms of contact than face to face or telephone contact. The infrastructure may not be in place to enable the shift and the culture change is not enabled among staff and customers to support it.	<ul style="list-style-type: none"> - Service delivery not met. - Adverse affect on budget. - Reputational damage. - Impact on resource provision. - Process and improvements do not materialise. - Lack of access to data. - Customer access channels may not be improved. - Services will become unaffordable 	<ul style="list-style-type: none"> - A Channel Shift programme is in place and a channel shift vision developed and communicated to senior managers, Executive and scrutiny. An underpinning programme of work has been put together and a current set of priorities agreed. Channel Shift Board in place to drive the development and delivery of the programme. Interim Director of Smart Cities and Digital Transformation now overseeing the programme. - The Transforming Neighbourhood Services programme has supported development of a digital hub approach which continues through the UBB programme - New corporate website launched in March 2015 and is helping drive increased on-line transactions. New CRM system procured and implementation included launch of a 'My Account' functionality on the website which currently offers around 60 on-line transactions. - Major redevelopment of Visit Leicester website completed and new website launched - Continued strategic focus on the use and role of digital media in the organisation - Digital Board is providing a strong Executive focus on this agenda 	4	3	12	<ul style="list-style-type: none"> - Continue to deliver the channel shift programme - All services to continue to review their Comms to ensure that online options are promoted ahead of traditional access channels. - Ongoing communications to support channel shift amongst staff and customers. 	3	3	9		Natalie Blackshaw / Miranda Cannon / Alison Greenhill	01/04/18 and ongoing

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<p>15. EU REFERENDUM LEAVE RESULT. There may be significant implications relating to requirements for further public sector cuts, reductions in other funding streams particularly for infrastructure projects, as well as longer-term legislative changes in areas such as procurement. Also creating a level of instability and uncertainty in financial markets</p>	<p>- Further budget reductions. Impacts on major infrastructure schemes and vision around future city development. - Implications in terms of treasury management. - Need in future to revisit key policies and procedures</p>	<p>- Monitor situation closely.</p>	4	3	12	<p>- Consider implications alongside future budget strategy</p>	3	3	9		<p>Andy Keeling / Alison Greenhill</p>	<p>31/01/2018 and ongoing</p>
<p>16. FIRE RISK IN TALL BUILDINGS As a result of the failure of cladding materials and fire safety measures the fire service issues a prohibition notice leading to the evacuation of a high rise residential building .</p>	<p>- The Council is faced with the potential rehousing of occupiers at short notice and for a potentially indeterminate period of time.</p>	<p>- The Council is contributing to an exercise (led by LFRS) whereby high rise buildings are assessed for a) cladding b) whether that cladding is ACM and c) through the fire service, whether the building satisfies fire safety regulations.</p>	4	3	12	<p>- The fire service will provide the Council with an early indication of any buildings where a prohibition notice is likely to be issued in order that options for temporary accommodation can be considered in advance of any potential displacement.</p>	2	3	6		<p>Phil Coyne</p>	<p>31/01/2018 Ongoing</p>

Appendix 2a - LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 31/10/17

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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Amendments

<p>2. STAKEHOLDER ENGAGEMENT The Council fails to maintain effective relationships with 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. - Review existing arrangements and contracts for VCS engagement and support - Key aspects of partnership working being reviewed and updated in the light of Ofsted findings eg LSCB 	4	2	8		<p>Miranda Cannon / All Strategic Directors</p>	<p>01/04/18 and ongoing</p>
<p>3. CYBER RISK -Loss or compromise of IT systems and/or associated data through cyber security attacks</p>	<ul style="list-style-type: none"> - Potential financial or reputational damage to Council. - Potential Data Protection breaches. - Fines - Service delivery affected 	<ul style="list-style-type: none"> - Ensure close monitoring of existing perimeter and internal security protection. 	5	5	25	<ul style="list-style-type: none"> - Currently out to market for a Security and Incident Event Management service. - IT Security Manager appointed and will be in post August 2016. 	4	3	12		<p>Andy Keeling / Alison Greenhill</p>	<p>01/04/18 and ongoing</p>

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4. 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. - <u>Reputational Damage</u> - <u>Vulnerable service users in danger as such users face loss of service</u> - <u>Financial Impact</u> - <u>Impact on resources</u>	<u>All the Senior Management Team have roles in either the Corporate Business Continuity Management Team (CBCT) or are Emergency Controllers.</u> - <u>Head of Internal Audit and Risk Management Chairs the Multi-Agency Business Continuity Group</u> - <u>CBCT have formal refresher meetings three times a year</u> - <u>The Manager, Risk Management chairs the Multi-Agency Business Continuity Group.</u> - <u>All Business Critical Activities for the council are identified and named in the Corporate Business Continuity Plan (CBCP)</u> - <u>Critical Services BCPs are reviewed thoroughly and updated annually or as and when changes occur in service areas. These are then submitted to Risk Management Services who cast a critical eye on all these plans.</u> - <u>BCP Strategy and Policy tailored for the council in place to meet organisational needs.</u> - <u>Training offered corporately</u> - <u>Directors involvement in CBCT Meetings held 3 times a year.</u> - <u>Risk Management and Insurance Services/Emergency Management Team provide updates and lessons learnt on incidents to CBCT/Audit & Risk Committee as appropriate</u> - <u>Self cert annually by Directors</u> - <u>CBCP reviewed annually but also updated as and when changes occur which should be reflected in the plan</u> - <u>Resilience Direct Secure Site (web based) holds CBCP and all Business Critical Activities BCPs (alongside emergency planning documentation) and is securely accessed by members of the CBCT</u> - <u>Communications on-call arrangements working more effectively and training run for all staff involved including LRF training</u> - <u>Annual review of critical service business continuity plans in</u>	5	2	10	- Further embedding of business continuity management approach. - Further completion of Business Continuity tests. - Further communication/training and awareness for staff on continuity arrangements. - <u>Closer integration of business continuity with Emergency Planning actively under consideration.</u> - <u>Review of ways in which refresher training / meetings are held with a view to integrating into Director/HoS quarterly meetings</u>	4	2	8		Alison Greenhill/ Miranda Cannon	01/04/18 and ongoing

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<p>5. INFORMATION GOVERNANCE Information Governance/Security/Data Protection policies/procedures/ protocols are not followed by staff and members.</p> <p style="font-size: 2em; text-align: center; margin-top: 20px;">70</p>	<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. - Mandatory e-learning module for staff - Monthly reporting of incidents to Directors recently implemented 	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	31/01/18 and ongoing

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<p>6. 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"> - <u>Regular reporting from Internal Audit to Strategic Management Board.</u> - <u>Approach to the annual corporate governance review revised and a more effective process established.</u> - <u>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.</u> - <u>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.</u> - <u>Regular inspections and reports by the Health and Safety team with all actions being followed up within a reasonable time.</u> - <u>A process of more regular reporting to Corporate Management Team on health and safety matters has been established</u> - 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. - Continue to refine and improve strategic monitoring and reporting in relation to Health & Safety to ensure responsibilities are reinforced from the top. - New Head of HR to take a fresh look at sickness absence management including the policy and procedure 	4	2	8		Kamal Adatia / Miranda Cannon	<u>01/04/18</u> <u>and</u> <u>ongoing</u>

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7. 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. 72	- 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.	- 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 - Single assessment team in place which has resulted in a reduced caseload and more timely intervention	5	3	15	- 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 - overseen by Improvement Board and independency Chair - Performance framework in place across Children's - positive progress highlighted in recent Ofsted reports - Version 11 of Liquid Logic implemented successfully	5	2	10		Frances Craven/Steven Forbes	<u>31/01/18 and ongoing</u>
8. SCHOOL IMPROVEMENT	- 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 targeted 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	<u>01/01/18 and ongoing</u>

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<p>10. 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.</p> <p>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"> - <u>Organisational Development Team (OD) working to develop their role and remit and engagement with the organisation</u> - <u>Organisational vision and values continued roll out</u> - <u>Active programme of work to support young people into employment and to utilise graduates, apprenticeships, work placements etc across the Council</u> - <u>Transformation and Service Improvement Team (TSI) actively supporting a range of areas around business change, process re-engineering etc and supporting skills transfer in the process</u> - <u>Recruitment and retention being linked more closely with wider place marketing</u> - New Head of HR started and will review the OD function and progress work to embed the OD approach - Specific OD interventions underway with key service areas eg Adult Social Care, Housing to support work such as leadership and performance management. Work underway on a workforce strategy to be followed by workforce planning across divisions 	4	3	12	<ul style="list-style-type: none"> - Continue to develop the Council's OD and TSI approaches and embed these teams - <u>Complete the workforce strategy and use this as a basis for detailed workforce planning and to inform further what OD interventions and L&D activity and support is needed as part of the work of the OD Team</u> - Consider retention mechanisms and succession planning. - <u>Continue the embedding of the vision and values across the organisation</u> - New Head of HR to develop a new HR work plan and review OD Team management and structure. - Continue to work closely with service areas to identify and action critical OD requirements - Continue initial work to review and priorities corporate L&D needs and to review areas such as induction and staff/management competencies 	3	3	9		Miranda Cannon	01/04/18 and ongoing

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11. 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.	- 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.	- Revised and improved Contract Procedure Rules 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 in post - Contract Risk Management training available from RMIS - Engagement with local supplier groups - Professional training for procurement staff (MCIPS) - Implementation of new electronic tendering system	3	3	9	- 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. - Undertake recruitment to address vacancies in the Procurement Services Team - Development of new Service Analysis Team	3	3	9		Alison Greenhill	31/01/18 and ongoing

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76	<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. - Central Maintenance Fund is available to address urgent repair items and Health and Safety items in the estate. - Building Schools for the Future (BSF) programme now complete and a planned maintenance programme for schools has been established - Condition surveys have now been completed for all schools, neighbourhood and leisure assets - Using Buildings Better (UBB) programme now provides a corporate overview of the estate with a focus on rationalising operational assets and improving as appropriate the condition of retained assets, as well as disposal of assets for economic and/or other benefits. The programme encompasses the existing TNS project and accommodation strategy programme, plus work-streams on depots, stores and workshops. Early Help (CYP&F centres primarily), channel shift and surplus assets. It has a strategic focus on assets to be retained and those to be disposed of. 	5	4	20	<ul style="list-style-type: none"> - Continued development of effective planned maintenance programme across the estate- performance measurement in place to provide assurance regarding compliance- concerto being established and populated to work as the single corporate asset management system - Continue delivery of the UBB programme including disposal of assets - Recruit additional resources to support disposals. Review process around disposals 	5	3	15		Phil Coyne/Miranda Cannon	01/04/18 and ongoing
<p>13. NATIONAL AGENDA/CHANGES IN LEGISLATION/ GOVERNMENT ETC</p> <p>On-going changes in government, legislation etc. gives rise to new demands and responsibilities with insufficient time for implementation and insufficient budget.</p>	<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. 	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - 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	31/01/18 and ongoing

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14. CHANNEL SHIFT The Council may be unsuccessful in channel shifting customers to less resource intensive forms of contact than face to face or telephone contact. The infrastructure may not be in place to enable the shift and the culture change is not enabled among staff and customers to support it.	<ul style="list-style-type: none"> - Service delivery not met. - Adverse affect on budget. - Reputational damage. - Impact on resource provision. - Process and improvements do not materialise. - Lack of access to data. - Customer access channels may not be improved. - Services will become unaffordable 	<ul style="list-style-type: none"> - A Channel Shift programme is in place and a channel shift vision developed and communicated to senior managers, Executive and scrutiny. An underpinning programme of work has been put together and a current set of priorities agreed. Channel Shift Board in place to drive the development and delivery of the programme. <u>Interim Director of Smart Cities and Digital Transformation now overseeing the programme</u> - The Transforming Neighbourhood Services programme has supported development of a digital hub approach which continues through the UBB programme - New corporate website launched in March 2015 and is helping drive increased on-line transactions. New CRM system procured and implementation <u>included</u> includes recent launch of a 'My Account' functionality on the website which currently offers around 40 60 on-line transactions. - Major redevelopment of Visit Leicester website underway. <u>completed and new website launched</u> - Continued strategic focus on the use and role of digital media in the organisation - Audit of printed publications helped identify issues related to channel shift and quality of communications which have been shared and lessons learnt are being used to embed principles around ways of working in the Comms and Marketing Team particularly <u>Digital Board is providing a strong Executive focus on this agenda</u> 	4	3	12	<ul style="list-style-type: none"> - Continue to deliver the channel shift programme - Review the first 12 months operation of the new corporate website in light of the channel shift agenda - All services to continue to review their Comms to ensure that online options are promoted ahead of traditional access channels. - Ongoing communications to support channel shift amongst staff and customers. - Continue the Visit Leicester website redevelopment to include transactional capability eg multi-venue ticket purchasing 	3	3	9		Natalie Blackshaw / Miranda Cannon / Alison Greenhill	01/04/18 and ongoing
15. EU REFERENDUM LEAVE RESULT. There may be significant implications relating to requirements for further public sector cuts, reductions in other funding streams particularly for infrastructure projects, as well as longer-term legislative changes in areas such as procurement. Also creating a level of instability and uncertainty in financial markets	<ul style="list-style-type: none"> - Further budget reductions. Impacts on major infrastructure schemes and vision around future city development. - Implications in terms of treasury management. - Need in future to revisit key policies and procedures 	<ul style="list-style-type: none"> - Monitor situation closely. 	4	3	12	<ul style="list-style-type: none"> - Consider implications alongside future budget strategy 	3	3	9		Andy Keeling / Alison Greenhill	<u>31/01/2018 and ongoing</u>

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16. FIRE RISK IN TALL BUILDINGS As a result of the failure of cladding materials and fire safety measures the fire service issues a prohibition notice leading to the evacuation of a high rise residential building .	The Council is faced with the potential rehousing of occupiers at short notice and for a potentially indeterminate period of time.	The Council is contributing to an exercise (led by LFRS) whereby high rise buildings are assessed for a) cladding b) whether that cladding is ACM and c) through the fire service, whether the building satisfies fire safety regulations.	4	3	12	The fire service will provide the Council with an early indication of any buildings where a prohibition notice is likely to be issued in order that options for temporary accommodation can be considered in advance of any potential displacement.	2	3	6		Phil Coyne	Ongoing

Appendix 3

LCC Operational Risk Exposure Summary as at 31st October 2017

Risk Ref (as per ORR)	Risk	Risk Owner	Risk Score with existing measures			Target Risk Score with further controls			Target date
			I	L	Score	I	L	Score	
STRATEGIC AREA – ADULT SOCIAL CARE									
6.	Care Services & Commissioning (ASC) – Provision of statutory service Deprivation of Liberty Safeguards (DOLS)	TR	4	5	20	4	5	20	31/01/18 ongoing
4.	Care Services & Commissioning (ASC) - Quality of care in the Independent regulated services	TR	5	4	20	5	3	15	31/01/18 ongoing
3.	Care Services & Commissioning (ASC) - Failure to carry out effective statutory consultation will result in financial and reputational damage.	TR	5	4	20	4	3	12	31/01/18 ongoing
5.	Care Services & Commissioning (ASC) - Implementation of the Sustainability and Transformation Plan (STP)	TR	5	4	20	3	3	9	01/01/19
8.	Care Services & Commissioning (ASC) - Extra Care and Supported Living Developments; Impact of the loss of exemption from the Local Housing Allowance (LHA)	TR	4	4	16	4	3	12	31/01/18
9.	Financial viability of the provider market – market failure	TR	4	4	16	4	3	12	31/01/18
1.	Adult Social Care & Safeguarding - Integration agenda; Large programme of change in challenging financial context.	RL	4	4	16	3	3	9	31/01/18 ongoing
7.	Care Services & Commissioning (ASC) - Review of Residential Care; Financial risk - largest area of spend and danger of inappropriate models of care.	TR	4	4	16	3	3	9	31/01/18 ongoing
10.	Liquidlogic development and enhancements and health and social care IT integration – From April 2018 no resources to manage enhancements	TR	4	4	16	3	3	9	31/01/18
11.	Care Services & Commissioning (ASC) - Non-compliance with our duties under the Equalities Act	TR	5	3	15	5	2	10	31/01/18
2.	Adult Social Care & Safeguarding - Failure to meeting statutory need; Difficult financial climate; complexities with funding arrangement	RL	3	5	15	3	3	9	31/01/18 ongoing
STRATEGIC AREA – CITY DEVELOPMENTS AND NEIGHBOURHOODS									
12.	Estates & Building Services - Delay and compensation event claims are received leading to extensive costs.	MW	5	4	20	4	3	12	31/01/18 Ongoing

Risk Ref (as per ORR)	Risk	Risk Owner	Risk Score with existing measures			Target Risk Score with further controls			Target date
			I	L	Score	I	L	Score	
25.	Planning and Transportation Transport Strategy – Tackling Nitrogen Dioxide and other air pollutants	ALS	5	4	20	4	3	12	31/01/18 Ongoing
13.	Estates & Building Services - BSF Snag / Defect Programme - Outstanding construction matters prohibit the issuing of completion certificates	MW	5	4	20	4	2	8	31/01/18 ongoing
17.	Housing – Delivery of efficient and effective services to customers making best use of available resources.	CB	4	4	16	4	4	16	31/01/18
14.	Estates & Building Services - Schools Capital - Reduction in capital investment in schools with ageing school stock and deteriorating condition	MW	4	4	16	3	4	12	31/01/18 ongoing
18.	Housing - Impact of Welfare Reform on Housing Rents Account (HRA) rental income collection and supported housing.	CB	4	4	16	4	3	12	31/01/18 ongoing
19	Housing - Impact of welfare reform on supported housing will mean less income to the general fund.	CB	4	4	16	4	3	12	31/01/18
21.	Neighbourhood and Environmental Services – Lack of adequate resource capacity	JL	4	4	16	3	4	12	31/01/18 Ongoing
22.	Neighbourhood and Environmental Services – Reduction in income generation programmes	JL	3	5	15	3	4	12	31/01/18 ongoing
23.	Neighbourhood and Environmental Services – Resource & Capacity - Increased workforce age profile;	JL	3	5	15	3	4	12	31/01/18
15.	Estates & Building Services - Lift Condition Assessment - Asset Capture, Lack of forward planning in terms of planned maintenance	MW	3	5	15	2	5	10	31/01/18 ongoing
20.	Housing - Risk of Legal challenge, liability and reputational consequence if properties are not adequately maintained.	CB	5	3	15	5	2	10	31/01/18 Ongoing
24.	Neighbourhood and Environmental Services – Asset Condition; Condition of buildings creating risks to service delivery and individuals (in certain circumstances)	JL	5	3	15	3	3	9	31/01/18 ongoing
16.	Estates & Building Services - Loss of use of Asset; Unsafe asbestos particles found; Failure to maintain water hygiene	MW	5	3	15	3	2	6	31/01/18 Ongoing
STRATEGIC AREA – CORPORATE RESOURCES AND SUPPORT									
29.	Finance - Information and Customer Access; The Council is at constant threat from malicious hacking or human error.	AG	5	5	25	4	3	12	31/01/18 ongoing
31.	Finance – Corporate Fraud; Failure or inability to effectively detect, prevent, investigate and deal with corporate fraud	AG	5	4	20	5	4	20	31/07/18

Risk Ref (as per ORR)	Risk	Risk Owner	Risk Score with existing measures			Target Risk Score with further controls			Target date
			I	L	Score	I	L	Score	
33.	Legal - Flexible working practices which expose data to new risks, inappropriate disclosure of personal data, insecure and excessive information sharing, failure to comply with the Regulation of Investigatory Powers Act 2000.	KA	4	5	20	4	3	12	31/01/18
30.	Finance - Financial challenges - the Council fails to respond adequately to the cuts in funding over the coming 2 - 3 years.	AG	5	4	20	5	2	10	31/03/18 and every year end
26	Delivery, Communications and Political Governance - The service may struggle to manage a number of unplanned, additional elections	MC	4	4	16	4	4	16	31/01/18 ongoing
27.	Delivery, Communications and Political Governance - Increased legal challenges may heighten the need to ensure that processes are effective and efficient.	MC	4	4	16	4	3	12	31/01/18 ongoing
28.	Delivery, Communications and Political Governance – Implementation of the new HR system goes over budget / timescales or fails to achieve desired outcomes and benefits	MC	4	4	16	4	3	12	01/06/18
32.	Finance – Introduction of Universal Credit Full service	AG	4	4	16	3	4	12	30/04/18
STRATEGIC AREA - EDUCATION AND CHILDREN'S SERVICES									
39.	Learning Services - Funding reduction leading to inadequate school improvement capacity.	IB	5	4	20	5	4	20	31/01/18
35.	Children's Social Care and Early Help - Safeguarding - Publication of Serious Case Reviews for cases that occurred in 2013/14	CT	4	5	20	5	4	20	31/01/18
	Children's Social Care and Early Help – Safeguarding - Abuse or injury to children in a range of care placements	CT	5	4	20	5	4	20	31/01/18
	Children's Social Care and Early Help – Safeguarding - Abuse or injury to children and young people in the City	CT	3	5	15	3	4	12	31/01/18
36.	Children's Social Care and Early Help - Workforce - Staff fail to recognise and act to safeguard and mitigate the risks of significant harm to children.	CT	5	4	20	4	4	16	31/01/18
	Children's Social Care and Early Help - Workforce - Insufficient high quality workforce in support services resulting in key support functions not being carried out.	CT	5	4	20	4	4	16	31/01/18
37.	Children's Social Care and Early Help - Early Help - Failure of services and processes to identify and meet the needs of vulnerable young people.	CT	5	4	20	4	4	16	31/01/18

Risk Ref (as per ORR)	Risk	Risk Owner	Risk Score with existing measures			Target Risk Score with further controls			Target date
			I	L	Score	I	L	Score	
34.	Children's Social Care and Early Help – Improvement - Changing for the better LCCIB Improvement Plan - Budget Pressures on the divisional budget	CT	5	4	20	4	4	16	31/01/18
	Children's Social Care and Early Help - Improvement - Requirements to reduce public sector funding affect the Council's ability to fund key areas of improvement work	CT	5	4	20	4	4	16	31/01/18
	Children's Social Care and Early Help – Improvement - Increase in number of children looked after results in overspend,	CT	5	4	20	4	4	16	31/01/18
	Children's Social Care and Early Help – Improvement - Cost of agency social workers, including staffing over capacity, and interim staff working on improvements results in overspend	CT	5	4	20	4	4	16	31/01/18
	Children's Social Care and Early Help - Improvement - Permanent staff absence (sick leave, maternity leave, disciplinary action) results in higher costs	CT	4	4	16	4	4	16	31/01/18
	Children's Social Care and Early Help - Improvement - Staff leave, resulting in the need to fill posts with agency workers	CT	4	4	16	4	4	16	31/01/18
40.	Learning Services - Insufficient school places for 2017/18 and 2018/19. Increased demand due to demographic changes.	IB	5	4	20	4	3	12	31/01/18
41.	Learning Services - Insufficient SEND specialist places	IB	5	4	20	5	2	10	31/01/18
38.	Children's Social Care and Early Help - Placements for Looked After Children - Inability to recruit and retain foster carers; Inability to find sufficient suitable residential placements.	CT	4	4	16	3	4	12	31/01/18
42.	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.	FC	4	4	16	4	3	12	31/01/18
STRATEGIC AREA – PUBLIC HEALTH									
43.	Clinical systems used by GP providers to claim payment for commissioned services are insufficiently robust to ensure payment accuracy	RT	4	5	20	4	4	16	31/12/17
44.	Grant Reductions; reduced capacity to meet statutory requirements	RT	5	4	20	4	4	16	31/12/17
45.	Data Access and Sharing - Insufficient and	RT	5	4	20	4	3	12	31/12/17

Risk Ref (as per ORR)	Risk	Risk Owner	Risk Score with existing measures			Target Risk Score with further controls			Target date
			I	L	Score	I	L	Score	
	inadequate data for PH function								
48.	Fitness and Health - Continued decline in health and fitness membership results in increased income budget pressures	RT	4	4	16	4	3	12	31/12/17 ongoing
50.	Accommodation project – Landlord may not approve proposals for the building; costs of refurbishment may exceed contingency and capital budget	RT	4	4	16	4	3	12	2019
47.	Substance Misuse Commissioning and contract management. As a consequence of the ASC review there is potential for reduction in capacity and capability in commissioning and contract management.	RT	4	4	16	3	3	9	31/12/17
49.	Pressure on Sports Services expenditure due to future service reductions	RT	4	4	16	3	3	9	31/12/17 ongoing
46.	Capability and Capacity - Maintaining sufficient specialist capacity to deliver on objectives whilst undergoing organisational review	RT	4	4	16	4	2	8	31/12/17
51.	Sexual Health Services review – failure to meet saving target set	RT	3	5	15	2	5	10	2019/20

Key:

IMPACT (I)	SCORE
CRITICAL/ CATASTROPHIC	5
MAJOR	4
MODERATE	3
MINOR	2
INSIGNIFICANT/ NEGLIGIBLE	1

LIKELIHOOD (L)	SCORE
ALMOST CERTAIN	5
PROBABLE / LIKELY	4
POSSIBLE	3
UNLIKELY	2
VERY UNLIKELY / RARE	1

Risk scores:

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

Risk Owners:

AG - Alison Greenhill
CB - Chris Burgin
CT - Caroline Tote
FC - Frances Craven
IB - Ian Bailey
JL - John Leach

KA - Kamal Adatia
MC - Miranda Cannon
MW - Matt Wallace
RL - Ruth Lake
RT - Ruth Tennant
TR - Tracie Rees

Appendix 4 - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 31/10/17

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	Likelihood	Risk		Impact	Likelihood	Risk			
STRATEGIC AREA - Adult Social Care												
1. Adult Social Care & Safeguarding - Integration agenda. Risks associated with large programme of change in challenging financial context.	- 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	31.01.2018 Ongoing
2. Adult Social Care & Safeguarding - Failure to meeting statutory need; keeping people safe - Difficult financial climate; complexities with funding arrangement; integration and pooled budgets - risk of inadequate resources to meet need	- ASC overspends - Insufficient resources to meet need - Vulnerable people not receiving sufficient care packages resulting in legal challenge and increase in complaints.	- Robust mechanisms (such as Resource Allocation System) to ensure resources matched to eligible needs to protect funding - Budget monitoring - Demand monitoring - Use of BCF and iBCF programme to plan for new funding arrangements and requirements.	3	5	15	- Further work on BCF to protect social care services and promote efficiencies across the Health & Social Care system - Work to review packages of care to maximise resources for those at greatest need - Delivery plan now in place - to be progressed over 16/17 - Maximise income and debt recovery through work with operational finance / legal	3	3	9		Ruth Lake	31.01.2018 Ongoing
3. 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	12	Pot Multi £M On going Judicial review found in favour of Leicester City Council.	Tracie Rees	31.01.2018 Ongoing

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			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
4. 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. - Risk Management process in place to identify appropriate action to be taken in the event of failing providers. - Risks have been reduced due to introduction of the MAIPP process and the weekly internal information sharing with the Providers.	5	3	15		Tracie Rees	31.01.2018 Ongoing
5. Care Services & Commissioning (ASC) - Implementation of the Sustainability and Transformation Plan (STP)	- 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
6. Care Services & Commissioning (ASC) Provision of statutory service Deprivation of Liberty Safeguards (DOLS)	- Assessments not completed within statutory timescales - Vulnerable people are placed at risk of abuse - People are deprived of liberty unlawfully - Court criticism or action - Fines - Risk of legal challenge - Reputation damage	- Agreed with Leadership to change the prioritisation system with a view to reducing the number of people not seen at least once - BIAs are fully staffed - Employing services of a barrister	4	5	20	- Adhere to prioritisation system - Monitor and review	4	5	20		Tracie Rees	31.01.2018 Ongoing
7. 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	- The project is overseen by the ASC Programme Board	4	4	16	- Robust governance through project board, Commissioning Board and Lead Member Briefing	3	3	9	Current spend £44M gross/£286k 17/18	Tracie Rees	31.01.2018 Ongoing

Appendix 4 - Leicester City Council Operational Risk Register

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			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
8. Care Services & Commissioning (ASC) - Extra Care and Supported Living Developments; Impact of the loss of exemption from the Local Housing Allowance (LHA) for this type of provision.	- Inability to develop extra care and supported housing as the market unable to make sure developments viable as a result of this exemption.	- Awaiting government announcement. - Discussion with the market	4	4	16	- To explore options to develop options not reliant on the LHA cap	4	3	12	Loss of capital funds for ASC developments	Tracie Rees	31.01.2018
9. Financial viability of the provider market - market failure, especially relating to the dom care and Res care	-Care not being available to those in need	- Regular monitoring of the market and financial checks on providers	4	4	16	- Regular updates market and financial updates to the lead member and executive	4	3	12	Additional costs to the ASC budget if the providers refuse to take cases at the banded rates	Tracie Rees	31.01.2018
10. Liquidlogic development and enhancements and health and social care (IT) integration - No resource [from April 2018 - staff or financial] to manage and implement IT enhancements for improved efficiency and interoperability with health	LL system will become out of sync with business processes/needs. IT system enhancements to integrate with health will not be developed	- Advising ASC and Children leadership teams of relevant risks. Paper to include suggested minimum resource required to mitigate risk to be drafted for consideration by leadership teams	4	4	16	- Sustainable resource to be considered for future requirements or exit strategy to be written and executed, noting risks. Review.	3	3	9	TBC based on minimal resource requirements / approval by leadership	Tracie Rees	31.01.2018
11. 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	10	Pot Multi £M	Tracie Rees	31.01.2018

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Risks as at: 31/10/17

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			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
STRATEGIC AREA - City Development and Neighbourhoods												
12. Estates & Building Services - 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	- Claims have to date been contained within budget with 1 final claim to resolve	4	3	12	Contingency provision is over subscribed	Matt Wallace	31.01.2018 Ongoing
13. Estates & Building Services -BSFSnag / Defect Programme -Schools currently have outstanding construction matters which prohibit the issuing of completion certificates	- LCC exposed to risk of system failure or litigation - Delay in programme delivery	Construction phase complete. The programme is now dealing closure of outstanding contractual snag, defects and claims. Internal team established split in three work streams managed by SA. 1 - Contractual engagement on snags and defects 2 - Delivery of LCC step in actions 3 - EOT contractual claims. External resource provided by MACE to enable delivery of the programme	5	4	20	- Additional external support being sought via Arcadis to enable the close of contracts	4	2	8	Delay in delivery	Matt Wallace	31.01.2018 Ongoing
14. Estates & Building Services 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 both the Primary and retained Secondary School estate	4	4	16	- Condition surveys undertaken and a 1 year programme of planned capital maintenance has been formulated, CMB final approval received Sept 2016. The next phases of the proposed capital maintenance programme will be reviewed on an annual basis in accordance with priority/need allowing for flexibility within the programme. - CCMP2 to be submitted to CM in summer 2017	3	4	12	Staff time	Matt Wallace	31.01.2018 Ongoing

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			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
15. Estates & Building Services - Lift Condition Assessment - Asset Capture, Lack of forward planning in terms of planned maintenance and programming change of assets 86	- Continued failure of assets - run to failure - ad hoc capital required to make good - less reliable assets and more entrapments. - Lift users may be compromised in terms of access/egress/mobility - as per the Beatty Ave experience	- Formatting a proposed capital programme of works, based on engineers submissions (Zurich and LES) will be ready in December 2015 - Lack of internal staffing resource and excessive external consultative cost are prohibiting progress	3	5	15	Lift surveys to be undertaken prior to March 2017	2	5	10	50K to undertake surveys by framework consultant	Matt Wallace	31.01.2018 Ongoing
16. Estates & Building Services - Loss of use of Asset Unsafe asbestos particles found	- Closure of buildings	- Findings of asbestos action plan being implemented. - Asbestos monitoring returns to be reported to DivMT and Heads of Property quarterly and to CMT if cause for concern. - All buildings constructed before 2000 have an asbestos register	5	3	15	- The centralisation of property management functions will enable EBS to mitigate risk identified on management plans - Ensure all buildings have an asbestos register	3	2	6	Staff time	Matt Wallace	31.01.2018 Ongoing
Fail to maintain Water Hygiene	- Closure of buildings	- Implementation of control regime comprising ongoing regular monitoring, reports, risk assessment reviews and maintenance with allocated budgets - Water hygiene monitoring returns to be reported to DivMT and Heads of Property Quarterly and to CMT if cause for concern - Spend of allocated capital budget for water hygiene and production of ongoing prioritised schedule of risk reduction/removal works ongoing - Water hygiene responsibilities in non-op estate (apart from communal areas) have been confirmed in the terms and conditions of the lease and necessary action taken.	5	3	15	- Seek 100% compliance with water hygiene returns with accurate data. - Further budget for 17/18 works to be in next Capital Bid report - More rigorous audit of Building Responsible Officer monitoring to be undertaken	3	2	6		Matt Wallace	31.01.2018 Ongoing

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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
			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
17. Housing -To deliver efficient and effective services to customers making the best use of available resources. Delay in/ or failure of purchase of Oracle licence to enable Northgate upgrades to take place	Significant impact on the ability to deliver the channel shift agenda for Housing/ significant impact on the business.	Housing are working with ICT Commercial and Procurement Manager to try to resolve issues around purchase of Oracle licence.	4	4	16	- Housing are working with ICT Commercial and Procurement Manager to try to resolve issues around purchase of Oracle licence.	4	4	16		Chris Burgin	31.01.2018

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Risks as at: 31/10/17

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	Likelihood	Risk		Impact	Likelihood	Risk			
<p>18. Housing - Impact of Welfare Reform on Housing Rents Account (HRA) rental income collection and supported housing. Universal Credit (UC) is to be fully implemented in 2022. Implications of the Housing and Planning Act - Pay to stay, flexible tenancies, sale of high value assets although central government regulations have now been delayed. Additionally, Pay to Stay has been shelved so no further progress made from central government directives in this area.</p>	<p>- Under UC, claimants will receive all their benefits, including housing costs element 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.</p> <p>- UC FULL service in Leicester will be rolled out in March 2018.</p> <p>- Higher numbers of tenants in rent arrears leading to loss of rental income will adversely affect the HRA income.</p> <p>- Could lead to greater number of evictions.</p> <p>- Further welfare cuts in 2017/18.</p> <p>- Extra income generated from increased rent will returned to Government</p>	<p>- On-going close monitoring of tenant rent accounts affected by these changes, including raising awareness of UC introduction and the impact on rent liability. Promotion of direct debits and of Clockwise accounts with tenants. Renewed STAR team support focussing on LCC tenancies where vulnerability identified, so that additional support is provided to sustain tenancy with early intervention.</p> <p>- Maximise the number of tenants claiming DHP for bedroom tax affected cases. Identified tenants who are under-occupying in order to help them with down-sizing.</p> <p>- Mandatory direct debits or Clockwise accounts for New tenants has been implemented.</p> <p>- Income Management team strengthened.</p> <p>- Amended Allocations policy to assist downsizing</p> <p>- Introduced pre-tenancy determinations interviews to collate financial information prior to tenancy sign up. This is a risk mitigation exercise to help identify tenants that require extra help to manage their finances /budget</p> <p>- Additional work underway to review and realign Conditions of Tenancy and Tenancy Strategy.</p>	4	4	16	<p>- Development of Northgate's IT system to support paperless direct debits in progress via Rent Self Serve Module to be implemented by January 2018.</p> <p>- Senior Management participating in the Corporate UC - FS Steering Group to shape delivery in Leicester by March 2018.</p> <p>- Internal Housing Project set up to shape and deliver housing divisions response to UC FS impact on LCC tenants. This work includes developing a robust plan of action to review and realign human and material resources within several service areas including IMT, STAR and NHO's. Within this plan it will also include a focussed communications and marketing strategy, which will help raise awareness of UC amongst those tenants that will be affected in the near future.</p> <p>- Consideration towards agile working to enable officers to assist tenants with the digital platform of UC. As it has been identified, that many tenants will require this support to engage with UC services. Discussions</p>	4	3	12	Additional cost of Northgate is a combined divisional cost and not identifiable singularly. Additional costs maybe occurred through the purchase of hardware devices to support agile working and ongoing revenue costs associated with Wi-Fi licenses.	Chris Burgin	31.01.2018 Ongoing

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Risk Register Owner: Andy Keeling, COO

Risks as at: 31/10/17

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>19. Housing - Providing thriving, safe communities - Impact of welfare reform on supported housing will mean less income to the general fund. Also affects adults social care support to sheltered housing.</p> <p>Received notification that the 1% rent reduction will be applied to hostels and supported housing.</p>	<p>- Reduced income to the general fund. Will affect all new tenancies after 2016</p> <p>- Less income to provide services at hostels and supported housing</p>	<p>Housing Transformation Programme (HTP) Phase 3 set up to deliver HRA and Housing GF savings required this includes the agreed action to decommission internal Supported Housing provision and to service review Hostels landlord and support functions next year. This work will run alongside a full review of the Homelessness strategy that will also feed in to meeting this risk</p>	4	4	16	- Executive decision agreed to reduce accommodation based support by the 60 supported housing units.	4	3	12	- With the uncertainty of the Supported Housing Model and 1% rent reduction further savings will need to be considered as part of HTP3. Additional costs to mitigate this risk further are not known at this stage as the guidance for the new model is still not available. The closure of supported housing is estimated to be completed by end of June and this will reduce staffing costs to mitigate against the reduced income to the general fund going forward.	Chris Burgin	31.01.2018 Ongoing

Appendix 4 - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 31/10/17

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>20. 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 and capital investment.</p>	<ul style="list-style-type: none"> - Poor living conditions - H&S risks to tenants - properties falling into disrepair - Reputational risk 	<ul style="list-style-type: none"> - 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. - Policies and procedures in place to ensure we continue to be compliant with legislation e.g. for fire safety, water hygiene, asbestos removal - Continue to review more effective ways of maintaining the stock. 	5	3	15	<ul style="list-style-type: none"> - Identification of fixed costs required to ensure compliance with legislation and to ensure these funding is available for these is future budgets 	5	2	10	At current rates we need a minimum spend of £13m to ensure ongoing compliance with legislation.	Chris Burgin	31.01.2018 Ongoing
<p>21. Neighbourhood and Environmental Services - LACK OF ADEQUATE RESOURCE CAPACITY 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. 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>	<ul style="list-style-type: none"> - Teams already at a minimum and extra workloads are unsustainable. - As demand-led services increase, workload and public expectations increase. - Likelihood of key person dependency as teams reduce further (fewer people in key roles). - Potential risk of non-compliance or breaches/lack of a substantial control environment. - Service delivery requirements not met. - Staff wellbeing may be harmed. 	<ul style="list-style-type: none"> - Existing prioritisation arrangements are in place. - Policies and procedures are in place. - Processes are in place. - Regular briefings and PDRs 	4	4	16	<ul style="list-style-type: none"> - Review of succession planning is to be conducted. - Need to assess the service demand against the resource availability to understand impacts and generate action plans. - Develop further prioritisation arrangements. - Continually assess through performance appraisals and individuals one-to-ones. 	3	4	12		John Leach	31.01.2018 Ongoing

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<p>22. Neighbourhood and Environmental Services - REDUCTION IN INCOME GENERATION PROGRAMMES</p> <p>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.</p>	<ul style="list-style-type: none"> - 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. 	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - 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	12	N/A	John Leach	31.01.2018 Ongoing
<p>23. Neighbourhood and Environmental Services - RESOURCE & CAPACITY - INCREASED WORKFORCE AGE PROFILE</p> <p>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.</p>	<ul style="list-style-type: none"> - 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. 	<ul style="list-style-type: none"> - "Step up" - work experience utilise. - Graduate project officers. - Knowledge sharing - Training & Mentoring edge sharing - Apprenticeship Levy 	3	5	15	<ul style="list-style-type: none"> - 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	12	N/A	John Leach	31.01.2018 Ongoing

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24. Neighbourhood and Environmental Services - ASSET CONDITION Condition of buildings creating risks to service delivery and individuals (in certain circumstances)	- Building/service closures - Insurance claims against the council - Reputational damage to LCC	- On going review and inspection of building in-house and is liaison with Property services - Building conditional surveys reviewed under the Transforming Neighbourhood Services Programme (TNS)	5	3	15	- Building reviewed under TNS - Condition surveys commissioned and review to address key issues	3	3	9		John Leach	31.01.2018 Ongoing
25. Planning and Transportation - Transport Strategy -Tackling Nitrogen Dioxide and other air pollutants	Ongoing poor air quality contributing to ill health and death of Leicester population. Possibility of fines if remain in the EU or from government if not. Poor reputation of Leicester as a city to work, live or visit.	Air Quality Action Plan	5	4	20	Air Quality Action Plan Board in place and action plan is being delivered. However, much depends on successful funding bids to Government and other sources.	4	3	12		Andrew L Smith	31.01.2018 Ongoing

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STRATEGIC AREA - Corporate Resources and Support												
26. 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. - Unable to source suitable polling stations and a count venue for unplanned elections.	- 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. - Impacts also on the wider capacity and resources of the Council which would be needed to support delivery.	- 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 - Electoral Commission guidance gives detailed support in the planning and management of each specific type of elections	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	16		Miranda Cannon	31.01.2018 Ongoing

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<p>27. Delivery, Communications and Political Governance - LEGAL CHALLENGE - Consultation approach and EIAs are increasingly targeted areas for legal challenge. Risk: Ineffective and inefficient processes and managers do not follow explicit guidance. Efficient/effective processes are not communicated in a uniform manner 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.</p>	<ul style="list-style-type: none"> - 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. 	<ul style="list-style-type: none"> - 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. - Expert support e.g. HR, equalities, consultation in place with supporting guidance. - EIA process (what needs to be considered when) and EIA templates regularly reviewed and revised as appropriate. - Community engagement fund developed to support work with the VCS in support of meeting our PSED - Consultation training with a focus on the legal risks recently undertaken by the Comms and Equalities Teams - Work underway to develop a new Equality Strategy - New Corporate Equalities Manager commenced in post and is reviewing existing culture and practice related to equalities and the supporting tools and guidance as well as re-developing the corporate Equality Strategy 	4	4	16	<ul style="list-style-type: none"> - Continue to review external practice e.g. 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. - Complete new Equality and Diversity Strategy - Review current consultation guidance for staff 	4	3	12		Miranda Cannon	31.01.2018 Ongoing

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86	<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. - Community engagement fund developed to support work with the VCS in support of meeting our PSED - Consultation training with a focus on the legal risks recently undertaken by the Comms and Equalities Teams - Work underway to refresh the Equality Strategy 										
28. Delivery, Communications and Political Governance - HR System Implantation Implementation of the new HR system goes over budget / timescales or fails to achieve desired outcomes and benefits	<ul style="list-style-type: none"> - Ability to deliver the core HR service is compromised - Critical data / information is lost - Increased costs to the service - Reputational damage - Pressure on staff resulting from the need to work in the absence of an effective system 	<ul style="list-style-type: none"> - Project Manager and Project Board in place. Close involvement of key areas including ICT Procurement, BSC, ICT - Continued robust discussions with supplier re: supplier failings and holding them to account contractually where necessary - Recruitment now removed from scope and will be re-tendered in light of failure by supplier to deliver. Legal advice to be sought regarding situation relating to JE system - Go live of payroll and self-serve elements has happened, issues prioritised and majority of high risk issues now addressed but medium and low priorities issues still to be resolved. Work underway on next phases of implementation around casework management etc. 	4	4	16	<ul style="list-style-type: none"> - Regular robust monitoring and reporting on progress. - Ensure robust project management and governance arrangements continue and holding supplier to account via formal contractual mechanisms - Keep organisation informed regarding progress 	4	3	12		Miranda Canon	01.06.2018

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66	<ul style="list-style-type: none"> - Loss of data or information - Loss of access to systems and services - Council-wide impact - Potential fines, litigation, penalties etc. - Impact on data subjects if sensitive information misused - Reputation damage 	<ul style="list-style-type: none"> - Ensure adequate technology is in place to protect the authority - AlienVault Logging procured. - Raise staff awareness - Testing procedures - Applications kept up to date - Processes in place - Likelihood of critical systems being affected is low - IT security manager post filled - PCI scans - Penetration testing etc. - PSN compliance 	5	5	25	<ul style="list-style-type: none"> - Targeted Phishing - Promote Human Firewall awareness - Implement further defences - Consider draconian response to threats 	4	3	12		Alison Greenhill	31.01.2018 Ongoing
	<ul style="list-style-type: none"> - Council is placed in severe financial crisis - Reputational damage to the Council and substantial crisis job losses - If the process is not properly managed, the Council will have little money for anything but statutory 'demand led services'. 	<ul style="list-style-type: none"> - Budget balanced in 17/18. - Further work required to balance the medium term, particularly driving the spending review programme. - £8m service transformation fund. 	5	4	20	<ul style="list-style-type: none"> - Heavy involvement of City Mayor in ensuring spending review programme delivers. 	5	2	10		Alison Greenhill	31.03.2018 and every year end.
<p>31. Finance - Corporate Fraud Failure or inability to effectively detect, prevent, investigate and deal with corporate fraud.</p>	<ul style="list-style-type: none"> - Reputational damage - Potential for losses in £millions - Investigations not effectively carried out - Fraud difficult to quantify so cannot always evidence effective outcomes 	<ul style="list-style-type: none"> - Corporate Fraud Team has accredited financial investigator - Good engagement with Police Financial Crime Unit - Recruitment to posts 	5	4	20	<ul style="list-style-type: none"> - Aiming to implement seconded Police officer 	5	4	20		Alison Greenhill	31.07.2018

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<p>32. Finance - Introduction of Universal Credit (UC) Full Service LEGISLATION - Transfer of Housing support from the local authority, as under Housing Benefit (HB), to DWP. Schemes are not identical and in some instances not as generous as under HB. Impacts complex to explain as some claimants will remain on HB in the interim, for periods as fixed by the DWP.</p>	<ul style="list-style-type: none"> - Rent policy and collection arrangements will be challenging (different impact to rent arrears) - Housing policies and procedures will require review - Potential need to increase allocated staff resources - Rental payments are delayed thus arrears build up leading to financial consequences for the Authority, Housing Associations & Private landlords - Financial consequences in £m - Increase to bad debt provision (Rent £2m arrears & CT £3.5m in year collection loss) - Reputational damage - Demand for Crisis Support will increase (est 200%) - Demand for Social Welfare Advice will increase (12.5%) - Demand upon Discretionary funding may exceed Government budget Allowance. - Demand for Council Tax Discretionary Relief (CTDR) support may exceed budget - Waiting and assessment periods, sanctions and compliance requirements will lead to delays in first payments and monthly reassessments of entitlement will be carried out 	<ul style="list-style-type: none"> - LCC have a UC support strategy, risk log, Equality Impact Assessments with associated comms and action plans - Housing Service are developing a UC Full Service impact strategy, reviewing and developing a Homelessness prevention policy - Housing Options are monitoring the occurrences of this phenomenon - Detailed comms and action plans have been created by both Revenues & Customer Support & Housing - Comprehensive engagement programme is in place with commissioned providers to alert them to the increase in demand. - Every commissioned service has a business continuity plan which can be deployed should demand outstrip provision. 	4	4	16	<ul style="list-style-type: none"> - Effective and repetitive communication campaign - The Council has written to DWP to raise their significant concerns regarding the impacts likely as a result of the introduction of full service Universal credit. - Social Welfare advice - discussions ongoing at the Strategic SWAP (Social Welfare Advice Partnership) group re the identification and management of demand - Recognition of increased demand for crisis support- Engagement with provider, Action Homeless, actions within their Business continuity planning. - DHP (Discretionary Housing Payments)/CTDR potential to request consideration of additional resources from Exec. - Reputational damage should be defensible as this is a DWP benefit and the local authority has no control over the timetable or administrative processes for this change. 	3	4	12	<ul style="list-style-type: none"> £2m Rent arrears £0.5m Grant loss £3.6m CT loss 	Alison Greenhill	30.04.2018

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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>	<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 complaint 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 briefed on Information Governance (IG) compliance and asset mgmt. - 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. - LCC submissions to the NHS IG Toolkit provide a health check on IG 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 LCC's exposure to risk here) 	4	5	20	<ul style="list-style-type: none"> - 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. Therefore, no reduction in risk exposure is anticipated. 	4	3	12		Kamal Adatia	31.01.2018

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STRATEGIC AREA - Education and Children's Services												
34. Children's Social Care and Early Help- Improvement Changing for the better LCCIB Improvement Plan - Budget Pressures on the divisional budget 104	- 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 - Further pressures on the service regarding the admin business support review	- 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	4	4	16		Caroline Tote	31.01.2018
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 (Early Help) and statutory services.	- Proposed savings in EH services are being implemented and will be achieved by April 2018. Impact on services to Children young people and families continues to be assessed as part of savings proposals. Pressures on the Out of Authority placement and increase in LAC numbers beyond allocated budget. - The Single Assessment team will need to be funded from the existing budget to consider how existing services can be remodelled.	5	4	20	- Further consideration of other identified improvement areas to be discussed. - Further areas of the Resource Plan under consideration - Development of the edge of care panel and the permanent progression panel	4	4	16		Caroline Tote	31.01.2018

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105	<ul style="list-style-type: none"> - Reduced EH 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. - The consequence of increased LAC is that the dept. budget for 2017/2018 will be exceeded 	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - 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. - An equality impact assessment will be updated and inform a scrutiny report for consideration in March/April 2018. 	4	4	16		Caroline Tote	31.01.2018
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	<ul style="list-style-type: none"> - 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 	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - Continued work on recruitment, retention and induction - Focus on recruitment of permanent Team Managers. - WFD Strategy work has slowed down, needs to be picked up again. 	4	4	16		Caroline Tote	31.01.2018
Permanent staff absence (sick leave, maternity leave, disciplinary action) results in higher costs because of the need to pay agency worker	<ul style="list-style-type: none"> - Regular monitoring of staff performance, and absence. 	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - TM training is being delivered to ensure expectations are clear 	4	4	16		Caroline Tote	31.01.2018
Staff leave, resulting in the need to fill posts with agency workers	<ul style="list-style-type: none"> - Additional expenditure on agency staff - Loss of experience and continuity. 	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - 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		Caroline Tote	31.01.2018

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Risk Register Owner: Andy Keeling, COO

Risks as at: 31/10/17

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	Likelihood	Risk		Impact	Likelihood	Risk				
106	<p>35. Children's Social Care and Early Help - Safeguarding Publication of Serious Case Reviews for cases that occurred in 2013/14 and case that led to a SILP in 2107/18</p>	<p>- Impact on staff morale, engagement with vulnerable families, partner confidence and public reputation</p>	<p>- Two Serious Case Reviews have now been published with clear arrangements in relation to 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. Composite review in relation to three babies has not yet been published due to ongoing police investigations, media planning meeting taking place at the end of August. A further SCR has also been commissioned and agency Independent Management Review's are being progressed.</p>	5	4	20	<p>- Work through Local Safeguarding Children's Board groups to disseminate messages from the Serious Case Reviews. - Approach agreed for coroners inquest in August 2017</p>	5	4	20		Caroline Tote	31.01.2018
Abuse or injury to children in a range of care placements	<p>- Children would be unsafe and have experienced significant harm while in the Council's care.</p>	<p>- Ensure maintenance of robust safer recruitment processes and Local Authority Designated Officer arrangements.</p>	5	4	20	<p>- No further controls identified. - Compile and monitor critical Young people identified as being at risk of CSE</p>	5	4	20		Caroline Tote	31.01.2018	
Abuse or injury to children and young people in the City.	<p>- 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.</p>	<p>- A framework ensuring compliance is adhered to</p>	3	5	15		3	4	12		Caroline Tote	31.01.2018	

Appendix 4 - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 31/10/17

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>36. Children's Social Care and Early Help - Workforce - Staff fail to recognise and act to safeguard and mitigate the risks of significant harm to children</p> <p>- Insufficient high quality workforce at practitioner and manager levels including:</p> <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' 	<p>- De-stabilisation of workforce and a ripple effect from CIN Teams to other teams in social care.</p> <p>- New agency staff struggle to pick up cases that have been through several interim social workers causes stress to new staff</p>	<p>- Retention package has been approved</p> <p>- Workforce Improvement Plan in place</p> <p>- Implementation of recruitment and retention aspects of the Workforce Strategy and Improvement Plan</p> <p>- Health check by Liquid Logic Original Suppliers</p> <p>- Contact with Other LAs successfully using Liquid Logic</p> <p>- Non-compliant or poor quality agency staff asked to leave</p> <p>- Capability/disciplinary action in relation to permanent staff</p> <p>- Exit interviews with departing staff</p> <p>- SAT implemented June 2016.</p> <p>- Principal Social Worker in post April 2016.</p>	5	4	20	<p>- Continued work to implement Service Standards, address key areas of staff performance through management action, follow up findings from</p> <p>- Performance and Quality Assurance reports</p>	4	4	16		Caroline Tote	31.01.2018
<p>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 floor walking</p>	<p>- Key tasks underpinning Improvement Plan not carried out, or delayed due to lack of staff</p>	<p>- Continued recruitment of key staff including consideration of secondments</p> <p>- Business Analysis undertaken of the admin support functions</p> <p>- Roll out of mobile technology to staff</p>	5	4	20	<p>- Recruitment of an additional trainer for Liquid Logic, and further work to recruit report writers</p> <p>- Consideration of Business Support functions in business analysis work</p>	4	4	16		Caroline Tote	31.01.2018

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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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108	<p>37. Children's Social Care and Early Help - Early Help - Failure of services and processes to identify and meet the needs of vulnerable young people. Extent and gearing of department budget cuts from April 17 onwards compromises operations and generates a higher safeguarding failure.</p> <p>- 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 - EH staff start to look for alternative employment leaving a gap in service to meet demand.</p>	- Review underway.	5	4	20	- Analyse consultation findings as they come in to assess impact and risk and report to DCS.	4	4	16		Caroline Tote	31.01.2018
	<p>38. Children's Social Care and Early Help - Placements for children and young people who are looked after Inability to recruit and retain foster carers</p> <p>- Insufficient internal foster care placements leading to greater use of Independent Fostering Agencies and greater cost to the Council.</p>	<p>- 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.</p>	4	4	16	<p>- Consideration of raising foster care allowances to national requirement - Consideration of teenage fostering scheme.</p>	3	4	12		Caroline Tote	31.01.2018

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Inability to find sufficient suitable residential placements for children and young people with complex needs	<ul style="list-style-type: none"> - 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 	<ul style="list-style-type: none"> - Management decision making. Placement Commissioning service. - Implementation of a placement planning process for sibling groups and complex cases. 	4	4	16	- Use to be monitored and reviewed in the next quarter.	3	4	12		Caroline Tote	31.01.2018
39. Learning Services - Funding reduction leading to inadequate school improvement capacity From 2018/19 funding to support monitoring and intervention in maintained schools will reduce from £1.3m to around £300k.	<ul style="list-style-type: none"> - Significant increases in schools rated RI and Inadequate - Reputational damage for the council with key stakeholder Eg Ofsted, RSC 	- Seeking to develop school-led capacity through SISS, LESP and SSIF	5	4	20	- Seeking additional resource through review process for additional capacity to Aug 18	5	4	20		Ian Bailey	31.01.2018
40. Learning Services - Insufficient school places for 2017/18 and 2018/19 Increased demand due to demographic changes Academisation and legislation changes affecting statutory powers to create new capacity Loss of commitment by schools to expansions Failure of new free schools to open when needed	<ul style="list-style-type: none"> - Statutory duty to allocate places is not met - Potential for safeguarding issue - Reputational damage 	- Development of robust data for pupil place planning, review forecasting methodology, verification of data by Education Funding Agency Schools Capacity Survey team	5	4	20	<ul style="list-style-type: none"> - Temporary accommodation is currently being installed at seven secondary schools. Other schools will be required to take on some overflow across most year groups. - Programme for permanent expansions is being finalised for CM approval. 	4	3	12		Ian Bailey	31.01.2018

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41. Learning Services - Insufficient SEND specialist places	- Impact on mainstream school "holding onto" pupils who have agreed special places. - Potential increase costs of Out Of City places (vastly more expensive than in-city places).	- Development of strategy for provision, building on trend analysis, numbers of Early Health Care Plan, pupils, identified primary needs, review of existing provision	5	4	20	- Paper detailing proposed increase in special school places is scheduled for discussion by DMT early in Autumn Term. - Detailed work with special schools has identified capacity for 2017/18	5	2	10		Ian Bailey	31.01.2018
42. 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.	- Stress management failings, lacks capacity and competency - Potential adverse impact on inspection outcomes.	- Work Life Balance policies, and supporting wellbeing website www.childrensworkforce.com / 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	12		Frances Craven	31.01.2018
STRATEGIC AREA - Public Health												
43. 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	- Loss of confidence of GP Providers in payment structure - Risk of overpayment or underpayment by Public Health which would need to be rectified at a later date	- 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 - Procurement of integrated audit and payment module failed due to lack of provider bids.	4	5	20	- Audit of Health Checks Programme complete by 360 Assurance - The use of a bespoke audit and payment module to be placed within GP systems is pursued. - Continue to pursue assist 1. solution through CCG and T.P.P	4	4	16		Ruth Tennant	31.12.2017

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44. Public Health Grant Reductions - Reduced capacity to meet statutory requirements around improving health & well-being	- Impact on public health service delivery - Wider Impact on NHS if prevention services not able to deliver - Impact on key health outcomes in the city	- Spending review process to identify impact of national/ local savings targets	5	4	20	- Develop detailed options for savings plans to 2020/21, including risks/ impacts and consequences. - Presented options & risks to Star Chamber	4	4	16		Ruth Tennant	31.12.2017



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<p>45. Public Health - Data Access and Sharing - Insufficient and inadequate data for PH function</p> <p>1) Access issues to hospital inpatient data (SUS and HES) - application ongoing for access</p> <p>2) No data access agreement with CSU (Mids and Lancs) for access to CCG data</p> <p>- no data from SystemOne to support PH commissioned services, performance indicators and PH surveillance function</p>	<p>- If unresolved only able to offer a limited services in terms of core offer and other analyses required</p> <p>UPDATE: 25.04.17:</p> <p>- The Public health Team has recently been made aware that no data can be received from the CCG, as the current agreement between the CCG and Leicester City GPs has lapsed, as of 31.03.17. As such, no monthly data is being received for any of the Community Based Services (CBS) that the Public health team commission.</p>	<p>- Application in progress for access to HES (H-DIS online system) via NHS Digital in progress</p> <p>- Julie /Steve Petrie progressing data access agreement with CCG / CSU to enable regular data flows to support PH commissioned services, performance indicators and PH Surveillance function.</p> <p>- HR to progress data sharing agreement for access to SUS data once access approved by NHS Digital</p>	5	4	20	<p>- Data Access form submitted to NHS Digital in June 2017 for access to national- HES data online and in August 2017 for access to Secondary Uses Service (SUS) data.</p> <p>- On-line tracking of application shows that the application is with Data Approvals owner'. SUS data will be accessed via Midlands and Lancs CSU once data access agreement approved by NHS Digital and an agreement is in place with CSU. HR will follow-up progress of application with NHS Digital Data Access Request Service.</p> <p>- Escalate requirement for Data access agreement with CCG and new CSU (Midlands and Lancs). Ivan to follow up with CCG/CSU & take paper to JICB. Update 25.10.17 - SP & HR met with Clare Sherman (CS) at the CCG to discuss the issue on 7.04.17. Discussions were had about implementing an Information Sharing Agreement between the Local Authority & Leicester City CCG and a draft document was created and sent to the CCG for comment</p>	4	3	12		Ruth Tennant	31.12.2017

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<p>46. Public Health- Capability and Capacity- Maintaining sufficient specialist capacity to deliver on objectives whilst undergoing organisational review e.g. loss of specialist staff with local knowledge.</p> <p style="text-align: center; font-size: 2em;">113</p>	<ul style="list-style-type: none"> - Insufficient capacity to deliver on current and future plans - Inability to recruit the required specialist staff - Less effective commissioning of specialist programmes which could lead to increased health inequalities - Incurring additional cost pressures through a need for agency and temporary staff to provide cover for key work areas - Lack of the requisite expertise/knowledge in key areas could result in sub-standard services and the unintended consequences that can result from this e.g. poorer health outcomes or an increased risk of legal challenge. 	<ul style="list-style-type: none"> - Close monitoring and review of current PH budget - Planning for the announced future reductions in the PH budget - Adherence to Local Government Association/Public Health England Guidance relating to recruitment of staff - Pay scales broadly similar to NHS/ market forces - 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. - Capability interviews conducted for staff moving into new roles 	4	4	16	- Divisional and staffing review	4	2	8		Ruth Tennant	31.12.2017

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47. Public Health - Substance Misuse Commissioning and contract management As a consequence of the ASC review there is potential for reduction in capacity and capability in commissioning and contract management relating to substance misuse treatment services. There has been a reduction in the number of staff and currently there is no identified commissioner for these services (Note total contract value of these services is in excess of £4 million). In addition there will be a significant loss of organisational memory as staff previously employed in this area have moved to other areas.	- Insufficient performance and contract management of contract to assure the DPH that the services provided are clinically safe - Inpatient specialist detox services are due to be recommissioned and currently there is not a commissioner identified to lead this - Loss of specialist expertise in substance misuse poses a risk to future commissioning, quality assurance and clinical governance	- Clarify with ASC Head of commissioning arrangements, immediate mitigation and long term plans to manage commissioning, contract management and performance management of substance misuse contracts	4	4	16	- Appointments now made	3	3	9		Ruth Tennant	31.12.2017
48. Public Health - Fitness and Health - Continued decline in health and fitness membership results in increased income budget pressures	- Increased budget pressure, reduced customer satisfaction	- Service has recently launch new membership pricing in September. Service met target of achieving 500 new members. Centre income targets to be stretched for 2018/19	4	4	16	- Health & Fitness business case being developed based on lease options and within option appraisal. Marketing Partner - New membership options to launch in September 2017.	4	3	12		Ruth Tennant	31.12.2017 Ongoing
49. Public Health - Pressure on Sports Services expenditure due to future service reductions	- Loss of income creating budget pressure - Loss of customers	- Budget profiling and budget monitoring - Sports Services Review	4	4	16	- Leisure Facilities Review including PPS - Options Appraisal approved	3	3	9		Ruth Tennant	31.12.2017 Ongoing

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			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
50. Public Health - Accommodation project ;Risk that landlord will not approve of the proposals for building , risk that costs of refurbishment exceed contingency and capital budget , risk that building not ready in time by lease finish on 31st Dec 2018	- No building available , savings not achieved , service interruption	- Frank discussions with landlord and site of plans at an early stage, Clear feasibility study and costs including contingencies, project management plan .	4	4	16	- Plans to go to landlord 27th October , Feasibility to include contingency funding ,planning approval to be sought prior to Christmas	4	3	12		Ruth Tennant	2019
51. Sexual Health Services Review Failure to meet savings target set for Sexual Health Services Review. This may be as a result of not receiving executive approval for the proposals and/or the proposals do not realise the predicted savings.	- Failure to deliver savings will place cost pressures on other parts of the PH budget or wider council budget if savings have to be found in other areas	Proposals robustly costed	3	5	15	- Close monitoring of contract, budget and accommodation project to ensure maximum savings delivered - Ensure decision makers are well briefed to allow them to feel confident in making difficult decisions	2	5	10		Ruth Tennant	2019/20

Appendix 4a - Leicester City Council Operational Risk Register

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			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
STRATEGIC AREA - Adult Social Care												
1. Adult Social Care & Safeguarding - Integration agenda. Risks associated with large programme of change in challenging financial context.	- 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	<u>31.01.2018</u> <u>Ongoing</u>
2. Adult Social Care & Safeguarding - Failure to meet statutory need; keeping people safe - Difficult financial climate; complexities with funding arrangement; integration and pooled budgets - risk of inadequate resources to meet need	- ASC overspends - Insufficient resources to meet need - Vulnerable people not receiving sufficient care packages resulting in legal challenge and increase in complaints.	- Robust mechanisms (such as Resource Allocation System) to ensure resources matched to eligible needs to protect funding - Budget monitoring - Demand monitoring - Use of Better Care Fund (BCF) and iBCF programme to plan for new funding arrangements and requirements.	3	5	15	- Further work on BCF to protect social care services and promote efficiencies across the Health & Social Care system - Work to review packages of care to maximise resources for those at greatest need - Delivery plan now in place - to be progressed over 16/17. - Maximise income and debt recovery through work with operational finance / legal	3	3	9		Ruth Lake	<u>31/01/2018</u> <u>Ongoing</u>
3. 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	12	Pot Multi £M On going Judicial review found in favour of Leicester City Council.	Tracie Rees	<u>31.01.2018</u> <u>Ongoing</u>

Appendix 4a - Leicester City Council Operational Risk Register

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			(See Scoring Table)	(See Scoring Table)	(See Scoring Table)		(See Scoring Table)	(See Scoring Table)				
			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
<p>4. Care Services & Commissioning (ASC) Quality of care in the Independent regulated services including; residential homes, domiciliary care and supported living providers falls below standards</p> <p style="text-align: center; font-size: 2em;">117</p>	- 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. - Risk Management process in place to identify appropriate action to be taken in the event of failing providers. -Risks have been reduced due to introduction of the MAIPP process and the weekly internal information sharing with the Providers.	5	3	15		Tracie Rees	<u>31.01.2018</u> <u>Ongoing</u>
<p>6. Care Services & Commissioning (ASC) Provision of statutory service Deprivation of Liberty Safeguards (DOLS)</p>	- Assessments not completed within statutory timescales - Vulnerable people are placed at risk of abuse - People are deprived of liberty unlawfully - Court criticism or action - Fines - Risk of legal challenge - Reputation damage	- Agreed with Leadership to change the prioritisation system with a view to reducing the number of people not seen at least once - BIAs are fully staffed - Employing services of a barrister	4	5	20	- Adhere to prioritisation system - Monitor and review	4	5	20		Tracie Rees	<u>31.01.2018</u> <u>Ongoing</u>
<p>7. Care Services & Commissioning (ASC) - Review of Residential Care; Financial risk - largest area of spend and danger of inappropriate models of care.</p>	- Continued escalation of spend - Inappropriate placements	- The project is overseen by the ASC Programme Board	4	4	16	- Robust governance through project board, Commissioning Board and Lead Member Briefing	3	3	9	Current spend £44M gross/£286k 17/18	Tracie Rees	<u>31.01.2018</u> <u>Ongoing</u>

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			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
8. Care Services & Commissioning (ASC) - Extra Care and Supported Living Developments; Impact of the loss of exemption from the Local Housing Allowance (LHA) for this type of provision.	- Inability to develop extra care and supported housing as the market unable to make sure developments viable as a result of this exemption.	- Awaiting government announcement. - Discussion with the market	4	4	16	- To explore options to develop options not reliant on the LHA cap	4	3	12	Loss of capital funds for ASC developments	Tracie Rees	<u>31.01.2018</u>
9. Financial viability of the provider market - market failure especially relating to the domicare and Res care	-Care not being available to those in need	- Regular monitoring of the market and financial checks on providers	4	4	16	regular updates market and financial updates to the lead member and executive	4	3	12	Additional costs to the ASC budget if the providers refuse to take cases at the banded rates	Tracie Rees	<u>31.01.2018</u> <u>Ongoing</u>
10. Liquidlogic development and enhancements and health and social care (IT) integration No resource [from April 2018 - staff or financial] to manage and implement IT enhancements for improved efficiency and interoperability with health	LL system will become out of sync with business processes/needs. IT system enhancements to integrate with health will not be developed	- Advising ASC and Children leadership teams of relevant risks. Paper to include suggested minimum resource required to mitigate risk to be drafted for consideration by leadership teams	4	4	16	sustainable resource to be considered for future requirements or exit strategy to be written and executed, noting risks. Review.	3	3	9	TBC based on minimal resource requirements / approval by leadership	Tracie Rees	<u>31.01.2018</u>
11. 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	10	Pot Multi £M	Tracie Rees	<u>31.01.2018</u>

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Risk Register Owner: Andy Keeling, COO

Risks as at: 31/10/17

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			Further management actions/controls required	Target Score with further controls			Cost	Risk Owner	Review Date
			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
STRATEGIC AREA - City Development and Neighbourhoods												
12. Estates & Building Services - 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	- Claims have to date been contained within budget with 1 final claim to resolve	4	3	12	Contingency provision is over subscribed	Matt Wallace	<u>31.01.2018</u> <u>Ongoing</u>
13. Estates & Building Services -BSFSnag / Defect Programme -Schools currently have outstanding construction matters which prohibit the issuing of completion certificates	- LCC exposed to risk of system failure or litigation - Delay in programme delivery	Construction phase complete. The programme is now dealing closure of outstanding contractual snag, defects and claims. Internal team established split in three work streams managed by SA. 1 - Contractual engagement on snags and defects 2 - Delivery of LCC step in actions 3 - EOT contractual claims. External resource provided by MACE to enable delivery of the programme	5	4	20	- Additional external support being sought via Arcadis to enable the close of contracts	4	2	8	Delay in delivery	Matt Wallace	<u>31.01.2018</u> <u>Ongoing</u>
14. Estates & Building Services 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 both the Primary and retained Secondary School estate	4	4	16	- Condition surveys undertaken and a 1 year programme of planned capital maintenance has been formulated, CMB final approval received Sept 2016. The next phases of the proposed capital maintenance programme will be reviewed on an annual basis in accordance with priority/need allowing for flexibility within the programme. - CCMP2 to be submitted to CM in summer 2017	3	4	12	Staff time	Matt Wallace	<u>31.01.2018</u> <u>Ongoing</u>

Appendix 4a - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 31/10/17

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			Further management actions/controls required	Target Score with further controls			Cost	Risk Owner	Review Date
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15. Estates & Building Services - Lift Condition Assessment - Asset Capture, Lack of forward planning in terms of planned maintenance and programming change of assets	- Continued failure of assets - run to failure - ad hoc capital required to make good - less reliable assets and more entrapments. - Lift users may be compromised in terms of access/egress/mobility - as per the Beatty Ave experience	- Formatting a proposed capital programme of works, based on engineers submissions (Zurich and LES) will be ready in December 2015 - Lack of internal staffing resource and excessive external consultative cost are prohibiting progress	3	5	15	Lift surveys to be undertaken prior to March 2017	2	5	10	50K to undertake surveys by framework consultant	Matt Wallace	31.01.2018 Ongoing
16. Estates & Building Services - Loss of use of Asset Unsafe asbestos particles found	Closure of buildings	- Findings of asbestos action plan being implemented. - Asbestos monitoring returns to be reported to DivMT and Heads of Property quarterly and to CMT if cause for concern. - All buildings constructed before 2000 have an asbestos register	5	3	15	1. The centralisation of property management functions will enable EBS to mitigate risk identified on management plans - Ensure all buildings have an asbestos register	3	2	6	Staff time	Matt Wallace	31.01.2018 Ongoing
Fail to maintain Water Hygiene	Closure of buildings	- Implementation of control regime comprising ongoing regular monitoring, reports, risk assessment reviews and maintenance with allocated budgets - Water hygiene monitoring returns to be reported to DivMT and Heads of Property Quarterly and to CMT if cause for concern - Spend of allocated capital budget for water hygiene and production of ongoing prioritised schedule of risk reduction/removal works ongoing - Water hygiene responsibilities in non-op estate (apart from communal areas) have been confirmed in the terms and conditions of the lease and necessary action taken.				- Seek 100% compliance with water hygiene returns with accurate data. - Further budget for 17/18 works to be in next Capital Bid report - More rigorous audit of Building Responsible Officer monitoring to be undertaken	3	2	6		Matt Wallace	31.01.2018 Ongoing

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			(See Scoring Table)	(See Scoring Table)	(See Scoring Table)		(See Scoring Table)	(See Scoring Table)				
			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
<p>18. Housing - Impact of Welfare Reform on Housing Rents Account (HRA) rental income collection and supported housing. Universal Credit (UC) is to be fully implemented in 2022. Implications of the Housing and Planning Act - Pay to stay, flexible tenancies, sale of high value assets although central government regulations have now been delayed. Additionally, Pay to Stay has been shelved so no further progress made from central government directives in this area.</p>	<p>- Under UC, claimants will receive all their benefits, including housing costs element 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.</p> <p>- UC FULL service in Leicester will be rolled out in March 2018.</p> <p>- Higher numbers of tenants in rent arrears leading to loss of rental income will adversely affect the HRA income.</p> <p>- Could lead to greater number of evictions.</p> <p>- Further welfare cuts in 2017/18.</p> <p>- Extra income generated from increased rent will returned to Government</p>	<p><u>On-going close monitoring of tenant rent accounts affected by these changes, including raising awareness of UC introduction and the impact on rent liability. Promotion of direct debits and of Clockwise accounts with tenants. Renewed STAR team support focussing on LCC tenancies where vulnerability identified, so that additional support is provided to sustain tenancy with early intervention. Maximise the number of tenants claiming DHP for bedroom tax affected cases. Identified tenants who are under-occupying in order to help them with down-sizing.</u></p> <p>- Mandatory direct debits or Clockwise accounts for New tenants has been implemented.</p> <p>- Income Management team strengthened.</p> <p>- Amended Allocations policy to assist downsizing</p> <p>- Introduced pre-tenancy determinations interviews to collate financial information prior to tenancy sign up. This is a risk mitigation exercise to help identify tenants that require extra help to manage their finances /budget - Additional work underway to review and realign Conditions of Tenancy and Tenancy Strategy.</p>	4	4	16	<p><u>Development of Northgate's IT system to support paperless direct debits in progress via Rent Self Serve Module to be implemented by January 2018. Senior Management participating in the Corporate UC - FS Steering Group to shape delivery in Leicester by March 2018. Internal Housing Project set up to shape and deliver housing divisions response to UC FS impact on LCC tenants. This work includes developing a robust plan of action to review and realign human and material resources within several service areas including IMT, STAR and NHO's. Within this plan it will also include a focussed communications and marketing strategy, which will help raise awareness of UC amongst those tenants that will be affected in the near future. Consideration towards agile working to enable officers to assist tenants with the digital</u></p>	4	3	12	Additional cost of Northgate is a combined divisional cost and not identifiable singularly	Chris Burgin	<u>31.01.2018</u> <u>Ongoing</u>

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<p>19. Housing -Providing thriving, safe communities - Impact of welfare reform on supported housing will mean less income to the general fund. Also affects adults social care support to sheltered housing.</p> <p>Received notification that the 1% rent reduction will be applied to hostels and supported housing.</p>	<p>Reduced income to the general fund. Will affect all new tenancies after 2016</p> <p>Less income to provide services at hostels and supported housing</p>	<p>Housing Transformation Programme Phase 3 set up to deliver HRA and Housing GF savings required this includes the agreed action to decommission internal Supported Housing provision and to service review Hostels landlord and support functions next year. This work will run alongside a full review of the Homelessness strategy that will also feed in to meeting this risk</p>	4	4	16	<p>Executive decision agreed to reduce accommodation based support by the 60 supported housing units.</p>	4	3	12	<p>With the uncertainty of the Supported Housing Model and 1% rent reduction further savings will need to be considered as part of HTP3. Additional costs to mitigate this risk further are not known at this stage as the guidance for the new model is still not available. The closure of supported housing is estimated to be completed by end of June and this will reduce staffing costs to mitigate against the reduced income to the general fund going forward.</p>	Chris Burgin	31.01.2018 Ongoing
<p>20. 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 and capital investment.</p>	<ul style="list-style-type: none"> - Poor living conditions - H&S risks to tenants - properties falling into disrepair - Reputational risk 	<ul style="list-style-type: none"> - 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. - Policies and procedures in place to ensure we continue to be compliant with legislation e.g. for fire safety, water hygiene, asbestos removal - Continue to review more effective ways of maintaining the stock. 	5	3	15	<p>- Identification of fixed costs required to ensure compliance with legislation and to ensure these funding is available for these is future budgets</p>	5	2	10	<p>At current rates we need a minimum spend of £13m to ensure ongoing compliance with legislation.</p>	Chris Burgin	31.01.2018 Ongoing

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<p>21. Neighbourhood and Environmental Services - 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>	<ul style="list-style-type: none"> - Teams already at a minimum and extra workloads are unsustainable. - As demand-led services increase, workload and public expectations increase. - Likelihood of key person dependency as teams reduce further (fewer people in key roles). - Potential risk of non-compliance or breaches/lack of a substantial control environment. - Service delivery requirements not met. - Staff wellbeing may be harmed. 	<ul style="list-style-type: none"> - Existing prioritisation arrangements are in place. - Policies and procedures are in place. - Processes are in place. - Regular briefings and PDRs 	4	4	16	<ul style="list-style-type: none"> - Review of succession planning is to be conducted. - Need to assess the service demand against the resource availability to understand impacts and generate action plans. - Develop further prioritisation arrangements. - Continually assess through performance appraisals and individuals one-to-ones. 	3	4	12		John Leach	31.01.2018 Ongoing
<p>22. Neighbourhood and Environmental Services REDUCTION IN INCOME GENERATION PROGRAMMES</p> <p>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.</p> <p>Also, 'one off' income programmes are set as recurring within the budgets/accounts; impacting further on future financial targets.</p>	<ul style="list-style-type: none"> - 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. 	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - 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	12	N/A	John Leach	31.01.2018 Ongoing

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<p>23. Neighbourhood and Environmental Services 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.</p>	<ul style="list-style-type: none"> - 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. 	<ul style="list-style-type: none"> - "Step up" - work experience utilise. - Graduate project officers. - Training & Mentoring - Knowledge sharing - Apprenticeship Levy 	3	5	15	<ul style="list-style-type: none"> - 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	12	N/A	John Leach	31.01.2018 Ongoing
<p>24. Neighbourhood and Environmental Services ASSET CONDITION Condition of buildings creating risks to service delivery and individuals (in certain circumstances)</p>	<ul style="list-style-type: none"> - Building/service closures - Insurance claims against the council - Reputational damage to LCC 	<ul style="list-style-type: none"> - On going review and inspection of building in-house and is liaison with Property services - Building conditional surveys reviewed under the Transforming Neighbourhood Services Programme (TNS) 	5	3	15	<ul style="list-style-type: none"> - Building reviewed under TNS - Condition surveys commissioned and review to address key issues 	3	3	9		John Leach	31.01.2018 Ongoing

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STRATEGIC AREA - Corporate Resources and Support												
26. 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. Unable to source suitable polling stations and a count venue for unplanned elections.	- 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. - Impacts also on the wider capacity and resources of the Council which would be needed to support delivery.	- 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 - Electoral Commission guidance gives detailed support in the planning and management of each specific type of elections	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	16		Miranda Cannon	31.01.2018 ongoing

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<p>27. Delivery, Communications and Political Governance - LEGAL CHALLENGE</p> <p>Consultation approach and EIAs are increasingly targeted areas for legal challenge.</p> <p>Risk: Ineffective and inefficient processes and managers do not follow explicit guidance. Efficient/effective processes are not communicated in a uniform manner</p> <p>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.</p>	<ul style="list-style-type: none"> - 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. 	<ul style="list-style-type: none"> - 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. - Expert support e.g. HR, equalities, consultation in place with supporting guidance. - EIA process (what needs to be considered when) and EIA templates regularly reviewed and revised as appropriate. - Community engagement fund developed to support work with the VCS in support of meeting our PSED - Consultation training with a focus on the legal risks recently undertaken by the Comms and Equalities Teams - <u>Work underway to develop a new Equality Strategy.</u> - <u>New Corporate Equalities Manager commenced in post and is reviewing existing culture and practice related to equalities and the supporting tools and guidance as well as re-developing the corporate Equality Strategy</u> 	4	4	16	<ul style="list-style-type: none"> - Continue to review external practice e.g. 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. - <u>Complete new Equality and Diversity Strategy</u> - Review current consultation guidance for staff 	4	3	12		Miranda Cannon	31.01.2018 Ongoing

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27. Delivery, Communications and Political Governance - LEGAL CHALLENGE - Continued <div style="text-align: center; font-size: 2em; font-weight: bold;">127</div>	<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. - Community engagement fund developed to support work with the VCS in support of meeting our PSED - Consultation training with a focus on the legal risks recently undertaken by the Comms and Equalities Teams - Work underway to refresh the Equality Strategy 										
29. Finance - Information and Customer Access The Council is at constant threat from malicious hacking or human error.	<ul style="list-style-type: none"> - Loss of data or information - Loss of access to systems and services - Council-wide impact - Potential fines, litigation, penalties etc. - Impact on data subjects if sensitive information misused - Reputation damage 	<ul style="list-style-type: none"> - Ensure adequate technology is in place to protect the authority -AlienVault Logging procured. - Raise staff awareness - Testing procedures - Applications kept up to date - Processes in place - Likelihood of critical systems being affected is low - IT security manager post filled - PCI scans - Penetration testing etc. - PSN compliance 	5	5	25	<ul style="list-style-type: none"> - Targeted Phishing - Promote Human Firewall awareness - Implement further defences - Consider draconian response to threats 	4	3	15		Alison Greenhill	31.01.2018 Ongoing

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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 complaint 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. '- Self service Information Governance Health check 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)</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. Therefore, no reduction in risk exposure is anticipated.</p>	4	3	12		Kamal Adatia	31.01.2018

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STRATEGIC AREA - Education and Children's Services												
34. Children's Social Care and Early Help- Improvement - Changing for the better LCCIB Improvement Plan -Budget Pressures on the divisional budget 129	- 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 - Further pressures on the service regarding the admin business support review	- 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	4	4	16		Caroline Tote	31.01.2018
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.	- Proposed savings in Early Help services are being implemented and will be achieved by April 2018. Impact on services to Children young people and families continues to be assessed as part of savings proposals. Pressures on the Out of Authority placement and increase in LAC numbers beyond allocated budget. - The Single Assessment team will need to be funded from the existing budget to consider how existing services can be remodelled.	5	4	20	- Further consideration of other identified improvement areas to be discussed. - Further areas of the Resource Plan under consideration - Development of the edge of care panel and the permanent progression panel	4	4	16		Caroline Tote	31.01.2018

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130												
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. The consequence of increased LAC is that the dept. budget for 2017/2018 will be exceeded	- 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. - An equality impact assessment will be updated and inform a scrutiny report for consideration in March/April 2018.	4	4	16		Caroline Tote	<u>31.01.2018</u>
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. - WFD Strategy work has slowed down, needs to be picked up again.	4	4	16		Caroline Tote	<u>31.01.2018</u>
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.	4	4	16	TM training is being delivered to ensure expectations are clear	4	4	16		Caroline Tote	<u>31.01.2018</u>
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		Caroline Tote	<u>31.01.2018</u>

Appendix 4a - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 31/10/17

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			Further management actions/controls required	Target Score with further controls			Cost	Risk Owner	Review Date
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<p>35. Children's Social Care and Early Help - Safeguarding Publication of Serious Case Reviews for cases that occurred in 2013/14 and case that led to a SILP in 2107/18</p> <p align="center">131</p>	- Impact on staff morale, engagement with vulnerable families, partner confidence and public reputation	- Two Serious Case Reviews have now been published with clear arrangements in relation to 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. Composite review in relation to three babies has not yet been published due to ongoing police investigations, media planning meeting taking place at the end of August. A further SCR has also been commissioned and agency Independent Management Review's are being progressed.	4	5	20	- Work through Local Safeguarding Children's Board groups to disseminate messages from the Serious Case Reviews. -Approach agreed for coroners inquest in August 2017	5	4	20		Caroline Tote	31.01.2018
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.	5	4	20	- No further controls identified. - Compile and monitor critical Young people identified as being at risk of CSE	5	4	20		Caroline Tote	31.01.2018
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.	- A framework is ensuring compliance is adhered to	3	5	15		3	4	12		Caroline Tote	31.01.2018

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36. Children's Social Care and Early Help - 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: • 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 - 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 - Non-compliant or poor quality agency staff asked to leave - Capability/disciplinary action in relation to permanent staff - Exit interviews with departing staff - SAT implemented June 2016. - Principal Social Worker in post April 2016.	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		Caroline Tote	31.01.2018
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 floor walking	- 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 undertaken of the admin support functions - 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		Caroline Tote	31.01.2018

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37. Children's Social Care and Early Help - Early Help - Failure of services and processes to identify and meet the needs of vulnerable young people. Extent and gearing of department budget cuts from April 17 onwards compromises operations and generates a higher safeguarding failure. 33	- 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 - EH staff start to look for alternative employment leaving a gap in service to meet demand.	Review underway.	5	4	20	Analyse consultation findings as they come in to asses impact and risk and report to DCS.	4	4	16		Caroline Tote	31.01.2018
38. Children's Social Care and Early Help - 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	12		Caroline Tote	31.01.2018

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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. -Implementation of a placement planning process for sibling groups and complex cases.	4	4	16	-use to be monitored and reviewed in the next quarter.	3	4	12		Caroline Tote	<u>31.01.2018</u>
39. Learning Services - Funding reduction leading to inadequate school improvement capacity From 2018/19 funding to support monitoring and intervention in maintained schools will reduce from £1.3m to around £300k.	<u>Significant increases in schools rated RI and Inadequate Reputational damage for the council with key stakeholder Eg Ofsted, RSC</u>	<u>Seeking to develop school-led capacity through SISS, LESP and SSIF</u>	<u>5</u>	<u>4</u>	<u>20</u>	<u>Seeking additional resource through review process for additional capacity to Aug 18</u>	<u>5</u>	<u>4</u>	<u>20</u>		Ian Bailey	<u>31.01.2018</u>
40. Learning Services - Insufficient school places for 2017/18 and 2018/19 Increased demand due to demographic changes Academisation and legislation changes affecting statutory powers to create new capacity Loss of commitment by schools to expansions Failure of new free schools to open when needed	~ Statutory duty to allocate places is not met ~ Potential for safeguarding issue ~ Reputational damage	Development of robust data for pupil place planning, review forecasting methodology, verification of data by Education Funding Agency Schools Capacity Survey team	5	4	20	Temporary accommodation is currently being installed at seven secondary schools. Other schools will be required to take on some overflow across most year groups. Programme for permanent expansions is being finalised for CM approval.	4	3	12		Ian Bailey	<u>31.01.2018</u>

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41. Learning Services - Insufficient SEND specialist places	Impact on mainstream school "holding onto" pupils who have agreed special places. Potential increase costs of Out Of City places (vastly more expensive than in-city places).	Development of strategy for provision, building on trend analysis, numbers of Early Health Care Plan, pupils, identified primary needs, review of existing provision	5	4	20	Paper detailing proposed increase in special school places is scheduled for discussion by DMTEarly in Autumn Term. Detailed work with special schools has identified capacity for 2017/18	5	2	10		Ian Bailey	31.01.2018
42. 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.	- 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	12		Frances Craven	31.01.2018
STRATEGIC AREA - Public Health												

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136	- Loss of confidence of GP Providers in payment structure - Risk of overpayment or underpayment by Public Health which would need to be rectified at a later date	- 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 - <u>Procurement of integrated audit and payment module failed due to lack of provider bids.</u>	4	5	20	Audit of Health Checks Programme complete by 360 Assurance The use of a bespoke audit and payment module to be placed within GP systems is pursued. UPDATE: 24.01.17:- Procurement of above noted audit and payment module is being progressed and will be in place by early spring 2017.- <u>Pursue Assist 1. solution through CCG and T.P.P</u>	4	4	16		Ruth Tennant	<u>31.12.2017</u>
	- Impact on public health service delivery - Wider Impact on NHS if prevention services not able to deliver - impact on key health outcomes in the city	Spending review process to identify impact of national/ local savings targets	5	4	20	Develop detailed options for savings plans to 2020/21, including risks/ impacts and consequences. Present options & risks to Star Chamber	4	4	16		Ruth Tennant	<u>31.12.2017</u>

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<p>45. Public Health - Data Access and Sharing - Insufficient and inadequate data for PH function</p> <p>1) Access issues to hospital inpatient data (SUS and HES) - application ongoing for access</p> <p>2) No data access agreement with CSU (Mids and Lancs) for access to CCG data - no data from SystemOne to support PH commissioned services, performance indicators and PH surveillance function</p>	<p>- If unresolved only able to offer a limited services in terms of core offer and other analyses required</p> <p>UPDATE: 25.04.17 - The Public health Team has recently been made aware that no data can be received from the CCG, as the current agreement between the CCG and Leicester City GPs has lapsed, as of 31.03.17. As such, no monthly data is being received for any of the Community Based Services (CBS) that the Public health team commission.</p>	<p>- Application in progress for access to HES (H-DIS online system) via NHS Digital in progress. Julie /Steve Petrie progressing data access agreement with CCG / CSU to enable regular data flows to support PH commissioned services, performance indicators and PH Surveillance function. HR to progress data sharing agreement for access to SUS data once access approved by NHS Digital</p>	5	4	20	<p><u>Data Access form submitted to NHS Digital in June 2017 for access to national- HES data online and in August 2017 for access to Secondary Uses Service –(SUS) data. On-line tracking of application shows that the application is with Data Approvals owner'. SUS data will be accessed via Midlands and Lancs CSU once data access agreement approved by NHS Digital and an agreement is in place with CSU. HR will follow-up progress of application with NHS Digital Data Access Request Service.</u></p> <p><u>- Escalate requirement for Data access agreement with CCG and new CSU (Midlands and Lancs). Ivan to follow up with CCG/CSU & take paper to JICB. Update 25.10.17 - SP & HR met with Clare Sherman (CS) at the CCG to discuss the issue on 7.04.17. Discussions were had about implementing an Information Sharing</u></p>	4	3	12		Ruth Tennant	<u>31.12.2017</u>

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138	- Insufficient capacity to deliver on current and future plans - Inability to recruit the required specialist staff - Less effective commissioning of specialist programmes which could lead to increased health inequalities - Incurring additional cost pressures through a need for agency and temporary staff to provide cover for key work areas - Lack of the requisite expertise/knowledge in key areas could result in sub-standard services and the unintended consequences that can result from this e.g. poorer health outcomes or an increased risk of legal challenge.	- Close monitoring and review of current PH budget - Planning for the announced future reductions in the PH budget - Adherence to Local Government Association/Public Health England Guidance relating to recruitment of staff - Pay scales broadly similar to NHS/ market forces - 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. - Capability interviews conducted for staff moving into new roles	4	4	16	- Divisional and staffing review	4	2	8		Ruth Tennant	<u>31.12.17</u>

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<p>43. Public Health – Healthy Child Programming Commissioning – The failure to commission adequate capacity from the Healthy Child Programme may escalate safeguarding issues and increase health inequalities for children and young people in Leicester.</p> <p align="center">140</p>	<p>– Possible reputational risk through the LA being forced to reduce service levels to meet budget cuts</p>	<p>– Procurement options considered and taken to Executive Briefing for decision. – Final service specification for the new Integrated Healthy Child Programme was sent to partners for comments to assure that gaps in service provision were not inadvertently opened. – Healthy Child Programme Assurance and Development Group established. – Service specification includes a requirement for the provider to be responsible for any costs to the Child Health Information System. – Appropriate budget and core offer determined. – TUPE questionnaire undertaken. – Healthy Child Programme Review undertaken. – Procurement exercise commenced for an initial 2 year contract with the option to extend to a maximum of 2 years. – Healthy Child Programme Procurement Group established. – Extended review with Early Help commenced. – Extended discussions with CCG and schools undertaken. – Estate costs reviewed. – Adequate workforce numbers calculated.</p>	4	4	16	<p>Negotiation stage was successful and a final 0-19HCP submission has been received from LPT that reflects all the issues discussed and negotiated on. LCC are awaiting final information and a Section 256 from LCCCG regarding the Care Of Next Infant (CONI) subcontracting. Once this has been received and reviewed the contract can be awarded. Timescales for award are 16th Dec 9Th January depending on when the paperwork arrive from LCCCG. According to initial timetable contract was due to be awarded 17th January so we are still ahead of planned timescales.</p>	4	3	12		Ruth-Tennant	31.10.2017

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New Risks												
17. Housing - To deliver efficient and effective services to customers making the best use of available resources. Delay in/ or failure of purchase of Oracle licence to enable Northgate upgrades to take place. →	Significant impact on the ability to deliver the channel shift agenda for Housing/ significant impact on the business.	Housing are working with ICT Commercial and Procurement Manager to try to resolve issues around purchase of Oracle licence.	4	4	16	Housing are working with ICT Commercial and Procurement Manager to try to resolve issues around purchase of Oracle licence.	4	4	16		Chris Burgin	31.01.2018
25. Planning and Transportation - Transport Strategy - Tackling Nitrogen Dioxide and other air pollutants	Ongoing poor air quality contributing to ill health and death of Leicester population. Possibility of fines if remain in the EU or from government if not. Poor reputation of Leicester as a city to work, live or visit.	Air Quality Action Plan	5	4	20	Air Quality Action Plan Board in place and action plan is being delivered. However, much depends on successful funding bids to Government and other sources.	4	3	12		Andrew L Smith	

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142	- Ability to deliver the core HR service is compromised - Critical data / information is lost - Increased costs to the service - Reputational damage - Pressure on staff resulting from the need to work in the absence of an effective system	- Project Manager and Project Board in place. Close involvement of key areas including ICT Procurement, BSC, ICT - Continued robust discussions with supplier re: supplier failings and holding them to account contractually where necessary - Recruitment now removed from scope and will be re-tendered in light of failure by supplier to deliver. Legal advice to be sought regarding situation relating to JE system - Go live of payroll and self-serve elements has happened, issues prioritised and majority of high risk issues now addressed but medium and low priorities issues still to be resolved. Work underway on next phases of implementation around casework management etc.	4	4	16	- Regular robust monitoring and reporting on progress. - Ensure robust project management and governance arrangements continue and holding supplier to account via formal contractual mechanisms - Keep organisation informed regarding progress	4	3	12		Miranda Canon	01.06.2018

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			(See Scoring Table)	(See Scoring Table)	(See Scoring Table)		(See Scoring Table)	(See Scoring Table)				
			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
<p>32. Finance - Introduction of Universal Credit (UC) Full Service LEGISLATION Transfer of Housing support from the local authority, as under Housing Benefit (HB), to DWP. Schemes are not identical and in some instances not as generous as under HB. Impacts complex to explain as some claimants will remain on HB in the interim, for periods as fixed by the DWP.</p>	<ul style="list-style-type: none"> - Rent policy and collection arrangements will be challenging (different impact to rent arrears) - Housing policies and procedures will require review - Potential need to increase allocated staff resources - Rental payments are delayed thus arrears build up leading to financial consequences for the Authority, Housing Associations & Private landlords - Financial consequences in £m - Increase to bad debt provision (Rent £2m arrears & CT £3.5m in year collection loss) - Reputational damage - Demand for Crisis Support will increase (est 200%) - Demand for Social Welfare Advice will increase (12.5%) - Demand upon Discretionary funding may exceed Government budget Allowance. - Demand for Council Tax Discretionary Relief (CTDR) support may exceed budget - Waiting and assessment periods, sanctions and compliance requirements will lead to delays in first payments and monthly reassessments of entitlement will be carried out 	<ul style="list-style-type: none"> - LCC have a UC Support Strategy, risk log, EIA with associated Comms and action plans - Housing Service are developing a UC Full Service impact strategy, reviewing and developing a Homelessness prevention policy - Housing Options are monitoring the occurrences of this phenomenon - Detailed Comms and action plans have been created by both Revenues & Customer Support & Housing - comprehensive engagement programme is in place with commissioned providers to alert them to the increase in demand. - Every commissioned service has a business continuity plan which can be deployed should demand outstrip provision. 	4	4	16	<ul style="list-style-type: none"> - Effective and repetitive communication campaign - The Council has written to DWP to raise their significant concerns regarding the impacts likely as a result of the introduction of full service Universal credit. - Social Welfare advice - discussions ongoing at the Strategic SWAP group re the identification and management of demand - Recognition of increased for crisis support- Engagement with provider, Action Homeless, actions within their Business continuity planning. - DHP/CTDR potential to request consideration of additional resources from Exec. - Reputational damage should be defensible as this is a DWP benefit and the local authority has no control over the timetable or administrative processes for this change. 	3	4	12	<p>£2m Rent arrears</p> <p>£0.5m Grant loss</p> <p>£3.6m CT loss</p>	Alison Greenhill	30.04.2018

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			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
32. Finance - Introduction of Universal Credit (UC) Full Service - continued FINANCIAL DWP admin grant funding will reduce without the ability to reduce admin & staffing costs accordingly. DWP payments are not expected to cover the total costs of administering the UC process and the local support function as required.	- Financial consequences up to £0.5m upon HB/CT administration. - Delays in UC assessments and setting of recovery requests will affect the ability to collect council tax in year. - Unable to achieve efficiencies as insufficient resources required to cope with increased work demands - Potential creation of backlogs of work - Unable to apply an attachment to benefit to recover debt from UC, as other debts have more priority - LCC bad debt write off's increase - Likely impact on mental health, potential for increased aggression at front facing services - increase in self harm referrals - Existing HB overpayment recovery will be affected as claimants on recovery plans transfer to UC and we have little prospect of recovery through UC attachments.	- Budgets will be closely monitored and reviewed - DHP & CTDR spend monitored closely by the Director of finance - Learning from peer experience where possible - Review operational procedures - CT undertake annual promotion of DD - Robust Comms plans in plain literature is being reviewed to strengthen the message to pay - Overpayment recovery - discount pilot being operated by BSC, - Review alternative recovery options, based on findings of other FS areas - This will be monitored by ASC/Public health - S02's will be monitored to ID work related stress and understand impacts on officers to plan and put in place support										

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			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
32. Finance - Introduction of Universal Credit (UC) Full Service - continued CUSTOMER ACCESS Any claimants who do not have the educational or language skills could find it very difficult to access UC. This could be compounded by lack access to IT to enable them to engage in the application, compliance and claim management process as required under their claimant commitment.	- Increased need for educational, digital & personal support - increase in Stress Action Plans and associated resources to support staff, - increase in staff absence - Stress action plans - especially in front of house services incl libraries etc	- Staff resources across Housing and Finance are being reviewed and where possible expanded. - Access to digital support, education and personal support provision is being mapped, reviewed and robust Comms being developed to help mitigate impacts and also support customers to satisfy claimant commitment criteria										
50. Public Health - Accommodation project ;Risk that landlord will not approve of the proposals for building , risk that costs of refurbishment exceed contingency and capital budget , risk that building not ready in time by lease finish on 31st Dec 2018	No building available , savings not achieved , service interruption	Frank discussions with landlord and site of plans at an early stage, Clear feasibility study and costs including contingencies, project management plan .	4	4	16	Plans to go to landlord 27th October , Feasibility to include contingency funding ,planning approval to be sought prior to Christmas	4	3	12		Ruth Tennant	2019

Appendix 5 - Insurance Claims Data

LEICESTER CITY COUNCIL - Insurance Claims Incident Data 1st April 2017 - 30th September 2017

Incidents	Total Claims	Repudiated	In Progress	Paid	Amount Paid		
17	203	62	111	30	£50,775		
Breakdown by Area and Type of Claim							
Division		Responsible Director			Claim Type		
					Total Number	£ Value	
			Employers Liability	Public Liability	Prof/Officials Indemnity	Motor	
Neighbourhood and Environmental Services	John Leach			22		28	£28,014
Plan, Trsport & Economic Dev.	Andrew L Smith			40		6	£1,488
Children, Young People and Families	Caroline Tote						
Housing	Chris Burgin			36		57	£17,536
Adult Soc Care & Safeguarding	Ruth Lake						
Del, Comms & Pol Governance	Miranda Cannon						
Information & Cust Access	Alison Greenhill					1	
Estates and Building Services	Matt Wallace			1			
Comm and Business Dev	Sue Welford/Frances Craven						
Learning Services (incl Schools)	Ian Bailey	1	1			3	£2,991
Finance	Alison Greenhill					1	£746
Legal Services	Kamal Adatia						
Tourism, Culture & Investment	Mike Dalzell			5		1	
City Public Health & Health Imp	Ivan Browne						
Care Svcs & Commissioning	Tracie Rees						
	Total	1	105			97	£50,775

Last 12 months rolling repudiation rate - 74%

Appendix 6

Risk Management Services and Insurance Services Training Programme 2018

Below are details of the Risk Management Services and Insurance Services Training Programme for 2018. If you wish to attend these sessions, **please book through the Myview pages of Corporate Workforce Development**. Prior to booking, please discuss with and seek your manager's approval. Most of the sessions are limited to between 15 and 20 attendees, 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 9.30am. Sessions tend to run for no more than two hours but will be no later than 12 noon.

Identifying and Assessing Operational Risks

30 January; 27 February; 11 April; 1 May; 19 June; 11 July; 19 September; 23 October; 28 November.

(Training delivered by Sonal Devani and Nusrat Idrus)

Since October 2014 this session has been mandatory for all staff who 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 the role you play in implementing the strategy and policy. The session is for anyone 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 Directors down – and those that let council contracts. The course will lead you through the agreed risk reporting process at Leicester City Council and allow you to identify your role within that process. The practical exercise should help staff complete the council's risk assessment form.

Contract Risk Management

21 March; 12 September

(Training delivered by Zurich Municipal Risk Consultants)

Staff attending this session must have been on the mandatory '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.

Business Continuity Management

23 January; 7 March; 23 May; 25 September; 13 November.

(Training delivered by Sonal Devani and Nusrat Idrus)

This course provides an understanding of Business Continuity Management within the organisation. It explains the difference between managing business continuity and merely writing your plan. This understanding will allow you to manage unexpected incidents and get back to delivery of your 'business as usual' service in the event of an unforeseen circumstance. This session is aimed at anyone who has a responsibility for a building, staff; and for delivery of a service, 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. A step-by-step guide is provided to completing the council's BCP pro-forma. This session should be attended by all Heads of Service and their senior management to ensure that, in the event of a serious, unexpected incident, they understand the processes that will help to ensure the council can continue to operate with minimal impact.

Insurance – Policies, Levels of Cover/Indemnity Limits and Incident Reporting **22 March; 20 September.**

(Training delivered by Alexandra Weller)

This session will discuss what the council's insurance policies cover; details of regular types of claim that the Insurance Services 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 Insurance Services 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.

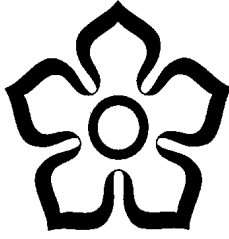
Personal/Bespoke Sessions

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.

If you would like to discuss a bespoke session please contact Sonal Devani (sonal.devani@leicester.gov.uk), 454 (37) 1635, Nusrat Idrus (Nusrat.idrus@leicester.gov.uk), 454 (37) 1623 and Alexandra Weller (Alexandra.Weller@leicester.gov.uk), 454 (37) 1642

We would like to assist you in any way we can and are happy to meet you to assist you to identify training needs of your staff, whilst at the same time protecting the council's most valuable asset – you and your staff.

Sonal Devani
Manager, Risk Management



Leicester
City Council

WARDS AFFECTED:
ALL

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

**Audit and Risk Committee
Council**

**6 December 2017
25 January 2018**

**Annual Report of the Audit and Risk Committee to Council
covering the municipal year 2016-17**

Report of the Director of Finance

1 PURPOSE OF REPORT

- 1.1 To present to the Council the annual report of the Audit and Risk Committee setting out the Committee's achievements over the municipal year 2016-17.
- 1.2 This report was presented to the Committee for approval at its meeting on 6 December 2017.

2 RECOMMENDATIONS

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

3 SUMMARY

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

in an appropriate manner through a programme of meetings and fulfilled the expectations placed upon it.

4 REPORT

- 4.1 The Committee's terms of reference are regularly reviewed. They formally confer upon it the role of 'the board' for the purposes of the *Public Sector Internal Audit Standards*, (the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework, interpreted and adopted for local government by CIPFA) as the recognised professional standards for local authority internal audit.
- 4.2 During the municipal year 2016/17, the Committee met on six occasions. All meetings were properly constituted and quorate. The Committee's terms of reference require it to meet at least three times a year. The Head of Internal Audit & Risk Management attended meetings of the Committee. In addition, and in the interests of providing the full range of legal, constitutional and financial advice and expertise, the Committee was supported by the Director of Finance and the City Barrister & Head of Standards or their representatives.
- 4.3 In its publication *Audit Committees – Practical Guidance for Local Authorities*, CIPFA provided a self-assessment checklist to assist Councils in reviewing the effectiveness of their Audit Committees.
- 4.4 The Committee considered its compliance with the checklist during 2016/17 at its September 2017 meeting. Using this checklist, it is considered that the Audit and Risk Committee met the requirements for an effective Audit Committee. In summary:
- The Committee meets regularly and its chair and membership are sufficiently independent of other functions in the Council. Meetings are conducted constructively and are free and open and are not subject to political influences;
 - The Committee's terms of reference, which were formally revised and approved during the year, provide a sufficient spread of responsibilities covering internal and external audit, risk management and governance;
 - The Committee plays a sufficient role in the management of Internal Audit, including approval of the audit plan, review of Internal Audit's performance and the outcomes of audit work and management's response to that; and
 - The Committee receives reports from KPMG as the Council's external auditor and maintains an overview of the external audit process including the fees charged.
- 4.5 However, it is acknowledged that Committee members need suitable training. Arrangements have been made to provide training on a relevant topic at the beginning of every meeting of the Committee. The Committee is subject, of course, to some turnover of membership each municipal year, an inevitable

consequence of the political environment in a local authority. Should this happen, training for new members is offered.

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

4.6.1. Internal Audit

- The Committee considered the Internal Audit annual and quarterly plans and monitored their delivery and outcomes during the year. The Committee also received the Internal Audit annual report and opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control.
- The Committee reserves the right to summon relevant officers to attend its meetings to discuss in more depth specific issues raised by Internal Audit reports. This has helped to maintain the profile of the Committee and its role in promoting adherence to procedures and improved internal control.
- The Committee received and approved the annual review of the effectiveness of the Council's system of internal audit. The September 2016 meeting considered the 2015/16 financial year; the 2016/17 review was discussed at the September 2017 meeting, including the degree of conformance with *Public Sector Internal Audit Standards* (PSIAS) and results of the *Quality Assurance Improvement Programme* (QAIP).

4.6.2 Counter-Fraud

- The Committee maintained an effective overview of the Council's measures to combat fraud and financial irregularity. Specifically, the Committee:
 - Reviewed and approved the Council's updated Anti-Fraud, Bribery and Corruption Policy and Strategy.
 - Considered the annual counter-fraud report, which brought together the various strands of counter-fraud work with data on the various types of work carried out by the teams involved.
 - Reviewed and supported the Council's participation in the National Fraud Initiative.
 - Reviewed the Council's activity and performance under the Regulation of Investigatory Powers Act 2000 and the Disclosure Policy and Whistleblowing Policy.

4.6.3 External Audit

- The Committee considered the external auditor's plans and progress and the outcomes of this work, with particular reference to the annual audit of the Council's statutory financial statements.
- The external auditor uses internal audit work to inform the external audit of the Council's accounts and the certification of certain grant claims and returns. The Committee has received reports on the outcomes of such work and to this extent is fulfilling its responsibility to promote an effective working relationship between the two audit functions.

4.6.4 Risk Management

- The Committee confirmed the Risk Management Strategy and Policy and Corporate Business Continuity Management Strategy. The Committee maintained a regular overview of the risk management arrangements including the Council's strategic and operational risk registers and 'horizon-scanning' for potential emerging risks to the Council and its services.

4.6.5 Corporate Governance

- The Committee fulfilled the responsibilities of 'the board' for the purposes of the City Council's conformance to the *Public Sector Internal Audit Standards* in terms of overseeing the Council's arrangements for audit, the management of risk and the corporate governance assurance framework.
- The Committee maintained its oversight of the Council's corporate governance arrangements. The Council's updated assurance framework, which maps out the process for collating the various sources of assurance and preparing the Council's statutory Annual Governance Statement, was reviewed and approved by the Committee.
- The Committee approved the draft Annual Governance Statement for 2015/16. The annual review of the assurance framework, which sets out the essential process for preparing the Annual Governance Statement, was approved by the Committee.
- This annual report to Council is part of the governance arrangements, through giving a summary of the Committee's work and contribution to the good governance of the City Council and demonstrating the associated accountability.

4.6.6 Financial reporting

- The Committee received and approved the Council's statutory Statement of Accounts for 2015/16 and associated external audit reports. It approved the Council's letter of representation, by means of which the City Council gives assurance to the external auditor; there were no significant items that were not reflected in the Council's accounting statements.

- The external auditor's Annual Governance Report was issued to the Committee as 'those charged with governance', and considered accordingly. In this report, the auditor confirmed that his audit opinion on the Council's financial statements would be 'unqualified'.

5. Conclusions

- 5.1 The Committee fulfilled all of the requirements of its terms of reference and the good practice guidance issued by CIPFA.
- 5.2 It is the view of the Director of Finance that the Audit & Risk Committee made a significant contribution to the good governance of the City Council. Through its work, it has reinforced the Council's systems of internal control and internal audit and has given valuable support to the arrangements for corporate governance, legal compliance and the management of risk.
- 5.3 Each year, following any changes in membership, there is a need to support members with relevant training and briefings on technically complex subjects, particularly in the context of the governance of a large local authority and especially during a period of continued financial stringency and change. The effectiveness of the Committee is enhanced by having members who have sufficient expertise and experience, attributes which benefit from some continuity of membership.

6. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

6.1 Financial Implications

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

Colin Sharpe, Head of Finance, ext. 37 4081

6.2 Legal Implications

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

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

7. Other Implications

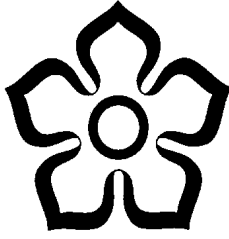
OTHER IMPLICATIONS	YES/NO	Paragraph references within supporting information
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Climate Change	No	
Crime and Disorder	Yes	4.6.2 – references to fraud and corruption
Human Rights Act	No	
Elderly/People on Low Income	No	
Corporate Parenting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

8. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

Agendas and Minutes of the Audit & Risk Committee meetings

REPORT AUTHOR

Colin Sharpe, Head of Finance, ext. 37 4081



Leicester
City Council

WARDS AFFECTED:
ALL

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Audit and Risk Committee

6 December 2017

Review of the Committee's Terms of Reference and Forward Workplan

Report of the Director of Finance

1 PURPOSE OF REPORT

- 1.1 To seek the Committee's views on the scope of its future workplan and to signal a review of its terms of reference.

2 RECOMMENDATIONS

- 2.1 Audit and Risk Committee is recommended to provide views on its future terms of reference and associated workplan to the Director of Finance.

3 SUMMARY

- 3.1 The Committee now meets four times annually and its workplan is framed in the light of the terms of reference approved by Council. The Committee considers a wide range of business in fulfilment of its central role as part of the Council's system of corporate governance, risk management and internal control.
- 3.2 Whilst many of the reports are formally for noting, the Committee has key approval functions around the statutory annual statement of accounts and plays an important role in reviewing and commenting on a range of topics. It is important that Members find the agendas to be generally engaging and interesting. Members should also feel properly equipped to understand the wider governance and risk environment and to be able to ask questions and hold others to account for their responsibilities.
- 3.3 CIPFA (the Chartered Institute of Public Finance and Accountancy) guidance states the purpose of an audit committee is to provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes.

4 REPORT

- 4.1 The Committee's current terms of reference are attached at **Appendix A**. It is opportune to review these, as the City Council's internal audit function has recently been delegated to Leicestershire County Council, management arrangements for insurance and risk have changed, and CIPFA will soon release new guidance for audit committees. It is proposed that officers should bring an updated draft to the March 2018 meeting, ahead of approval by Council in May 2018. The Committee's views on any changes at this current meeting would be helpful, to inform the revised drafting.
- 4.2 The Committee's workplan for 2018/19 will be framed within the requirements of the updated terms of reference, so it is clear why each item of business is to be discussed, and to provide assurance that the Committee is covering the full scope of work that Council requires of it. Officers have however identified that the Committee should be kept better apprised of the emerging key risks to councils nationally and hence have the opportunity to question officers on how these are being managed and mitigated locally. Also, the Committee should benefit from periodic updates on key changes to the accounting, audit, governance and risk environments.
- 4.3 Hence within the agenda for the current meeting, key risks emerging nationally are referenced in the risk management report. Looking ahead, the Director of Finance will present a report to the March 2018 meeting covering topics such as the earlier close of the Council's annual accounts for 2017/18 and beyond, developments in accounting standards, changes to the treasury management environment and relevant impacts of Brexit. A pre-meeting update on Public Health is also planned.
- 4.4 Members are invited to comment on any particular areas or themes they would like to see covered at future meetings.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1 Financial Implications

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

Colin Sharpe, Head of Finance, ext. 37 4081

5.2 Legal Implications

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

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

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	
Corporate Parenting	No	
Health Inequalities	No	
Risk Management	Yes	The whole report concerns the audit, risk management and governance process, a main purpose of which is to give assurance to Directors and this Committee that risks are being properly identified and managed appropriately by the business.

7. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

None

REPORT AUTHOR

Colin Sharpe, Head of Finance, ext. 37 4081

APPENDIX A

AUDIT & RISK COMMITTEE TERMS OF REFERENCE APPROVED BY COUNCIL

(includes changes agreed in March 2016)

1. Constitution

The Council has established a Committee of the Council to be known as the Audit & Risk Committee to report to the Council. This supports the Council's corporate governance responsibilities in relation to internal control, risk management and governance.

2. Membership

The Audit & Risk Committee shall consist solely of non-Executive Councillors. The Chair and Vice-Chair of the Committee shall be appointed by the Council from amongst the non-Executive Councillors.

Provided the meeting is quorate, in the absence of the Chair the Vice-Chair will assume the position and authority of the Chair.

The membership of the Committee should reflect the political representation of the Council as a whole.

A quorum of at least three Committee members will be required at all meetings.

3. Attendance at Meetings

The Director of Finance, the City Barrister & Head of Standards and the Head of Internal Audit & Risk Management shall normally be invited to attend meetings. Other officers will be required to attend if called for by the Committee or when relevant items appear on the agenda. All Councillors are entitled to attend public meetings, should they choose to do so. All such attendees shall have the right to speak, at the discretion of the Chair, but not vote at meetings.

4. Frequency of Meetings

Meetings shall be held not less than four times a year. Additionally, special meetings may be convened if an issue arises that, in the opinion of the Chair, cannot wait until the next scheduled meeting.

5. Duties

The duties of the Committee shall be as set out in the annexed schedule to these Terms of Reference.

6. Authority

The Committee approves, on behalf of the Council, the Council's accounts and its internal control, risk management and governance frameworks and any aligned policies and arrangements.

The Committee is authorised by the Council to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee. The Committee will advise the Chief Operating Officer as the Head of Paid Service if it has exercised this authority to seek information (other than routine information) from any employee, setting out the information required and the circumstances underlying the request.

The Committee is authorised by the Council, if considered necessary, to secure the attendance of third parties with relevant experience and expertise provided that the Committee shall notify the Chief Operating Officer as the Head of Paid Service before any fees for such attendance are agreed.

7. Communications

The Secretary of the Committee will circulate the agenda and papers for meetings five clear days before the meeting.

The Committee will consider and agree the approved minutes of the Committee at its next meeting.

The Committee's Terms of Reference will be made available on the Council's website. They will be reviewed and, where necessary, updated at least annually.

An annual report of the Committee's activity will be submitted to the Council each year.

Duties of the Audit & Risk Committee

1. Audit Framework

1.1 Internal Audit

- On behalf of the Council, to approve the Head of Internal Audit's annual report and opinion, considering the level of assurance given over the Council's corporate governance arrangements and decide on appropriate actions.
- To consider, challenge and approve (but not direct) Internal Audit's strategy and plan and monitor performance on an annual basis.
- To receive summaries of Internal Audit reports and the main issues arising.
- To review and challenge management's responsiveness to the internal audit findings and recommendations, seeking assurance that appropriate action has been taken where necessary and agreed recommendations have been implemented within a reasonable timescale.
- To monitor and assess the role and effectiveness of the Internal Audit function.

In fulfilling these functions, the Audit & Risk Committee fulfils the role of 'the board' for the purposes of the *Public Sector Internal Audit Standards*.

1.2 External Audit

- On behalf of the Council, to review with the external auditor and inspection agencies the findings of their work including any major issues which are unresolved; key accounting and audit judgments; and the levels of errors identified during the audit. The Committee should obtain explanations from management and from external auditors, where necessary, as to why errors might remain unadjusted.
- To consider the scope and depth of external audit work and to assess whether it gives value for money.
- To liaise with Public Sector Audit Appointments Ltd (as successor body to the Audit Commission for this purpose) over the appointment of the Council's external auditor and conduct such other related functions as required by the local public audit regime.
- To facilitate effective relationships between external and internal audit, inspection agencies and other relevant bodies and ensure the value of these audit relationships is actively promoted.

- To approve any instances of non-audit work by the external auditors in accordance with the *Policy for Engagement of External Auditors for Non-Audit Work* and report any such instances to the Council.

2. Risk Management Framework

- On behalf of the Council, to consider and challenge the effectiveness of the Council's Risk Management Strategy and Framework, including the Risk Management and Insurance Services function.
- To consider and approve, on behalf of the Council, the Council's Risk Management Strategy and its key risk management policies including the Council's statement of overall risk appetite.
- To approve, on an annual basis, the Risk Management and Insurance Services function's terms of reference and its annual plan.
- To review (and take any actions as a consequence of) reports from the Head of Internal Audit & Risk Management in respect of the status of key current and emerging risks and internal controls relating to those risks (the Operational and Strategic Risk Registers).

3. Internal Control and Governance Framework

- To review the adequacy of the Council's internal control framework through review of its system of internal control and system of internal audit and overseeing the production and approval of the Council's Annual Governance Statement prepared in accordance with the Local Code of Corporate Governance.
- To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts. (The Committee is to do this before approving the Council's published financial statements. The Committee should take note of any adjustments set out in the external auditor's report and agree any such adjustments where management has declined to do so or set out the reasons for not doing so.)
- To maintain an overview of the Council's Constitution in respect of contract procedure rules, finance procedure rules and codes of conduct and behaviour.
- To review and approve, on an annual basis, the Council's anti-fraud, bribery and corruption and its disclosure (whistle-blowing) policies and procedures.
- Annually, to assess all significant risk issues considering:
 - Changes since the last annual assessment and the Council's response;
 - The scope and quality of management's ongoing monitoring of risks and the system of internal control;

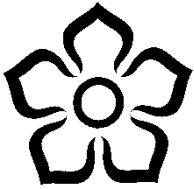
- The incidence of significant control failings in relation to all significant risks and their impact.
- To review regular reports from Internal Audit and Risk Management on risk and internal controls, considering:
 - The effectiveness of systems of internal control across the Council
 - Reports on major control issues and their impact on the Council's risk profile.
- To consider and decide on appropriate actions relating to the Council's compliance with its own and other published or regulatory policies, standards and controls, including:
 - Policies relating to information governance and assurance
 - Health & Safety at Work
 - Civil Contingencies Act
 - Policies relating to disclosures and complaints
 - Others as appropriate.

4. Financial Reporting Framework

- To review and approve the Council's published financial statements, the external auditor's annual opinion and other reports to Members and to monitor management action in response to issues raised.
- To review and approve the annual statement of accounts and the annual Letter of Representation on behalf of the Council, giving particular attention to critical accounting policies and practices, decisions requiring a significant element of judgement, how any unusual transactions should be disclosed and the clarity of the disclosures.
- To bring to the attention of the Council any concerns arising from the financial statements or from the audit.

5. Other Matters

- To consider, approve or make recommendations in respect of any other matters referred to it by the City Mayor, Chief Operating Officer (as the Head of Paid Service) or a Director or any Council body.
- To consider any relevant matters reserved for Member-level decision as detailed in Rules of Procedure.
- To present an annual report to the Council on the Committee's conduct, business and effectiveness.



Leicester
City Council

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Audit and Risk Committee

6 December 2017

Internal Audit Plan for remainder of 2017-18

Report of the Director of Finance

1. Purpose of Report

- 1.1. The Annual Internal Audit Plan for 2017-18 was prepared on the basis of broad areas of audit coverage rather than detailed lists of specific audits. It was considered by the Corporate Management Team (CMT) and was approved by the Audit and Risk Committee on 22 March 2017.
- 1.2. This report presents to the Committee the detailed operational audit plan for the remainder of the financial year 2017-18.

2. Recommendations

- 2.1. The Committee should note the plan for the remainder of 2017-18, attached at Appendix 1.

3. Report

- 3.1. Rather than presenting a detailed list of specific audits, the annual audit plan is grouped into areas of audit. The intention is that, given the continuing uncertainties the Council faces, the audit plan can be readily adjusted to reflect changes in risks and priorities while maintaining a sufficiency of audit coverage for each of the relevant areas.
- 3.2. The generic annual plan then becomes detailed quarterly plans as the year progresses, setting out Internal Audit's intended work for each forthcoming quarter. These plans take into account emerging risks and requests for audit involvement alongside seasonal or other external factors that influence the timing of audit work.
- 3.3. The plan for the remainder of 2017-18 is attached at Appendix 1. It has been divided between audits that are being planned now (remainder of quarter 3) and those not due to be planned until the final quarter starting in January 2018. It should be noted that planned City Council staff reductions were effected from 1 April 2017 pending the delegation of the City Council's internal audit function to the County Council. Additionally, there has been long term unplanned sickness absence. Both have affected the total combined resource available to complete planned audits. The County Council's Head of Assurance Services

is working closely with the Head of Finance to arrange temporary (followed by more permanent) resource to ensure sufficient City Council audits are conducted.

- 3.4. It should be borne in mind that the plans refer to audits due to be started. Inevitably, they are not all completed within the quarter so there will be residual work to complete audits started in previous quarters.
- 3.5. In identifying the audits for the each quarter's plan, due regard is given to the audit areas set out in the annual plan and the need to ensure sufficient coverage of each by the end of the financial year. The Head of Assurance may require some specific unplanned governance, risk management and key IT controls related audits in quarter 4 to ensure a balanced coverage of the control environment (the overall framework of governance, risk management and internal control)
- 3.6. The move to quarterly planning aligns Internal Audit's work as closely as possible to current priorities. This allows what were previously 'commissioned' audits that fall within the remit of the statutory audit service to become fully part of the audit plan. The aim is then for Internal Audit to deliver the whole of this more flexible plan, subject to factors beyond Internal Audit's direct control. Having said that, urgent requirements may still arise that cannot wait until the next quarterly plan and have to be accommodated immediately on the basis of risk to the Council.

4. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

4.1. Financial Implications

There are no direct financial implications arising from this report. However, as a result of the work carried out there would be an expectation that implementing recommendations made by Internal Audit will improve the effectiveness, efficiency and economy of service delivery, with potential for consequential reductions in cost or improvements in quality.

Colin Sharpe, Head of Finance, x37 4081

4.2. Legal Implications

The provision of 'an adequate and effective internal audit' is a statutory requirement under regulation 5 of the Accounts & Audit (England) Regulations 2015. The whole audit process is also intended to give assurance that all the activities audited have in place satisfactory arrangements to ensure compliance with relevant law and regulation applicable within the scope of the particular audit review.

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

5. Other Implications

Other Implications	Yes/No	Paragraph/References within the Report
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Climate Change	No	
Crime and Disorder	Yes	Whole report. Part of the purpose of Internal Audit is to give assurance on the controls in place to prevent fraud and other irregularity such as breach of data security.
Human Rights Act	No	
Elderly/People on Low Income	No	
Corporate Parenting	No	
Health Inequalities Impact	No	
Risk Management	Yes	The whole report concerns the Internal Audit process, a main purpose of which is to give assurance to CMT and the Audit and Risk Committee that risks are being managed appropriately by the business.

6. Consultations

- 6.1. The Internal Audit plan was prepared in consultation with all Strategic and Operational Directors and the Finance Management Team (which includes all Heads of Finance).

7. Report Author

- 7.1. Neil Jones, Head of Assurance Services, Leicestershire County Council

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Internal Audit Plan for the remainder of 2017-18

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2017-18 Audit Plan Q3								
Plan State	Client Title	Ref	Title	Plan State	Start Planned Date	Audit Plan Area Names	Notes	
Planned	Leicester City Council	A2016-035	School Admissions Process	Planning		Corporate Governance		
Planned	Leicester City Council	A2017-26 A2017-27	Main Financial System	Planning	01/10/2017	Significant Financial Systems	Main financial system - key controls audit. Which could include the following areas: - Creditor payments (primarily looking at property services and the use of concerto for invoice payments) - Payroll - Housing Rents - Council Tax & NNDR - Debtors - Cash & cash equivalent - Budgetary Control - Capital Additions & Disposals - Control account and reconciliations, suspense accounts, journals. To include some IT access controls audit work Some work planning work started	Q3/Q4
Planned	SCITT	04-SCITT	School Centered Initial Teacher Training 2017-18 (2016-17 Claim)	Planning	01/10/2017	Grant Certifications	An audit of the annual grant return (AGR) for the Leicester & Leicestershire SCITT programme.	Q3

Internal Audit Plan for the remainder of 2017-18

2017-18 Audit Plan Q3								
Plan State	Client Title	Ref	Title	Plan State	Start Planned Date	Audit Plan Area Names	Notes	
Added to Plan	Leicester City Council	A2017-025	Troubled Families	Not Started	01/10/2017	Grant Certifications	Grant audit in line with certification requirement. Additional audit requested for Dec 2017 claim	Q3

....continued overleaf,,,

Internal Audit Plan for the remainder of 2017-18

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2017-18 Audit Plan Q4								
Plan State	Client Title	Ref	Title	Plan State	Start Planned Date	Audit Plan Area Names	Notes	Quarter
Planned	Schools		Westgate	Not started	01/01/2018	Schools	KYB audit	Q4
Planned	Schools		Ellesmere College	Not started	01/01/2018	Schools	KYB audit	Q4
Planned	Schools	S2017-019	Catherine Junior School	Planning	01/10/2017	Schools	KYB audit - postponed from Q3 to Q4. Some initial planning work completed	Q4
Planned	Schools	S2017-020	Dovelands Primary School	Planning	01/10/2017	Schools	KYB audit - postponed from Q3 to Q4. Some initial planning work completed	Q4
Planned	Leicester City Council		Arcadis Professional Contract	Not started	01/01/2018	Contracts & Procurement	Framework Contract for providing professional technical services to a range of major projects. Management welcomes a review to ensure processes are followed and careful consideration takes place when using the contract.	Q4
Planned	Leicester City Council		Northgate	Not started	01/01/2018	IT	Review of the implementation plan and UAT. Included in the Generic Plan	Q4
Planned	Leicester City Council		Troubled Families	Not started	01/01/2018	Grant Certifications	Grant audit in line with certification requirement.	Q4
2017-18 Audit Plan Q4								

Internal Audit Plan for the remainder of 2017-18

Plan State	Client Title	Ref	Title	Plan State	Start Planned Date	Audit Plan Area Names	Notes	Quarter
Added to plan	Leicester City Council		Troubled Families	Not started	01/01/2018	Grant Certifications	Grant audit in line with certification requirement. Additional audit requested for Jan 2018 claim.	Q4
Added to Plan	Leicester City Council		TBC			Governance related	Potentially consulting on revisions to Audit & Risk Committee Terms of Reference	Q4
Added to Plan	Leicester City Council		TBC			Risk Management related		Q4
Added to Plan	Leicester City Council		Key IT Controls			IT		Q4

Appendix J

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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