



Leicester
City Council

MEETING OF THE AUDIT AND RISK COMMITTEE

DATE: WEDNESDAY, 6 MARCH 2019

TIME: 5:30 pm

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

Members of the Committee

Councillor Riyait (Chair)

Councillor Westley (Vice-Chair)

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

One Labour Group unallocated place

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: Jason Tyler
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Leicester City Council,
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- ✓ where filming, to (via the Chair of the meeting) ensure that those present are aware that they may be filmed and respect any requests to not be filmed.

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

FIRE / EMERGENCY EVACUATION

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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 19 December 2018 are attached, and Members are asked to confirm them as a correct record.

4. KPMG - ANNUAL REPORT - CERTIFICATION OF CLAIMS AND RETURNS

Appendix B

The letter from KPMG concerning the Certification of Claims and Returns - Annual Report 2017/18 is attached.

5. HOUSING BENEFIT SUBSIDY ARRANGEMENTS - UPDATE

The Head of Revenues and Customer Support will provide a verbal update on Housing Benefit subsidy arrangements.

6. THE IMPACT OF BREXIT ON LEICESTER CITY COUNCIL

Appendix C

The Chief Operating Officer and Director of Delivery, Communications and Political Governance submit a report, which sets out the findings of the impact/risk analysis carried out on Brexit by Officers.

7. RISK MANAGEMENT UPDATE

Appendix D

The Director of Delivery, Communications and Political Governance submits a

report, which presents an update on the Strategic and Operational Risk Registers, Claims data and Health & Safety data.

8. RISK MANAGEMENT AND BUSINESS CONTINUITY STRATEGY AND POLICIES 2019 [Appendix E](#)

The Director of Delivery, Communications and Political Governance submits a report, which presents the revised Risk Management and Business Continuity Policy Statement and Strategies.

9. REGULATION OF INVESTIGATORY POWERS ACT 2000 - BIENNIAL PERFORMANCE REPORT [Appendix F](#)

The City Barrister and Head of Standards submits a report, which advises on the performance of The Council in authorising Regulatory Investigation Powers Act (RIPA) applications, from 1 July 2018 to 31 December 2018.

10. THE JOINT DFE AND LGA TEST OF ASSURANCE [Appendix G](#)

The Strategic Director of Social Care and Education submits a report, which summarises the process and outcome of the Local Authority Test of Assurance undertaken by the Local Government Association (LGA) in November 2018.

11. PROCUREMENT PLAN 2019/20 [Appendix H](#)

The City Barrister and Head of Standards submits a report, which seeks approval of the 2019/20 Procurement Plan and to provides information on potential major procurement activity across the Council.

12. GRANT THORNTON - EXTERNAL AUDIT PLAN - YEAR ENDING 31 MARCH 2019 [Appendix I](#)

The 'External Audit Plan' report prepared by Grant Thornton, which provides an overview of the planned scope and timing of the statutory audit of the Council, is attached.

13. GRANT THORNTON - INFORMING THE AUDIT RISK ASSESSMENT [Appendix J](#)

The 'Informing the Risk Assessment' report prepared by Grant Thornton, which covers important areas of the auditor risk assessment under auditing standards, is attached.

14. ANNUAL REVIEW OF THE COUNCIL'S LOCAL CODE OF CORPORATE GOVERNANCE AND THE COMMITTEE'S TERMS OF REFERENCE [Appendix K](#)

The Director of Finance and the City Barrister & Head of Standards submit a report, which presents for approval updates to the assurance and corporate

governance processes at the City Council and to approve the Local Code of Corporate Governance.

15. PRIVATE SESSION

Members of the Public to Note

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

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

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

Paragraph 3

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

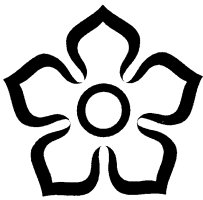
This report concerns the strength of internal controls of the City Council’s financial and management processes and includes references to material weaknesses and areas thereby vulnerable to fraud or other irregularity. It is considered that the public interest in maintaining the exemption outweighs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

APPENDIX L - INTERNAL AUDIT UPDATE REPORT

16. INTERNAL AUDIT SERVICE - PROGRESS AGAINST [Appendix L](#) THE 2018-19 PLAN

Leicestershire County Council’s Head of Internal Audit & Assurance Service submits a report, which provides a summary of progress against the Internal Audit Plan 2018-19, and summary information on high importance recommendations and progress with implementing them.

17. ANY OTHER URGENT BUSINESS



Leicester
City Council

Minutes of the Meeting of the
AUDIT AND RISK COMMITTEE

Held: WEDNESDAY, 19 DECEMBER 2018 at 5:30 pm

P R E S E N T :

Councillor Riyait (Chair)
Councillor Westley (Vice Chair)

Councillor Bajaj

Councillor Dr Moore

* * * * *

40. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Alfonso and Dr Chowdhury.

41. DECLARATIONS OF INTEREST

There were no Declarations of Interest.

42. MINUTES OF THE PREVIOUS MEETING

AGREED:

That the Minutes of the meeting of the Committee held on 12 September 2018 be confirmed as a correct record.

43. EXTERNAL AUDIT UPDATE

The Chair welcomed Mr J Cornett (KPMG) to the meeting. It was noted that the final audit opinion of KPMG had now been received, following a delay. Reference was made to recent correspondence concerning the delay in the process.

Mr Cornett was invited to update the Committee. He began by confirming that the audit of accounts for 2017/18 had been completed. In response to questions concerning the delay in the completion of the audit, he apologised

and reported on complications involving the housing benefit audit and extra detail required regarding pension aspects of the audit. Further issues relating to the approach taken on valuations of land and buildings identified late in the audit had caused the most significant delay. These returns had now been completed and the accounts had been signed off.

It was confirmed that KPMG had closed their interest and that future external audits would be undertaken by Grant Thornton.

The Chair thanked KPMG for their work and their explanation of the delay and apology was accepted.

In response to questions it was clarified that the term 'unqualified' meant that the accounts for the period showed a true and fair view of the position of the Council. It was also noted that there had been no changes to the accounts approved by the Committee in July 2018.

The Director of Finance reassured the Committee that changes due to the problems experienced had been taken on board for future accounting periods.

RESOLVED: That the position and update be noted.

44. BREXIT PREPARATIONS

The Director of Delivery, Communications and Political Governance provided a verbal update on the Council's work in preparation for Brexit.

It was reported that the Council was a key member of the Leicester, Leicestershire and Rutland Resilience Partnership's Forum where preparation and planning for major incidents and emergencies was regularly considered.

In respect of the risk-based aspects of the Forum's work, it was noted that East Midlands Airport, being the UK's busiest cargo airport, had been identified as a significant concern. Although there were no immediate risks for the city, it was noted that travel and transport disruption, impacts on fuel supplies, and the movement of goods and livestock had been assessed.

It was confirmed that the Forum had already established emergency planning policies before the announcement of Brexit and the deadline for the UK leaving the EU. Details of the command and control processes were described, and the Committee was reminded that the Forum had cause to act several times in the city this year. The wider structure, involving national regular telephone conference calls and a number of regional level groups was also reported.

In terms of the situation for the Council internally, the close working arrangements with risk management officers and enhanced use of established risk registers were noted. It was reported that risks were scored according to likelihood and impact, with mitigation measures being identified.

It was noted that the key risks related to the following areas of activity:

- Law and legislation.
- Procurement procedures, including implications on suppliers.
- Risk on the economy, and impact on the local economy.
- Financial impacts, changes to previous EU funding streams.
- Workforce changes.
- Associated wider impacts, involving the reliance on partners such as the NHS in providing social care.
- Community cohesion, advice and support, increased hate crimes.

A draft of the risk assessment was being prepared and would be available early in the New Year following consideration by the Executive.

In response to questions from Committee members, the following issues were reported:

- It was confirmed that employees had been asked to self-identify if they were EU citizens. It was considered that a small number of employees may be affected and communication with them concerning the implications had been enhanced.
- In regard to potential public disorder and attitudes, the Committee reflected on current media attention to Brexit and suggested that certain reports were unhelpful. The need to reassure citizens that the impacts of Brexit were being properly considered was highlighted. The important communication work undertaken by the Resilience Partnership in this respect was reported and recognised.
- It was noted that regular dialogue with the Police, utilising well-established mechanisms was ongoing. The incidents in the city recently were reiterated, to outline this close working arrangement between the Council, Police and other partners.
- In respect of supplies of medicines, the concerns had been addressed with NHS England and the national framework was clarified.
- A settlement scheme for EU citizens that were resident had been successfully piloted and it was expected that the scheme would be introduced in the New Year.
- It was suggested that Members be informed of the implications and/or offered a training session concerning the impact of Brexit once more detail on any agreement or a no-deal Brexit was known.
- The impact on existing key funding streams was noted, with the existing funding through the European Regional Development Fund (ERDF) finances being replaced by the UK Shared Prosperity Fund (UKSPF).

RESOLVED: That the position and update be noted.

45. COUNTER FRAUD MID-YEAR UPDATE

The Director of Finance submitted a report, which provided a mid-year update on the work carried out by the Corporate Investigations Team for the period 1 April 2018 to 30 September 2018.

It was reported that the focus of work for the period had continued to build on the momentum establishing indicative savings for the avoidance loss cases, which demonstrated the value of the work undertaken by the team. A summary of the savings definitions was appended to the report.

In response to a question from the Chair, the process for identifying areas for investigation was clarified, it being noted that this related to an assessment of high-risk areas.

RESOLVED: That the report be noted.

46. COMPLAINTS POLICY AND PROCEDURE FOR MANAGING VEXATIOUS CUSTOMERS

The Director Finance submitted a report, which asked the Committee to note the Revenue & Customer Support Service's implementation of a written Corporate Complaints Policy and Procedure to Manage Vexatious Customers. It was reported that the policy would ensure a clear and standardised approach for dealing with corporate complaints and customers who exhibit inappropriate behaviour.

The process for complaints being received by Councillors was clarified and the need for liaison between members and heads of departments was recognised.

In terms of vexatious customer complaints, the revised corporate policy to be used when a complainant's expectations were inappropriate was noted and welcomed.

The assessment protocols when identifying a complaint as vexatious were discussed, noting links to social care colleagues and the requirement to protect vulnerable customers.

In conclusion, the Chair suggested that an update be submitted to a future meeting to identify the effect and impact of the policy's introduction. It was confirmed that an update could be prepared as part of the Annual Report in September 2019.

RESOLVED:

That the report be received and the proposed complaints policy and procedure for dealing with vexatious customers be supported.

47. SOCIAL VALUE UPDATE

The Head of Procurement provided a verbal update on Social Value following the work undertaken by the Economic Development, Transport and Tourism Scrutiny Commission.

The Social Value Charter document as agreed by the Executive and adopted was circulated to the Committee. The Charter included guidance for suppliers and information including emissions and the environment, construction, apprenticeships and jobs. It was noted that analysis had shown that of all Council funds spent on supplies, a majority had involved local businesses.

It was recognised that some contract management required a stronger approach to show that Social Value was being considered and enhanced reporting was expected in the future. The innovative approach involving delivery partners, including the Employment hub, schools, charities and the voluntary sector was reported and noted.

In considering the document the Committee expressed concern that some existing providers of social value may have been overlooked and it was considered that such providers should be acknowledged. In response it was clarified that case studies showing good practice could be enhanced and that a key intention of the Charter would be to provide information as a starting point in the process for many providers.

In reply to a question concerning the assessment of the results and outcomes, it was reported the Scrutiny Task Group had decided not to set specific targets but would measure outcomes and that there would be an update to the Scrutiny Commission in due course.

In terms of specific targeting of the Charter to SMEs and other local businesses, it was clarified that favourable treatment of any particular business could not be undertaken, but that increased promotion and publicity of Social Value would be a factor in future contracts and procurement. The need to ensure employment and apprenticeship links to forthcoming major projects was suggested and encouraged as an assurance of long-term placements.

RESOLVED: That the update be noted.

48. STRATEGIC AND OPERATIONAL RISK REGISTERS - HEALTH AND SAFETY AND INSURANCE CLAIMS DATA - RISK TRAINING SCHEDULE 2019

The Director of Delivery, Communications and Political Governance submitted a report which presented an update on the operational risk registers, claims and health and safety data and an updated risk training schedule.

The strategic risk exposure summary as at 31 October 2018 was appended to the report.

In regard to the previous discussion concerning Brexit, the inclusion of risks relating to Brexit scenarios was noted.

In response to questions it was noted that claim values seemed high, although it was confirmed that the value was not the actual amount that was paid to claimants. It was reported that a summary of insurance claims data could be submitted to a future meeting of the Committee.

RESOLVED:

1. To note the Strategic Risk Register and Operational Risk Register as at 31st October 2018;
2. To note the Insurance Claims Data;
3. To note the Health and Safety Data;
4. To note the training timetable for 2019;
5. To note the progress being made with reviewing Divisional Risk Registers; and
6. That a summary of insurance claims data be submitted to a future meeting of the Committee

49. FINANCIAL AND ACCOUNTANCY DEVELOPMENTS UPDATE

The Director of Finance submitted a report, which provided an update on key changes currently affecting the Council, and which may have an impact on the work of the Committee.

The report included an update on the following areas:

- New Codes of Practice
- Budget 2019/20
- CIPFA Code of Practice Changes
- Format changes to the Statement of Accounts

RESOLVED: That the report be received and noted.

50. PRIVATE SESSION

Into Private Session.

RESOLVED:

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

Paragraph 3

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

Internal Audit Update Report

51. INTERNAL AUDIT UPDATE

The County Council’s Head of Internal Audit and Assurance Service submitted a report which provided:

- A summary of progress against the Internal Audit Plan 2018-19;
- A summary information on high importance recommendations and progress with implementing them; and
- An update on Leicestershire County Council Internal Audit Service’s resources

The Committee’s thanks were expressed to the newly appointed auditors, Grant Thornton for working with the internal auditors to ensure there was no crossover of work between both parties. In terms of future resourcing of the internal audit service, it was reported and noted that some non-urgent items would be required to carry over to future periods.

RESOLVED: that the report be received and noted.

52. CLOSE OF MEETING

The meeting closed at 7.40 pm.



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Private & confidential

Alison Greenhill
Director of Finance
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115 Charles Street
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Our ref KPMG/LCC/BEN01

11 January 2019

Dear Alison

Leicester City Council - Certification of claims and returns - annual report 2017/18

Public Sector Audit Appointments requires its external auditors to prepare an annual report on the claims and returns certified for each audited body. This letter is our annual report for the certification work we have undertaken for 2017/18.

In 2017/18 we carried out certification work on only one claim, the Housing Benefit Subsidy claim. The certified value of the claim was £122 million, and we completed our work and certified the claim on 6 December 2018.

Matters arising

Our certification work on Housing Subsidy Benefit claim included:

- agreeing standard rates, such as for allowances and benefit incomes, to the DWP Circular communicating the value of each rate for the year;
- sample testing of benefit claims to confirm that the entitlement had been correctly calculated and was supported by appropriate evidence;
- undertaking an analytical review of the claim form considering year-on-year variances and key ratios;
- confirming that the subsidy claim had been prepared using the correct benefits system version; and
- completing testing in relation to modified schemes payments, uncashed cheques and verifying the accurate completion of the claim form.

Our certification work identified a number of errors in the original claim. Where the error can be quantified by testing 100% of the population of potentially affected cases the claim can be amended. Where the population is too large for 100% testing to be practical or as specified by the housing benefit guidance, we need to write a qualification letter to explain what we found. The errors we found and the way they were dealt with are set out below:

Amendments to claim

The claim was amended to correct the below errors following 100% testing of these cases, undertaken by your officers:

- Non HRA Rent Rebates: Inclusion of incorrect assessment of tax credits in the benefit entitlement calculations;
- Non HRA Rent Rebates: Inclusion of incorrect assessment of earnings in the benefit entitlement calculations;
- Non HRA Rent Rebates: Inclusion of incorrect assessment of Jobseekers Allowance (Income based) in the benefit entitlement calculations;
- Non HRA Rent Rebates: Misclassification of overpayments; and
- Rent Allowance and Rent Rebates Modified Scheme: Inclusion of incorrect assessment of modified scheme cases.

The overall impact to the claim was a £2,917 decrease in subsidy claimed.

Qualification Letter

A qualification letter was required, due to a number of issues, as set out below:

- Benefit Software: Benefit granted did not reconcile to benefit paid by £2k;
- Technical Overpayments: Overpayments of £5k had been omitted from the subsidy claim as a result of the benefit software incorrectly applying technical overpayment classification to rent allowance cases;
- Non HRA Rent Rebates: Inclusion of incorrect assessment of rent free weeks in the benefit entitlement calculations;
- Non HRA Rent Rebates: Misclassification of expenditure between cells;
- Non HRA Rent Rebates, Rent Allowance and Rent Rebates: Inclusion of incorrect assessment of tax credits in the benefit entitlement calculations;
- Non HRA Rent Rebates, Rent Allowance and Rent Rebates: Inclusion of incorrect assessment of earnings in the benefit entitlement calculations;

- Rent Allowance and Rent Rebates: Inclusion of incorrect assessment of pension income in the benefit entitlement calculations;
- Rent Allowance and Rent Rebates: Inclusion of incorrect assessment of child care costs in the benefit entitlement calculations;
- Rent Allowance and Rent Rebates Modified scheme: Inclusion of incorrect assessment of modified scheme cases;
- Rent Allowance: Inclusion of incorrect assessment of disability premium in the benefit entitlement calculations;
- Rent Rebates: Inclusion of incorrect assessment of self-employed earnings in the benefit entitlement calculations; and
- Rent Rebates: Inclusion of incorrect assessment of severe disability premium in the benefit entitlement calculations.

Recommendation

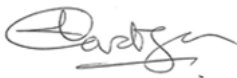
We have made one recommendation to the Authority to improve its claims completion process, which is included in Appendix 1.

In our 2016/17 Certification Annual Report we raised one recommendation relating to taking prompt action to address matters in our 2016/17 qualification letter. It remains outstanding at January 2019 and has been included in our 2017/18 recommendations. There are no further matters to report to you regarding our certification work.

Certification work fees

Public Sector Audit Appointments set an indicative fee for our certification work in 2017/18 of £59,237. Our actual fee was the same as the indicative fee, and this compares to the 2016/17 fee for this claim of £52,785.

Yours sincerely



Andrew Cardoza
Director, KPMG LLP

Appendix 1 – 2017/18 Certification of Claims and Returns Action Plan

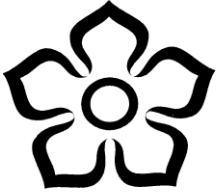
Priority rating for recommendations		
<p>❶ Issues that are fundamental and material to your overall arrangements for managing grants and returns or compliance with scheme requirements. We believe that these issues might mean that you do not meet a grant scheme requirement or reduce (mitigate) a risk.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

Number	Issue	Recommendation	Priority
1	The inclusion of incorrect claimant data included in the benefit entitlement calculations.	Review and improve the process for the inclusion of claimant data in the benefit entitlement calculations to reduce the level of errors being repeated in subsequent years.	❷

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

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

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



Leicester
City Council

WARDS AFFECTED:

Audit and Risk Committee - Note

6th March 2019

THE IMPACT OF BREXIT ON LEICESTER CITY COUNCIL

Report of the Chief Operating Officer (COO)/Director of Delivery, Communications and Political Governance

1. Purpose of the Report

1.1 To present to Audit and Risk Committee (A&RC) the findings of the impact/risk analysis carried out on Brexit by Leicester City Council (LCC) Officers. At the time of the assessment, the possible immediate impacts and short-term risks to LCC and on its services were considered and the purpose was to set out for debate the likely short-term impact/risks of a no deal scenario to LCC. Refer to:

- **Appendix 1**, the methodology adopted for this assessment;
- **Appendix 2**, the findings produced utilising the corporate risk assessment methodology.

2. Recommendations

2.1 **A&RC is asked to:**

- Note the findings of the Brexit impact/risk analysis (**Appendix 2**) **discussed in section 4**, the possible impact of a no deal Brexit scenario to the city council key areas;
- Note actions being taken by officers with each impact/risk identified;
- Make any comments to the COO/Director of Delivery, Communications and Political Governance.

3. Background

3.1 The report attempts to identify the key areas which could be impacted by Brexit. The key categories proposed for consideration were:

- **Law and legislation** – including the future review of UK laws of EU origin to consider their ‘real world impact’ and which may also lead to new legislative freedoms and flexibilities for councils;
- **Procurement/contracts** - there may only be minor procedural changes in the short term, even in the case of a no deal but there could be risks in relation to supply chains which impact on contract delivery;

- **Economy** – impacts in terms of interest rates/inflation/local economy;
- **Funding streams/financial** – including council services that are currently funded in part/in whole by EU funding;
- **Changes in workforce** - leaving the EU represents the possibility of a direct impact on both the local government workforce and the wider national workforce;
- **Community cohesion/service demand** – requirements of citizens in terms of advice and support and the consequent impact on services such as advice services, benefit and general support entitlement, housing, school admissions, as well as the potential for Brexit outcomes to create division between communities.

3.2 **Appendix 1 (Brexit Impact Assessment)** provides detailed information on the above-mentioned areas and proposed considerations within each category. This document was provided to officers as guidance for undertaking the assessment.

3.3 The uncertainty surrounding Brexit means that assessments were based on a current position judgement and will need to be monitored and changed as further information or other priorities and issues emerge, for this assessment, risk owners were asked to carry out an impact analysis on the key impact/risks identified using the LCC's risk management methodology. In addition, officers were asked to identify management actions that are currently/will be undertaken to minimise/mitigate the impact/risk based on the likelihood of occurrence.

4. Report

4.1 **Appendix 2 (Findings of Brexit Impact Assessments)** provides the findings for each category mentioned in section 3 in detail. Key impacts/risks were identified for LCC officers to assess using the corporate risk assessment methodology. These were scored and officers provided proposed management actions to mitigate/manage the impact and prepare for such eventualities. The table below provides snapshot of the number of high, medium and low impacts/risks under each category.

Brexit risk/Impact analysis category	No of High/Medium/Low risk
Law and Legislation	1 High 2 Low
Procurement/Contracts	2 Medium 1 Low
Economy	2 High 3 Medium 2 Low
Funding Streams	1 Low
Changes in workforce	4 Medium 2 Low
Community cohesion/service demand	1 Medium 9 Low
Business Continuity	1 Medium 7 Low

4.2 There are 3 high risks in totality which are:

Risk No:	Risk	Impact (A)	Likelihood (B)	Risk Score (A x B)	Priority	Risk Owner	Management Actions	Target Date
Law and Legislation								
2	Change to waste export rules. May increase costs to contractor and may reduce recycling and composting rate.	4	4	16	High	Geoff Soden	Monitor legislative changes.	31.01.19 /ongoing
Economy								
8	Economic uncertainty and growth impact on people's finances	4	4	16	High	Mike Dalzell	If BREXIT results in slower economic growth it may impact employment rates and wages. Need work closely with DWP, local charities etc, East Midlands Chamber and LLEP to monitor trends, identify and engage with high risk businesses, gain intelligence, provide information as appropriate.	2019/20
9	Relocation of foreign owned businesses and impact on labour market e.g. job losses	4	4	16	High	Mike Dalzell	Strong evidence that some businesses are delaying investment until they know what BREXIT will mean and how it will work. Will particularly impact those sectors with multi channel international supply chains. Work closely with East Midlands Chamber and LLEP to engage with business, gain intelligence and encourage BREXIT planning.	31.01.19 /ongoing

4.3 Such impacts/risks, due to them being **high**, require regular monitoring and possibly further actions to be implemented.

4.4 The below matrix provides an indicator of the status of the impacts/risk identified as part of this process in terms of likelihood and impact.

Almost Certain	5		4				
Probable / Likely	4	6	13,26 27,28	7,36	2,8,9		
Possible	3		1,3, 14,16 22,29,30	5,11 12,15 18,19 21	20		
Unlikely	2		17,25,31 32,33 35,37,38	23,24 32,34			
Very unlikely Rare	1	10					
		1	2	3	4	5	
		Insignificant/ Negligible	Minor	Moderate	Major	Critical / Catastrophic	

4.5 Those impacts/risks in the **red quadrant require regular reviewing/monitoring** and consideration for further controls where appropriate as well as escalation. Those in the **yellow also require regular reviewing and monitoring** to ensure they do not escalate to a red risk.

4.6 These findings should be used as working documents for ongoing assessment to ensure that changes in Brexit are reviewed, monitored and communicated accordingly. Directors are reminded to monitor changes and inform of these impacts/risks as part of their wider risk reporting.

5. Financial, Legal Implications

5.1 **Financial Implications**

The financial implications of Brexit on the Council and the wider city are potentially wide ranging and cannot be quantified financially.

The Government has recently announced that all unitary councils will receive £210,000 to assist their preparations. This will be used to address issues and risks as they arise.

Colin Sharpe, Head of Finance – 37 4081

5.2 **Legal Implications**

‘There are no direct legal implications arising from this report’

Kamal Adatia, City Barrister – 37 1401

- 5.3 There are no equalities implications arising directly from the recommendations of the report. However, the assessment covers some risks which would have an impact on people from protected groups, for example the potential for division between communities and the risk around availability of labour supply in the care sector. The assessment identifies ways in which the risks will be managed and there is a commitment to continue to ensure that changes in Brexit are reviewed, monitored and communicated accordingly. This approach will help to mitigate the likelihood or severity of any potential negative equalities impacts arising.
Hannah Watkins, Equalities Manager – 37 5811

6. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References Within Supporting Information
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Climate Change	No	There are no significant climate change implications directly associated with this report.
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	No	
Risk Management	Yes	All of the paper.

7. Report Authors

Sonal Devani – Manager, Risk Management, REBR – 37 1635
 30th January 2019

THE IMPACT OF BREXIT ON LEICESTER CITY COUNCIL

Purpose of the impact analysis

It is accepted that the ultimate impact of Brexit on the Council is unclear. Irrespective of the outcome of the negotiations, it is suggested that some evidence gathering activity is undertaken to understand its possible impacts.

1. The purpose of this impact analysis is to set out for debate the likely short-term impact/risks of no deal scenario to Leicester City Council.
2. The impact analysis attempts to identify the key areas that could be affected
3. The proposal identifies a series of possible impacts/actions for consideration

Summary

The Council's responsibilities fall into two areas:

- the ongoing delivery of Council services
- the Council's role in supporting the local economy/community.

Having considered some of the ongoing national activity relating to Brexit, it is suggested that the key areas of focus should be:

- Law and legislation
- Procurement/contracts
- Economy
- Funding streams/financial
- Changes in workforce
- Community cohesion/service demand

EU Legislation/new legal base for local government

There are many EU laws that affect the day job of local councils. The future review of UK laws of EU origin must consider their 'real world impact' and may lead to new legislative freedoms and flexibilities for councils so that local communities, businesses and consumers can benefit.

Consider identifying services in the departments which are currently defined and delivered by/through EU legislation, identifying the relevant EU legislation.

On Procurement

For example - potential regulation impact/changes.

There is likely to be only minor procedural changes in the short term, even in the case of a no deal. In line with the other reviews of UK laws that apply EU rules to councils, a review of procurement law will take place from 2021. This may create the opportunity to develop a lighter-touch system, therefore, a simpler process, and provides more flexibilities to promote local growth. This is vital so that councils can procure to shorter timescales and lower high administration costs for businesses, especially small and medium-sized enterprises.

From a procurement perspective, considerations should relate to the wider economic impact affecting inflation and the cost of our bought in goods and services. Whilst we do not buy a lot from the EU ourselves, some of our supply chains will be affected by exchange rate fluctuations and could be impacted by tariffs/customs controls etc if these were to be implemented. Our contracts may not fully provide for these circumstances, and it might not be in our interests to enforce in all circumstances as continuity of provision would need to be ensured.

Economy

For example, – interest rates/inflation/economy generally – consider this as it happens and as issues emerge.

The LLEP and the East Midlands Chamber need to remain connected to businesses in order to be aware of potential risks and implications associated with Brexit. In addition, the impact on businesses and educational establishments resulting from demographic changes also need to be monitored.

Confusion arising from new legislation may result in an increased demand for general guidance (business advice including trading standards and compliance issues) from SMEs. The LLEP may need additional resources to meet this in the short and longer term.

See also above section on **Procurement** for economic impacts.

Funding

For example, European funding for projects

Identify council services that are currently funded in part/in whole by EU funding. Consider the value and percentage of the EU funding.

Identify non-council services that are directly funded in part/in whole by the EU which as a result of the withdrawal of funding will have a direct impact on the department's services.

There has been discussion that local communities will continue to benefit from EU funds until the end of the current programmes in 2020, allowing programme delivery to run until the foreseen closure in 2023. This is seen as a short-term solution.

It is essential that EU funding to local areas is fully replaced by 2021 at the very latest as part of a locally-led successor scheme. The Government has announced a

new UK Shared Prosperity Fund (UKSPF) and promised a consultation by the end of 2018.

On Employment/workforce and skills:

For example, who is employed but maybe affected due to origin/work status/bigger problem in areas such as ASC who rely on migrant workers

Leaving the EU represents the possibility of a direct impact on both the local government workforce and the wider national workforce, The Government's Migration Advisory Committee is aware of the high number of non-UK EU nationals who work in key services such as social care, construction, local industries such as tourism and other key sectors - agriculture, food manufacturing – are vulnerable to reductions in the supply of labour from the European Economic Area. The skills gap may need to be addressed.

Whilst the withdrawal agreement gives some certainty on this issue in the short to medium term, the need for business continuity across local places, both in terms of our ability to plan for the sustainability of essential public services and for local private and public-sector employers to have the steady supply of the skills they need to thrive and grow remains a key issue.

Consider the number of staff at Leicester City Council that may be impacted by changes to EU workers' rights (eg EU nationals currently employed here).

Establishing the percentage of EU nationals currently employed directly or indirectly (agency or commissioned) by Leicester City Council for the delivery of services is recommended.

Community cohesion, service demand:

For example, consider citizen support – impact on advice services, benefit and general support entitlement, housing, school admissions – impact on schools if EU migrants leave the UK or where British nationals having to return to the UK.

Councils play the leading role in bringing communities together and will be important in tackling challenges such as the retention of skilled workers. For example, the adult social care workforce has a unique set of skills but struggles with recruitment and retention. With 7 per cent of existing adult social care staff across the UK from other EU nations, securing a sustainable adult social care workforce and excellent care skills will be a priority for the Government.

No Deal

The implications of a no deal and as a result no transitional period could be considerable on the Council and local economy. Stockpiling may be considered for some services of essential items and or buying in additional resources to support key services. Issues of resilience may also arise including the potential for civil unrest.

Further Information:

Please see Appendix A for local government priority areas for legal framework review following Brexit.

Methodology for the impact analysis:

The current uncertainty about the Brexit scenario should consider an 'on the day' judgement and may change as different priorities emerge. When scoring the risk/impact, the assessments should be based on a worst-case scenario. There will be interdependencies between the risks therefore it may be challenging to determine an accurate picture. Some of the impacts/risks identified may appear under several categories.

Author: Sonal Devani, Tel. 37 1635, 19th October 2018

Appendix A

LGA defined local government priority areas for legal framework review following Brexit.

Priority Theme	Key Messages
<p>Public Procurement</p> <p>UK Public Contracts legislation stems directly from EU law. If the UK's exit results in the UK not being part of the single market then there might be some opportunities to introduce a streamlined public procurement framework. However, we need to recognise that public procurement is also subject to World Trade Organisation (WTO) agreements. The UK is a signatory to the Government Procurement Agreement as a member of the EU, but other signatories include key future trading partners such as the USA, Canada, and Japan. Others including China are negotiating accession.</p>	<ul style="list-style-type: none"> • Councils need a simpler and more efficient public procurement regime, whilst still ensuring best value for public money. • Councils need greater flexibility to stipulate some use of local contractors and local labour in their procurements. • Shorter timescales, lighter-touch advertising requirements and award procedures, less risk of litigation, and the possibility for greater negotiation with suppliers would be of benefit.
<p>Regulatory services, consumer protection, trading standards, including food safety, licensing, product safety, fair trading, weights and measures</p> <p>EU laws governing these issues are generally considered by councils to be helpful in protecting public safety.</p>	<ul style="list-style-type: none"> • Laws to protect the public and consumers will continue to be needed, but councils can work to ensure that regulation, including licensing, more squarely meets the needs of local communities and local business growth. We need to develop legislation which creates desired outcomes, but where delivery is defined locally. • Whilst maintaining national standards and broad objectives, delivery and choices of where to focus should be locally driven.
<p>Environment: air quality standards, strategic environmental assessments, municipal buildings and energy standards</p> <p>UK environmental legislation often stems directly from EU legislation. This covers areas such as national fines for poor performance against air quality standards and the preparation of environmental assessments as part of the planning process.</p>	<ul style="list-style-type: none"> • Councils need to stress that core responsibilities for air quality lie with government and national agencies (such as Highways England and the Airports Authority). The policies of individual councils can only have a limited affect in improving air quality • Councils will want to ensure that UK targets on clean air are at least as ambitious as EU targets and that where councils have a role, they are given the powers and resources to deliver them. • Councils should be closely involved in any reform of the Strategic Environment Assessment regime, along with energy 8 standards in relation to public buildings. • Councils are currently exempt from the EU Energy Efficiency directive, whilst supporting its overall aims.

	<p>This exemption should continue, whilst making the case for increased funding to renovate the local government sector building stock.</p> <ul style="list-style-type: none"> • We should consider areas where there might be “gold plating” in the manner in which EU laws and regulations have been adopted (i.e. additional regulations have been added to EU directives when they were made into UK law). However, this needs to be balanced with caution around deregulation. • Even when it is considered that quality standards should be determined at a national level, and this might be the case in some areas of environmental protection, delivery should remain locally determined and local government should be a key partner in determining the national standards.
<p>Waste: landfill, recycling, waste electric and electronic equipment (WEEE)</p> <p>UK waste policy is underpinned by EU legislation. This includes targets for recycling.</p>	<ul style="list-style-type: none"> • The principle of subsidiarity should apply. Councils want greater local flexibility in how waste is managed according to local choices and priorities. • Councils seek reforms that will achieve changes in production and consumption patterns so as to consider waste as a potential resource and to promote the market in secondary materials. • Councils will want to ensure that the ‘polluter pays’ principle remains in place post Brexit (an example here is waste electric and electronic equipment).
<p>Transport: including commissioning/franchising/concessions regimes, state aid regime, electric charging points, Heavy Goods Vehicle (HGV) road tolls, road safety, airport/airline public subsidies, passenger rights, disabled access etc.</p> <p>There are EU requirements on councils in all of the above areas. In addition EU financing (Connecting Europe Facility) is also available to help local authority-managed infrastructure link with major road/rail corridors.</p>	<ul style="list-style-type: none"> • Councils want to ensure any changes to the legal framework support economic growth through improvements to the transport network. • There should be greater flexibilities to commission public transport services. • Councils will want to ensure withdrawal from the Connecting Europe Facility (CEF) EU funding programme does not lead to a loss of funding for links with locally-managed infrastructure.
<p>Employment/Workforce</p> <p>The majority of legislation governing employment and employee rights in the workplace stems from EU law. Local government is a major employer, and</p>	<ul style="list-style-type: none"> • Councils will want legislative reviews to provide stability in the labour market. This applies to contractual employment arrangements but also in terms of labour supply.

<p>contracts with other major employers for services such as public health and social care. EU rules on posting workers also affect how long a worker from abroad can be posted to work in the UK.</p>	<ul style="list-style-type: none"> • Councils want to ensure a continued availability of labour supply in the care sector in particular, and a flexible regime allowing workers to be easily posted from all countries. • Councils want to maintain a proportionate approach to remunerating ‘on call’ working time to ensure no additional costs for fire services and social services.
<p>Planning</p> <p>EU directives establish minimum requirements for the environmental impact assessment of projects, with the aim of ensuring a high level of protection of the environment and human health.</p> <p>EU directives also protect bio-diversity and wildlife etc.</p> <p>Local authority charges for environmental information are also governed by EU legislation.</p>	<ul style="list-style-type: none"> • Councils will be keen to ensure that the provision of environmental information to individuals and or businesses is not subsidised by local communities post-Brexit. • There may be a possibility to introduce more flexible state aid rules governing for example the price of public land sold to developers and freeing up the greater use of section 106 agreements. • Councils may want to consider whether habitat assessments remain fit for purpose.
<p>Economic development</p> <p>EU state aid rules apply when councils give grants or subsidies to an organisation or business: anything from supporting local Non-Governmental Organisations (NGOs) through to supporting large scale manufacturing with regional aid.</p> <p>The UK is also subject to WTO rules, which will remain in place post-Brexit.</p>	<ul style="list-style-type: none"> • Brexit provides an opportunity to reform the state aid regime to introduce greater local flexibilities. The EU regime, once repatriated, could be replaced by some form of domestic control to ensure public grants and subsidies remain focused on public interest objectives and do not unduly distort competition. This might include introducing higher financial thresholds than the EU regime allows.
<p>Local Government Finance</p> <p>EU VAT legislation frames the VAT treatment of local authority services and activities, as well as the VAT reimbursement system in place from HMRC to councils.</p> <p>EU rules on investments also regulate which financial products local authorities can invest in, and the level</p>	<ul style="list-style-type: none"> • Councils will want to continue to retain any favourable VAT treatment of their services and consider options to support local communities in attaining better VAT treatment for essential goods and services. • Councils may want to have lighter 10 requirements in future as regards the level of external advice which must be received before investing public money, and may also wish to invest in a wider range of instruments than the current rules allow.

<p>of expert advice they must receive before investing.</p>	<ul style="list-style-type: none"> • Councils will want any changes to be considered as part of a wider debate on fiscal freedoms and flexibilities for councils – for example, retaining a share of VAT raised locally.
<p>Data and Public Information</p> <p>The availability of public sector information and the treatment of personal data is all governed by EU law.</p>	<ul style="list-style-type: none"> • Councils may want to ensure a more proportionate regime is in place for the processes surrounding the treatment of personal data. • Councils may want to review and amend current EU requirements as regards the publishing of information which are not always cost-effective.

Appendix 2								
Brexit risk/impact analysis								
Risk No:	Risk	Impact (A)	Likelihood (B)	Risk Score (A x B)	Priority	Risk Owner	Management Actions	Target Date
Law and Legislation								
1	Data /Information Sharing.	2	3	6	Low	Kamal Adatia	UK will not be able to apply to the EU for an adequacy decision for personal data transfers until it actually leaves the EU and it could then take several months to obtain adequacy. There are some risks that mean adequacy may not be obtained at all or challenged through the courts. Transfer of personal data from the EU to the UK could be affected. Operationally this could potentially be managed with alternative ways of transfer such as consent, model contract clauses etc. The UK Government's brexit position paper said each organisation must find its own solution. It will probably only impact service areas that liaise with EU countries on service users' data e.g. social care, law enforcement. IG team to liaise with service areas to establish which may be affected and look at alternatives should it appear that they are needed.	15.03.19 /ongoing
2	Change to waste export rules. May increase costs to contractor and may reduce recycling and composting rate.	4	4	16	High	Geoff Soden	Monitor legislative changes.	15.03.19 /ongoing
3	Scheme of Authorisation of Regulatory Officers.	2	3	6	Low	Kamal Adatia/John Leach	Update Regulatory Services Scheme of Authorisation in line with UK legislation.	15.03.19 /ongoing
Procurement/Contracts								
4	Contracts: e.g. loss of access to shared European IT systems.	2	5	10	Medium	Alison Greenhill / Kamal Adatia	Some of our providers store our data in EU countries and once outside of the EEA we can continue to store in the EEA but would we want to? If not we would need to vary all our contracts to now store it outside the EEA if our access rights are diminished.	15.03.19 /ongoing
5	Impact on cost of contracted goods and services due to economic uncertainty, tariffs etc. where supply chains rely on cross-border working.	3	3	9	Medium	Kamal Adatia	Need Brexit "trigger" clauses e.g. right to change pricing, renegotiate or terminate. Increase or decreased costs are difficult to re-negotiate on present contracts but we could have a planned variation which complies with Reg 72 (1) to cover impact of customs clearance processes or "passporting" of certain professionals.	15.03.19 /ongoing
6	Changes to procurement rules and implementation of systems for working outside of the EU hinder procurement practice or require changes to policies/procedures.	1	4	4	Low	Kamal Adatia	Maintain watching brief on changes to rules/systems. These are expected to be minor and operational in the short term with minimal impact. Maintain dialogue with eTendering system provider who will need to integrate with new system (that will replace OJEU/TED). Longer term impact could be positive if de-regulation leads to greater ability to favour local suppliers and social value. Ensure procurement rules and procedures are flexible enough to benefit from such changes if they arise.	15.03.19 /ongoing
Economy								
7	Impact on local government funding.	3	4	12	Medium	Mike Dalzell / Andrew Smith	If BREXIT weakens economic growth and tax take then will generate further pressure on public finances. Failure to deliver key infrastructure for growth through loss of grants will undermine investor confidence. Need to lobby gov't with LLEP and key partners to maximise use of future resource streams such as UK Prosperity fund which is intended to replace EIU structural funds.	15.03.19 /ongoing
8	Economic uncertainty and growth impact on people's finances.	4	4	16	High	Mike Dalzell	If BREXIT results in slower economic growth it may impact employment rates and wages. Need to work closely with DWP, local charities etc, East Midlands Chamber and LLEP to monitor trends, identify and engage with high risk businesses, gain intelligence, provide information as appropriate.	2019/20
9	Relocation of foreign owned businesses and impact on labour market e.g. job losses.	4	4	16	High	Mike Dalzell	Strong evidence that some businesses are delaying investment until they know what BREXIT will mean and how it will work. Will particularly impact those sectors with multi channel international supply chains. Work closely with East Midlands Chamber and LLEP to engage with business, gain intelligence and encourage BREXIT planning.	15.03.19 /ongoing
10	British nationals relocating to the UK.	1	1	1	Low	Mike Dalzell	Difficult to predict with any certainty but intuitively seems unlikely that BREXIT creates a rationale for people to go back to the UK in large numbers. See also 22 below	15.03.19 /ongoing
11	Uncertainty, and lack of confidence in the property market, leading to delayed investment decisions and potential stalling of regeneration sites.	3	3	9	Medium	Andrew Smith/ Matthew Wallace/Mike Dalzell	Monitor market conditions closely. Continue to provide good support for potential regeneration schemes to maintain confidence. Support through planning process. Support from Director Inward Investment.	15.03.19 /ongoing
12	Potential lack of confidence in economy, impacts on the housing market, with a consequence of falling house prices delaying the disposal of land at Ashton Green and other council property and the delivery of new homes resulting in loss of New Homes Bonus.	3	3	9	Medium	Andrew Smith/ Matthew Wallace	Monitor market conditions closely. Continue to provide required infrastructure to pump prime development and maintain confidence. Support through planning process.	15.03.19 /ongoing
13	Increased demand for 'Export Health Certificates' from local food manufacturers.	2	4	8	Low	Roman Leszczyszyn	Monitor the demand Quarterly review of capacity to provide this service.	15.03.19 /ongoing
Funding streams/financial								

Brexit risk/impact analysis								
Risk No:	Risk	Impact (A)	Likelihood (B)	Risk Score (A x B)	Priority	Risk Owner	Management Actions	Target Date
14	Loss of EU ERDF and ESF funding.	2	3	6	Low	Mike Dalzell / Andrew Smith/Alison Greenhill	Economic Development EU funds now largely committed. Low carbon transport funding confirmed - loss of funds would undermine. Replacement UK Prosperity Fund pending. No great clarity yet on total resource and how that will operate and what the criteria will be though quite likely linked to the productivity / Industrial Strategy themes. New funds may be less bureaucratic if treated like local growth fund etc. Need to lobby gov't with LLEP and key partners to maximise use of future UK Prosperity fund.	15.03.19 /ongoing
Changes in workforce								
15	Provision of social care workers and adult social care supply chain risk.	3	3	9	Medium	Steven Forbes	Using Skills for Care data, which they gather info from LA's (ASC only) and care providers. They have a return rate of 100% for LA's and 55% from providers (nationally). The data for Leicester for 17/18 shows that 84% of our workforce are British Nationals. It doesn't include info on the nationality of the 16% that are not British and so we don't know how many of these would be EU nationals. Our care workforce is 12,000 strong so 16% non-British would equate to 1,920 jobs. We have contacted Skills for Care to see if they can give us more specific data on response rates locally and what parts of the sector these jobs are based in. Domiciliary Care is the toughest in terms of recruitment, followed by Residential Care and then other parts of the sector such as Supported Living. If the majority of these non-British post holders were in Domiciliary Care and we weren't able to continue to attract these people into these posts then this would likely have an effect on our market. It is likely that more information will be available from Skills for Care in the New Year, which should give more info on the risk.	15.03.19 /ongoing
16	NHS impact re provision of nurses and impact of this on council social care services/public health services provided by GPs, other clinicians and allied health professionals.	2	3	6	Low	Steven Forbes / Ivan Browne	At current time in 2018/19 (and as for recent previous years) both UHL and LPT Trusts are reporting significant numbers of nursing staff vacancies across all nursing disciplines and service structures. In total the current tally is in the region, of 600 vacancies. Any loss of staff due to EU nationals either returning to countries of origin or choosing not to come to the UK will add to an existing pressure. Trusts may be able to mitigate some of the via wider international recruitment beyond EU states subject to any immigration restrictions. The impact of this directly on adult social care services is not clearly defined. We cannot 'step in' and provide an alternative clinical offer / service. But there would likely be an increased churn of activity and system pressure that would demand more Social worker time to seek to resolve individual patient needs. Monitor and continue to work closely with Health to understand any potential impacts as they become clearer.	15.03.19 /ongoing
17	Loss of staff (e.g. if EU nationals have to return to their original countries and/or there is a lack of clarity about their status in terms of working in the UK) causes disruption to service delivery and may increase costs if roles need to be covered via temporary means.	2	2	4	Low	Miranda Cannon / Craig Picknell	Utilise existing information where possible to identify staff who are EU nationals and, if necessary, request them to identify themselves to us. Engage in a targeted way with identified staff including appropriate Comms regarding support particularly in terms of the Govt settlement scheme and any other implications as they are made known to us. Should staff leave at short notice, where necessary invoke business continuity plans in relation to dealing with immediate loss of staffing resources and consider appropriate measures such as use of temporary staffing e.g. agency and casuals, or the temporary redeployment of staff from less critical services if necessary.	15.03.19 /ongoing
18	Impact on Labour market and employment makes it difficult to recruit staff and particularly in some already hard to recruit roles.	3	3	9	Medium	Miranda Cannon / Craig Picknell	Existing work to develop a stronger employer brand and value proposition alongside implementation of new recruitment system is aimed at ensuring we can better compete in a competitive employment market and position ourselves as an employer of choice. This in turn will help support and mitigate this risk. In addition continue with the targeted work around entry to employment for graduates and apprenticeships utilising the apprenticeship levy where possible, to support a 'grow our own' strategy particularly for harder to recruit roles. Where necessary utilise other tools such as market supplements.	15.03.19 /ongoing
19	Employment of migrant workers as teachers and teaching assistants	3	3	9	Medium	Paul Tinsley	Awareness raised with schools of potential risks of losing staff via communication with governors, Leicester Primary Partnership and Education Improvement Partnership.	15.03.19 /ongoing
20	Contracted services impacted by loss of qualified workforce/difficulties recruiting, for example shortage of qualified drivers or fitters, general staff recruitment by contractors.	4	3	12	Medium	Geoff Soden	Discuss business continuity plans with relevant contractors and then seeking to continue to enforce existing contracts mindful of the risk of increased costs in advance of re-tendering and managing this as a possible risk/future pressure	15.03.19 /ongoing
Community cohesion/service demand								

Brexit risk/impact analysis								
Risk No:	Risk	Impact (A)	Likelihood (B)	Risk Score (A x B)	Priority	Risk Owner	Management Actions	Target Date
21	Public concerns and disquiet relating to Brexit outcome leading to tensions and possible public disorder and social unrest which impacts on community cohesion within the city.	3	3	9	Medium	John Leach / Miranda Cannon	Use established community tension monitoring process to continue to monitor any emerging tensions. Work closely in partnership through existing partnership arrangements, with the Police and others including the voluntary and community sector and faith groups to identify any potential issues or concerns at an early stage and to agree any necessary interventions. As appropriate, support any national communication campaigns around relevant Brexit issues such as information around the Settlement Scheme. Ensure relevant frontline officers e.g. Customer Services are briefed on possible questions/concerns that may arise so that they can respond and signpost people accordingly. Should any significant disorder arise there are well established emergency management plans and arrangements in place e.g. LCC major incident plan which can be invoked should the level of disorder necessitate this.	15.03.19 /ongoing
22	Influx of UK nationals from EU countries creates a sudden and unplanned for demand on a range of services e.g. Housing, School Admissions, Social Care, Revenues and Benefits and Customer Services.	2	3	6	Low	Alison Greenhill / Chris Burgin / Paul Tinsley	Dependent on the scale of the demand, as appropriate, invoke the corporate/relevant service business continuity plans if applicable. Consideration to be given by service areas impacted by high demand on how to manage this including resourcing from other non priority areas, prioritisation, targeted service delivery to core/key areas. Ensure clear communications to the public / service users as appropriate regarding service access channels with online channels promoted. Positive promotion about existing service demand and potential impacts of this. Promote self help options if available .	15.03.19 /ongoing
23	School admissions e.g. more vacant spaces if EU nationals leave.	3	2	6	Low	Phil Coyne/Paul Tinsley	Work both internally and with assistance from independent experts to review place planning forecasts and develop phased provision of new space, in order to reach a point of certainty in the provision of space. This work will continue to be managed by an internal Schools Estates Governance Board which reports regularly. Liaise with city and County schools to ensure there is timely and accurate data on movement in and out of schools.	15.03.19 /ongoing
24	School admissions e.g. demand for school spaces if British national return to UK	3	2	6	Low	Phil Coyne/Paul Tinsley	Work with the government free schools team to ensure that any assistance the Council can provide in delivery of new schools is managed efficiently. Liaise with city and County schools to ensure there is timely and accurate data on movement in and out of schools.	15.03.19 /ongoing
25	Lack of understanding or certainty about the implications of Brexit create an increased demand for advice and support from citizens which impacts on a number of key services e.g. Customer Services, Welfare Advice, Housing.	2	2	4	Low	Chris Burgin / Alison Greenhill	Dependent on the scale of the demand, as appropriate, invoke the corporate/relevant service business continuity plans if applicable. Consideration to be given by service areas impacted by high demand on how to manage this including resourcing from other non priority areas, prioritisation, targeted service delivery to core/key areas. Ensure clear communications to the public / service users as appropriate regarding service access channels with online channels promoted. Positive promotion about existing service demand and potential impacts of this. Promote self help options if available . Ensure contracted Welfare Advice providers are briefed and there is clear public signposting to appropriate sources of support such as welfare advice.	15.03.19 /ongoing
26	Demand for specialist advice from importers/exporters on regulatory compliance issues.	2	4	8	Low	Roman Leszczyszn	Establish MOU with LLEP for triage and appropriate referral Assessment of resource requirement Training sessions for officers Close monitoring of advice from Central Government, lead national regulators (e.g. FSA, HSE) and professional bodies (e.g. CIEH, CTSA, ACTSO).	15.03.19 /ongoing
27	Complaints from public and businesses that products do not meet regulatory standards or breach intellectual property rights.	2	4	8	Low	Roman Leszczyszn	Respond based on detriment/risk assessment and availability of investigatory resource. Quarterly review of capacity to provide response to 'high public risk' reports/incidents.	15.03.19 /ongoing
28	Requests for 'inland checks' of product conformity from Border Posts.	2	4	8	Low	Roman Leszczyszn	Quarterly review of capacity to provide response to requests Training sessions for Officers Close monitoring of guidance from Central Government, lead national regulators and professional bodies.	15.03.19 - By 28 March 2019 - Ongoing
29	Requests from HMRC for intelligence and participation in joint operations in tackling duty and VAT fraud.	2	3	6	Low	Roman Leszczyszn	Respond based on detriment/risk assessment and availability of investigatory resource. Quarterly review of capacity to provide response to requests.	15.03.19 /ongoing

Brexit risk/impact analysis								
Risk No:	Risk	Impact (A)	Likelihood (B)	Risk Score (A x B)	Priority	Risk Owner	Management Actions	Target Date
30	Demand for council services e.g. housing.	2	3	6	Low	Chris Burgin	Dependent on the scale of the demand, as appropriate, invoke the corporate/relevant service business continuity plans if applicable. Consideration to be given by service areas impacted by high demand on how to manage this including resourcing from other non priority areas, prioritisation, targeted service delivery to core/key areas. Ensure clear communications to the public / service users as appropriate regarding service access channels with online channels promoted. Positive promotion about existing service demand and potential impacts of this, promote self help options if available .	15.03.19 /ongoing
Business Continuity								
31	Transport network disruption – road (within 5 miles of EMA and beyond 5 miles).	2	2	4	Low	Martin Fletcher	The main road network in this area around East Midlands Airport is managed by the three county councils and the highways agency. ATC manage traffic signalling in Leicestershire and also provide traffic information for the public. Impact on Leicester from road network disruption around EMA is expected to be limited. However, if disruption does arise, dependent on the scale of the disruption, as appropriate, invoke the corporate/relevant service business continuity plans. Ensure clear communications to Managers and staff regarding options including staff working from home where this is feasible and considering alternative means of travel such as walking, cycling etc. Ensure clear communications to the public / service users as appropriate regarding any disruption to services.	15.03.19 /ongoing
32	Transport network disruption to road and/or rail travel impacts on staff in relation to travel to work and may also impact on services which rely on transport e.g. social care, SEN transport, waste management etc	3	2	6	Low	Miranda Cannon	Dependent on the scale of the disruption, as appropriate, invoke the corporate/relevant service business continuity plans. Ensure clear communications to Managers and staff regarding options including staff working from home where this is feasible and considering alternative means of travel such as walking, cycling etc. Ensure clear communications to the public / service users as appropriate regarding any disruption to services.	15.03.19 /ongoing
33	Disruption to food supplies impacts on specific services namely children's residential care and city catering for school meals provision.	2	2	4	Low	Paul Tinsley / Caroline Tote	The relevant services will need to look to quickly adjust menus and food orders/suppliers to take account of availability of specific foodstuffs. This may require appropriate waivers in relation to procurement procedures to be agreed quickly to access other suppliers.	15.03.19 /ongoing
34	Disruption to fuel supplies impacts on provision of services which rely on fuel/transport e.g. social care, highways, bereavement services, SEN transport, Housing etc and impacts on ability of staff to travel to work.	3	2	6	Low	Miranda Cannon	Dependent on the scale of the disruption, as appropriate, invoke the corporate/relevant service business continuity plans. The LRF has a fuel shortage plan which may be invoked and this provides a framework for identifying critical services in relation to use of fuel and access to specific stocks of fuel. The Council also has a number of electric vehicles and electric bikes it can make available and also has some supplies of bunkered fuel. Ensure clear communications to Managers and staff regarding options including staff working from home where this is feasible and considering alternative means of travel such as walking, cycling etc. Ensure clear communications to the public / service users as appropriate regarding any disruption to services.	15.03.19 /ongoing
35	Disruption to power supplies impacts on provision of services including availability of buildings, ICT infrastructure etc.	2	2	4	Low	Miranda Cannon / Matt Wallace / Alison Greenhill	Dependent on the scale of the disruption, as appropriate, invoke the corporate/relevant service business continuity plans. Some critical services have generators to allow continued operation albeit in some instances at a reduced level. Ensure clear communications to Managers and staff about availability of buildings for operation and ensure clear communications to the public / service users as appropriate regarding any disruption to services. Where this is a complete power outage across the City this will impact on any communications cascade and reasonable endeavours to communicate will have to be made e.g. via phone cascade whilst mobile phones still have battery power.	15.03.19 /ongoing
36	Business continuity for local businesses - disruption in relation to local businesses (e.g. loss of staff, impacts on supply chains etc) may impact on the Council's supply chain and cause disruption to service delivery as well as have wider implications for the local economy (see above). The Council under the Civil Contingencies Act has a duty to promote business continuity to businesses	3	4	12	Medium	Miranda Cannon / Mike Dalzell / Mandip Rai	Use opportunities such as Business Continuity Awareness Week to highlight the importance of business continuity to external organisations. Use links with businesses such as via the City Centre Director, LLEP, Economic Dev Team to further raise awareness.	15.03.19 /ongoing
37	Loss of staff e.g. if EU nationals have to return to their original countries causes disruption to service delivery and may increase costs if roles need to be covered via temporary means.	2	2	4	Low	Miranda Cannon	Should staff leave at short notice, where necessary invoke business continuity plans in relation to dealing with immediate loss of staffing resources and consider appropriate measures such as use of temporary staffing e.g. agency and casuals, or the temporary redeployment of staff from less critical services if necessary. Seek to recruit to roles and continue to utilise other measures such as entry to employment to 'grow our own' internally where posts are difficult to recruit to.	15.03.19 /ongoing

Brexit risk/impact analysis

Risk No:	Risk	Impact (A)	Likelihood (B)	Risk Score (A x B)	Priority	Risk Owner	Management Actions	Target Date
38	EU Driving licenses - question of validity impact on the ability of some staff to travel to work and on service provision where those staff are required to drive for their role.	2	2	4	Low	Miranda Cannon	Ensure clear communications to Managers and staff regarding the implications and the need for staff to make arrangements to travel to work via alternative means such as public transport, walking, cycling etc and consideration of home working where appropriate and in the short-term whilst staff make alternative arrangements. For staff required to drive as part of their role, provide guidance to relevant managers and staff regarding deployment of staff to alternative work in the short-term whilst the question of validity is clarified and/or implications further considered.	15.03.19 /ongoing

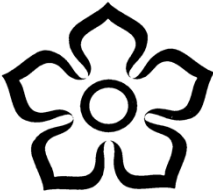
RISK SCORING MATRIX

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

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

LEVEL OF RISK	OVERALL RATING	HOW THE RISK SHOULD BE TACKLED/ MANAGED	RECOMMENDED RISK REVIEW FREQUENCIES
High Risk	15-25	IMMEDIATE MANAGEMENT ACTION	1 - 3 MONTHS
Medium Risk	9-12	Plan for CHANGE	3 MONTHS
Low Risk	1-8	Continue to MANAGE	6 MONTHS

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



Leicester
City Council

WARDS AFFECTED:

Audit and Risk Committee - Note

6th March 2019

**Strategic and Operational Risk Registers/Health & Safety and Insurance
Claims Data/Risk Training Schedule 2019**

Report of the Director of Delivery, Communications and Political Governance

1. Purpose of the Report

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

- **Appendix 1**, the Strategic Risk Register (SRR) providing a summary of the strategic risks facing the council affecting the achievement of the strategic objectives of the council;
- **Appendix 2**, supports appendix 1, which provides the detail in relation to the council's strategic risks;
- **Appendix 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 December 2018;
- **Appendix 6 – Health and Safety Data** - Number of Incidents by Incident Type.

2. Recommendations

A&RC is asked to:

- Note the SRR and ORR as at 31st January 2019, subject to any changes made by the Corporate Management Team as reported to the meeting on 6th March;
- Note the Insurance Claims Data;
- Note the Health and Safety Data;
- Note the progress made with reviewing Divisional Risk Registers;
- Make any comments to the Director of Delivery, Communications and Political Governance.

3. Background

- 3.1 The Council's 2019 Risk Management Strategy requires the development, maintenance and monitoring of both the SRR and ORR.
- 3.2 Both the SRR and ORR process is owned and led by the Head of Paid Service. The Corporate Management Team support the strategic risk register process documenting the key strategic risks facing the council and help to ensure these are managed. It complements the operational risk register process which is supported and managed by the Divisional Directors and their divisional management teams. Both registers are populated and maintained by the Manager, Risk Management, Risk, Emergency & Business Resilience (REBR) for this group.
- 3.3 The insurance claims data is also provided to the A&RC and is a useful measure of performance (assessed by claims repudiated) and claims received from 1st April 2018 to 31st December 2018. **Paragraph 4.12** provides 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 comprehensive detail of the risks. The **Strategic Risks** worksheet of **Appendix 2** is the final version of the SRR and **worksheet 'Appendix2a'** indicates where the amendments have been made indicated in bold and underlined where such alterations were made this quarter.

16 risks were updated comprising of target dates, but **risk controls** were also amended to **risks 1,2,3,4,6,8,9,10,11,14,15 and 16**. Refer to **Appendix 2a** which shows where changes have been made.

Risks ratings have remained constant which is not unexpected due to the nature of strategic risks, and the fact that changes in the external environment which

pose risks are being managed and mitigated within the appetite of the organisation.

Almost Certain	5				3	
Probable / Likely	4				1,12	
Possible	3			2,5,6,8,9,10,11,13,14,15,16,17	7	
Unlikely	2				4	
Very unlikely / Rare	1					
		1	2	3	4	5
		Insignificant/ Negligible	Minor	Moderate	Major	Critical / Catastrophic

The above matrix provides an indicator of the status of council’s strategic risks in terms of likelihood and impact using the risk scoring from the SRR Register. Those risks in the **red quadrant require regular reviewing and monitoring** and consideration for further controls where appropriate. Those in the **yellow also require regular reviewing and monitoring** to ensure they do not escalate to a red risk.

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

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

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

4.4 With regards to the ORR, **28** existing risks have been amended, **4** deleted and **5** new risks added.

Appendix 4a indicates where amendments have been made. Many amendments relate to target dates reflecting the next quarterly review deadline

date of 31st March 2019. **1, 2, 3, 5, 7, 8, 9, 10, 11, 13, 14, 15, 19, 29, 30 and 32** have further amendments other than target dates. The **4** risks that were deleted are detailed in the worksheet '**Appendix 4a**':

Risk 10 - Neighbourhood and Environmental Services – Resource & Capacity – Age Profile

Risk 11 - Neighbourhood and Environmental Services – Asset Condition

Risk 13 - Planning and Transportation - Transport Strategy

Risk 27 - Legal - Key areas of risk are: flexible working practices which expose data to new risks.

5 new risks added to the ORR this quarter are as follows:

Risk 23 - Legal - Workloads & Pressure

Risk 26 - Learning Services - School Financial Deficits

Risk 27 - Learning Services - External Market

Risk 31 - Public Health - Technology

Risk 33 - Public Health - Contract Management

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

The reduction on the number of risks from the previous 2 quarters allows time and effort to be focussed on the risks which require the management of the Divisional Management Team. This can only be successful if the management of the Head of Service Risk Registers remains in place and is regularly reviewed by them in line with reporting structures, (as stated in the Risk Management Policy and Strategy), and some operational risks may require escalating in the future.

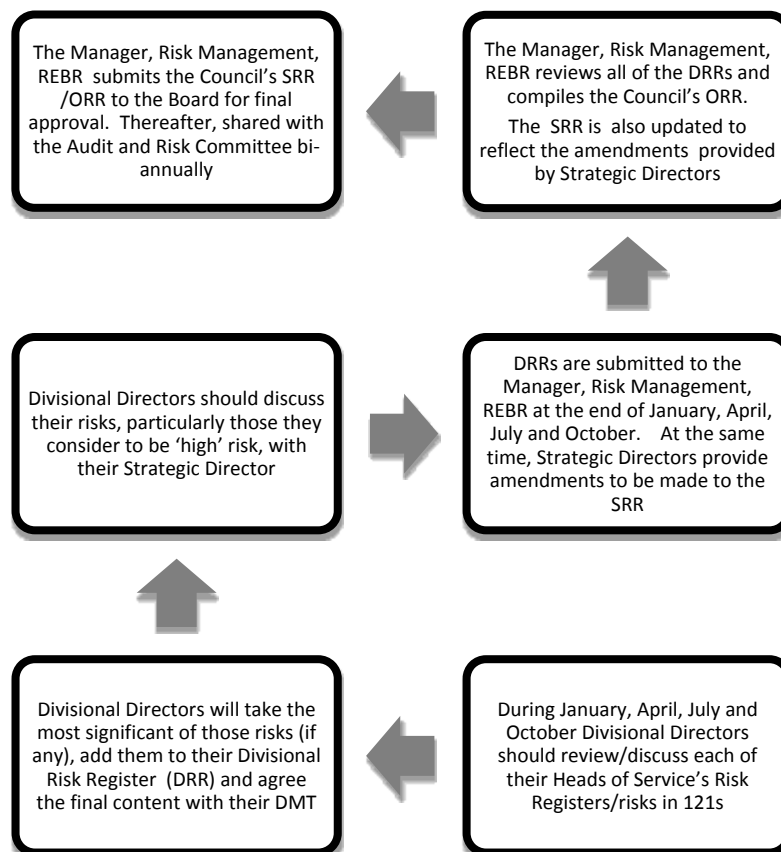
Risk management in this way is regarded as best practice. The comment from the Zurich Municipal Risk Consultant is that it has been refreshing to find colleagues at Leicester City Council open to this methodology and willing to accept challenge of historic risk reporting.

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

Risk Score	No of risks as at 30.04.2018	No of risks as at 31.07.2018	No of risks as at 31.10.2018	No of risks as at 31.01.2019
25	1	1	0	0

20	25	22	6	5
16	20	20	16	19
15	14	15	10	9

- 4.5 Both risk registers present the most significant managed/mitigated risks. Whilst there are other key risks, it is the view of Directors that these are sufficiently managed/mitigated for them not to appear in these registers. More detailed registers of operational risks are owned and maintained by individual Divisional Directors and their Heads of Service (and where appropriate their managerial and supervisory staff) as detailed in the Risk Management Strategy and Policy.
- 4.6 Audit and Risk Committee are reminded that the Council's Risk Management Strategy refers to the process of embedding risk management within business areas. The risk registers allow this to be evidenced, but if this process is to be demonstrated as a method by which the Council manages its risk profile, it has to be more than a quarterly exercise of submission of a register to REBR. 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.
- 4.7 Risk registers need to be working documents that can be sent to REBR for advice or discussed with line management and/or members at any time.
- 4.8 For clarity, the process for reviewing and reporting operational risks, in line with the Council's Strategy, should be as per the following flowchart:



4.9 It is imperative to keep in mind that these risk registers should be seen as the 'top tier' within a structured risk process in each Division. It may be necessary to demonstrate that the Council has an embedded process of risk management and that this can be evidenced.

4.10 A planned review of the Council's ORR by REBR has been completed. This was supported with commencing blank paper exercises of risk registers at Divisional level.

This exercise is a '**sense check**' of risks being reported to ensure that descriptors allow the 'uninitiated' to understand alignment is taking across the division, to ensure risks are not over scored and department issues are not mistaken for risks.

4.11 Audit and Risk Committee are reminded that Directors and Officers are informed it is crucial to monitor changes in risks over a period. Where the change is gradual and over a longer period of time, it may easily be overlooked even though it may be a significant change. Where risks change suddenly, these are easier to notice.

4.12 **Appendix 5** shows the claims data for Quarter 3. There is often a significant time-lag between incidents occurring and a claim being recorded. Claims received in the quarter will often relate to events in previous quarters and, in some cases, earlier years. Therefore, it will take some time for operational risk management improvements to be reflected in reduced claims numbers. There have been no individual large claims received in the quarter. Work is ongoing to minimise the cost of all claims.

4.13 Health and Safety have provided data, **Appendix 6 - Incidents by Incident Type** - of the main types of incidents reported on the SO2 online database, classed as:

- **Near Miss or Non-Injury Incident:** those which had potential to cause injury but in this instance did not. Many of these are threats and abuse of Council employees.
- **Injury Incident:** An event causing an injury to a person.
- **Work Related Ill Health:** Many of these tend to be work related stress but more rarely hand arm vibration, dermatitis, musculoskeletal problems, etc.
- **Fire:** both minor and major fire incidents reported.

The data over the past two years shows a consistency in reporting throughout the Council. More than half of all incidents reported are near misses so the culture of reporting such incidents has been largely adopted by employees. Whilst the number of injury incidents fluctuates slightly there is no recognisable pattern to that variation although the causes of those incidents are consistent. The number of work related ill health reports are comparatively small and there is suspected under-reporting of stress.

There has been a 2% increase in overall incidents since Q3 2018. Additionally, when compared to the same quarter in 2017 there has been an 11% increase overall. Incidents of Fire are down slightly on last quarter with 7.

4.14 A reminder that the following have been highlighted as risks at other organisations for directors to consider in updating their DRR:

4.14.1 **Cyber attacks and Data Fraud** – exposure due to data breaches likely impacting the public purse, reputation and liability;

4.14.2 **Ageing Population** – could be linked to various risks such as poverty and Welfare Reform, Budgets/demand, Workforce Planning;

4.14.3 **Brexit/Future EU Funding** – many funding streams are being turned off post Brexit and there is little detail around UK Central Government funding replacements or awarding bodies;

4.14.4 **Climate Change** – adverse weather conditions impacting adverse financial impact due to worsen in years to come.

Directors are informed of these risks to consider as part of their quarterly risk reporting. In addition the Council has a separate Brexit impact/risk assessment which is being reported also to this Committee.

5. Financial, Legal Implications

5.1 **Financial Implications**

‘There are no direct financial implications arising from this report’
Colin Sharpe, Head of Finance – 37 4081

5.2 **Legal Implications**

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

Risk Management	Yes	All of the paper.
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7. **Report Authors**

Sonal Devani – Manager, Risk Management, REBR – 37 1635
12th February 2019

Appendix 1

LCC Strategic Risk Exposure Summary as at 31st January 2019

Risk Index	Risk	I	L	Risk Score 31 Jan 2019	Risk Score 31 Oct 2018	Risk Score 31 Jul 2018	Risk Score 30 Apr 2018	Variance	Risk Owner
3.	Cyber Risk	5	5	25	25	25	25	↔	AK / AG
1.	Financial challenges	5	4	20	20	20	20	↔	AK / AG
12.	Asset Management	5	4	20	20	20	20	↔	MW
7.	Safeguarding	5	3	15	15	15	15	↔	SF
2.	Stakeholder Engagement	4	3	12	12	12	12	↔	MC / All Strategic Directors
5.	Information Governance	4	3	12	12	12	12	↔	AK
6.	Compliance with Regulation, Policies, Procedures, Health & Safety etc.	4	3	12	12	12	12	↔	KA / MC
8.	School Improvement	4	3	12	12	12	12	↔	PT
9.	Civil Contingency Response / Incident Response	4	3	12	12	12	12	↔	MC / IB
10.	Resource: Capacity, Capability, Retention & Development	4	3	12	12	12	12	↔	MC
11.	Commissioning, Contract Monitoring, Management & Procurement	3	4	12	12	9	9	↔	KA
13.	National Agenda / Changes in Legislation / Government etc.	4	3	12	12	12	12	↔	AK
14.	Digital Transformation	4	3	12	12	12	20	↔	MC
15.	Brexit Scenarios	4	3	12	12	12	12	↔	AK / AG / MC
16.	Fire Risk in Tall Buildings	4	3	12	12	12	12	↔	CB / JL
17.	Statutory Responsibility for Provision of Secondary School Places	4	3	12	12				RS
4.	Business / Service Continuity Management	5	2	10	10	10	10	↔	MC

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	MC	Miranda Cannon
AK	Andy Keeling	MW	Matt Wallace
CB	Chris Burgin	PC	Phil Coyne
IB	Ivan Brown	PT	Paul Tinsley
JL	John Leach	RS	Richard Sword
KA	Kamal Adatia	SF	Steven Forbes

Appendix 2 - LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 31/01/19

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 year or 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 18/19 and draft budget for 19/20 prepared and balanced. Spending review 4 programme underway and previous spending reviews largely complete. - Further work required to balance the medium term, particularly driving the spending review programme - £6m service transformation fund</p>	5	4	20	<p>- Heavy involvement of City Mayor and COO in ensuring spending review programme delivers. - Appropriate change management/ project management arrangements to be put in place for major review areas. - Delivery of spending review 4 - Sign off for 2019/20 budget</p>	5	3	15		Andy Keeling / Alison Greenhill	31/03/2019/2020 and On-going
<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>	<p>- 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.</p>	<p>- 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 and Oct 2018 Forum meeting evaluated approach to date of the Forum. - Arrangements for engagement of, and support to, the Voluntary Community Sector (VCS) have been commissioned and contracts are in place. - Specific Executive Members have clear objectives around partnership working in their portfolios, for example working with the voluntary and community sector is reflected in the portfolios for the Assistant City Mayors for Communities and Equalities, and for the Voluntary and Community Sector. - Close involvement of City Mayor and Members in key partnerships.</p>	4	3	12	<p>- Regular review and evaluation of the current position by Strategic Management Board. - Review of existing arrangements and contract for VCS engagement and support will be part of spending review 4 - Key aspects of partnership working being reviewed and updated in the light of Ofsted findings e.g. LSCB</p>	4	2	8		Miranda Cannon / All Strategic Directors	31/03/19 and ongoing

Appendix 2 - LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 31/01/19

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 (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 Beacon 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. 										
<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. - Continue working on staff awareness and training 	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 2018. - LRF have identified cyber security as a significant risk and are looking to support around awareness raising and business continuity / response planning 	4	3	12		Andy Keeling / Alison Greenhill	31/03/19 and ongoing

Appendix 2 - LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 31/01/19

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 style="font-size: 2em; font-weight: bold; margin-top: 20px;">49</p>	<ul style="list-style-type: none"> - Insufficiently prepared management leads to disorder in the rapid restoration of business critical activities and the control of the emergency plan. - The wider 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 	<ul style="list-style-type: none"> - 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 REBR 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 and a number of table-top exercises recently done for specific services - Risk Management/Insurance Services/REBR Team provide updates and lessons learnt on incidents to CBCT/Audit & Risk Committee as appropriate - Self cert annually by Directors to confirm BCPs in place for all service areas - CBCP which is reviewed annually but also updated as and when changes occur - Desktop review of the Corporate Plan by insurers confirmed it is a well written plan - Resilience Direct Secure Site (web based) holds CBCP and all Business Critical Activities BCPs (alongside emergency planning documentation) and is securely accessed by the CBCT - Communications on-call arrangements working more effectively and training run for all staff involved including LRF training/meet each on call officer individually for an annual half hour briefing - Review recently completed which has amalgamated emergency planning, risk management and business continuity to deliver one integrated function which in itself should be more resilient as a result - Assisting maintained schools on BC planning 	5	2	10	<ul style="list-style-type: none"> - Further embedding of business continuity management approach. - Further completion of Business Continuity tests. - Further communication/training and awareness for staff on continuity arrangements. Contingency planning training continues to be delivered to levels of management below the Corporate BCP and all staff. - Post review continue the work on closer integration of Business Continuity with Emergency Planning - Working towards an analytical approach in reviewing the number of Business Critical Activities and to reduce them to ensure recovery from an incident is more efficient and effective 	4	2	8		Miranda Cannon	31/03/19 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; font-weight: bold; margin-left: 10px;">50</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. - Possibility of not being compliant with new data protection legislation (GDPR, Data Protection Act 2018) 	<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 in place - GDPR action plan implemented and regularly reviewed 	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. - Information asset registers, Privacy Notices, policies & procedures and contract clauses reviewed in light of GDPR - GDPR training available across the Council - Data Protection Officer appointed 	4	2	8		Andy Keeling	31/03/19 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 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"> - 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 and the Executive each quarter and reported twice yearly to Audit and Risk Committee) and these are underpinned by registers at Heads of Service level reviewed and discussed at Divisional Management Teams quarterly. - Regular inspections and reports by the Health and Safety team with all actions being followed up within a reasonable time. Close involvement of Trade Unions in monitoring and reviewing Health and Safety. - A process of more regular reporting to Corporate Management Team on health and safety matters has been established via the quarterly risk management reports - Work is well advanced on reviewing absence management with agreed actions being focused on to seek to address this particularly in terms of stress and musculo-skeletal absence which are the top causes. In addition CMT approved a new employee Health and Wellbeing framework and action plan which will further support the work to reduce absence and deal with key issues such as work-related stress. New Mental Health training has been piloted and is being rolled out. - Current corporate equality strategy and action plan approved by Council in June 2018 which supports the Council in ensuring it meets the requirements of the Equalities Act 2010 and the Public Sector Equality Duty. Action plan is monitored quarterly - Draft process to be finalised and rolled out in relation to officer decisions to ensure compliance with the relevant legislation. 	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. 	4	2	8		Kamal Adatia / Miranda Cannon	31/03/19 and ongoing

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52	<p>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.</p> <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 e.g. 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		Steven Forbes	31/03/19 and ongoing
8. SCHOOL IMPROVEMENT	<ul style="list-style-type: none"> - 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 	<ul style="list-style-type: none"> - 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. - Working with most schools in the Primary sector to establish a school improvement strategy based on a school-led system and a collaborative approach to school improvement. - All schools encouraged to carry out a safeguarding audit – some schools , considered "at risk" and/or near inspection targeted directly via the head and governors to carry out an audit in the Spring term of 2019. Reports from schools sent to the SI team for scrutiny - Continue to explore traded services with schools where service budgets do not allow for the same levels of support as previously 	4	3	12	<ul style="list-style-type: none"> - 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. - Review induction process for new heads. - Review financial controls on maintained schools 	4	2	8		Paul Tinsley	31/03/19 and ongoing

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9. CIVIL CONTINGENCY RESPONSE/INCIDENT RESPONSE 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) .	- 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 public's 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 - Fail to meet statutory requirements - City Council fails to respond effectively to the requirements of Government proposals and/or legislation	- 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. - 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 and Executive 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. - City Council major incident plan reviewed and signed off. - Emergency control room fully equipped and operational at City Hall and provides a facility for both local management of emergencies and use by the LRF as a SCG venue. Tested on a number of large scale events e.g. LCFC victory parade and KR3 reinternment and specifically for LRF multi-agency TCG flooding exercise. - New logging system implemented to support major incident response and event management - Emergency management arrangements tested a number of times in 2018 as a result of major incidents e.g. Hinckley Road and LCFC helicopter crash and were found to be robust and effective. Debriefs undertaken and lessons learnt being implemented - Briefings provided to scrutiny on emergency planning and incident response to increase member understanding and awareness	4	3	12	- 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 - Continue to undertake full debriefs from any incidents and ensure lessons learnt and recommendations are acted upon. - Post May elections member development programme will include briefings on emergency planning for Councillors	4	2	8		Miranda Cannon / Ivan Brown	31/03/19 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 - Potential reduction in controls being exercised and as a result, the business control environment is reduced - Potential exposure for fraud/irregularity - Impact on the Health and Wellbeing of the City - Council loses knowledge, experience and skills - Posts not filled with the right skills set/qualification/experience - changing market conditions may result in the Council being unable to recruit to specific posts or attract candidates of the right skill mix 	<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 and to maximise the use of the apprenticeship levy. Significant numbers of graduates and apprenticeships in place within the Council - Digital Transformation programme includes a focus on developing the digital skills and competencies within the workforce. 	4	3	12	<ul style="list-style-type: none"> - An approach to workforce planning has been piloted and dashboards developed to support divisions. This is to be reported back to CMT and used 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 - Enabling our best work project on performance management has developed a framework for employee performance management and proposed leadership competencies to underpin management and leadership development and this is now being rolled out across LCC - Continue to identify opportunities to use apprenticeship schemes in targeted areas e.g. recent launch of new apprenticeship scheme in adult social care in partnership with Warwick University - New employer value proposition being developed which will feed into a fully modernised and competitive recruitment website to attract people to roles within LCC 	3	3	9		<p>Miranda Cannon / Craig Picknell</p>	<p>31/03/19 and ongoing</p>

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11. COMMISSIONING, CONTRACT MONITORING, MANAGEMENT & PROCUREMENT Lack of robustness in contract management & monitoring protocols/procedures/controls and limited awareness/understanding of contractual risks by staff within the Council, particularly by those procuring for goods/services.	- Reputational damage. - Financial impacts; not secure value for money and/or required service delivery. - Potential for challenge/litigation and fines being incurred with associated cost/resource implications - Contracts may not be adhered to. - Procurement processes may not be efficient .	- Contract Procedure Rules in place along with associated guidance. - Policy that all procurement over a de minimis threshold should be carried out by one of the specialist procurement teams. - Professional procurement staff recruited and in post - Contract Risk Management training available from RMIS - Professional training for procurement staff (MCIPS) - Electronic tendering system in use - Procurement template documentation in use - Service Analysis Team to use work to date to inform major piece of work around commissioning and contract management'	3	4	12	- Further review or Contract Procedure Rules to focus on greater efficiency - Training in procurement and contract management for staff across the Council - Enhanced engagement with local business to widen portfolio of potential suppliers	3	3	9		Kamal Adatia	31/12/19 and ongoing
12. ASSET MANAGEMENT That in advance of the imminent completion and adoption of the Council's strategic and corporate asset management plan that the condition of certain properties will deteriorate.	- The council's assets may fall into disrepair losing income and increasing maintenance costs. . - Inability to optimise performance of the port folio.	- Final Asset Management Plan - including lifecycle planning for schools will be embedded during mid 2018. UBB Programme now mainstreamed into EBS business as usual activity - A single corporate asset management system is now in place. - Central Maintenance Fund is available to address urgent repair items and Health	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 - Continue delivery of the UBB programme including disposal of assets - Creation of corporate property to group for a single part of management , review and escalation.	5	3	15		Matt Wallace	31/03/19 and ongoing

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13. NATIONAL AGENDA/CHANGES IN LEGISLATION/ GOVERNMENT ETC On-going changes in government, legislation etc. gives rise to new demands and responsibilities with insufficient time for implementation and insufficient budget.	<ul style="list-style-type: none"> - Loss of income. - Services may not be delivered. - Reputational damage. - The budget may not be sufficient to deliver the expected service demand. - Statutory services. such as public health may be reduced and or the Council is unable to protect and safeguard the public, vulnerable individuals etc. - Implementation of unpopular fees for services required by the Public of the Council. - The health and wellbeing of the City may be impacted. - Causing service failure or significant cost over runs. 	<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	31/03/19 and ongoing
14. DIGITAL TRANSFORMATION The Council may not be able to maximise the use of technology and data to work smarter and more efficiently, reduce costs and deliver customer friendly services. Integration of data, workflows and systems may not be delivered as required	<ul style="list-style-type: none"> - LCC is not able to meet the savings targets - Service delivery may not be met or may be compromised - Demand management may become problematic as increased population and draw on services. - Service costs may increase as more demand is placed on expensive channels - Demand and service costs are increased by if the end to end transformation of both the service area and the IT/data is not delivered as creating a digital presence only increases the process, rather than streamlining - Reputational damage to the council as demand pressures increase - Customer experience is poor, leading to complaints and an increased demand as customers are accessing the services multiple times for the same transaction 	<ul style="list-style-type: none"> - Scope, vision, objectives and design principles for the digital transformation programme have been agreed. - Digital Transformation Programme Manager in post. - Digital Transformation Board established and a digital transformation gateway process to manage projects is agreed and in place supported by a weekly Digital Transformation conference call led by senior officers. - Resources for the programme-have been-secured and other relevant areas of the programme are being taken forward using existing core resources in areas such as Organisational Development and Equalities. - Key transformation projects have been agreed and are being undertaken within the workstreams around ICT rationalisation, channel transformation and service based digital transformation. Work underway on identifying and baselining metrics to measure the progress and impact of the programme overall. - New Open Data platform has gone live with transparency data and work underway to look at future development of the platform. - Council has signed up to the DHCLG digital declaration and is engaged with the new national Digital Collaboration Unit to support the programme. 	4	3	12	<ul style="list-style-type: none"> - Finalise and sign off the metrics to measure progress across the different aspects of digital transformation - Ensure clear communications relating to the programme - Review ICT resources and approach needed to ensure the programme is able to deliver at the appropriate pace 	3	3	9		Miranda Cannon	31/03/19 and ongoing

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<p>15. BREXIT SCENARIOS - There may be significant implications relating to requirements for further public sector cuts, reductions in other funding streams particularly for infrastructure projects, as well as longer-term legislative changes in areas such as procurement. Also creating a level of instability and uncertainty in financial markets and in relation to staffing either directly or indirectly (via supply chains)</p>	<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 - Community tensions and disorder - Potential for service disruption arising from supply issues, public disorder etc 	<ul style="list-style-type: none"> - Monitor situation closely. COO part of national reporting arrangement through regional Execs - CMT completed and reported a Brexit impact assessment to Executive and is further updating this - LRF has undertaken a detailed risk assessment and is undertaking planning in light of potential risks particularly around public disorder and disruption and other issues such as travel disruption around East Midlands Airport. Established LRF plans and arrangements in place to manage such risks if they emerge. A reporting regime and structure has been agreed by the LRF and LCC has identified relevant representatives for roles in this and is engaged in planning and reporting activity. 	4	3	12	<ul style="list-style-type: none"> - Continue to monitor and update LCC impact assessment and take appropriate actions in accordance with this. Continue to work with the LRF in managing risks - Consider implications alongside future budget strategy 	3	3	9		<p>Andy Keeling / Alison Greenhill / Miranda Cannon</p>	31/03/19 and ongoing

Appendix 2 - LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 31/01/19

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>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 ongoing exercise (led by LFRS) whereby high rise buildings are assessed for a) cladding b) whether that cladding is ACM and c) through the fire service, whether the building satisfies fire safety regulations. - All LCC owned tall buildings have been reviewed in conjunction with LFRS and any mitigating actions identified completed - Maxfield House is a s part of a planned improvement programme having work undertaken, this is currently empty and work ongoing - Decision taken to demolish LCC owned Goscote House taken. - No further occupation and current tenancies reducing to mitigate risk (from 134 now down to 42 tenants - 24 of these to be rehoused to Maxfield House)</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. - The Council and the Fire Service jointly will continue to review high rise and other buildings in the context of emerging government guidance - Demolition of Goscote House due during 2019 - Decision taken to fit sprinklers to all LCC owned tall buildings, Maxfield House is now being fitted due for completion in March 2019 during improvement works. All other LCC owned Tower blocks to have sprinklers retro fitted from 2019 onwards - Fire Safety leaflet agreed with LFRS/Internal Comms is to be distributed to all LCC Council tenants including those in Tower blocks in March 2019</p>	2	3	6		Chris Burgin/John Leach	31/03/19 and ongoing

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<p>17. ENSURING STATUTORY RESPONSIBILITY FOR PROVISION OF SECONDARY SCHOOL PLACES</p> <p>Failure to provide secondary schools places in line with statutory responsibilities Uncertainty over the delivery and timing of government free schools, together with risks around the impact of Brexit results in the city having either insufficient or a surplus of secondary school places.</p>	<p>- Surplus space developed which prejudices particular schools resulting in closures or that of the freeschool programme stalls and we find a lack of places, with subsequent impact on our legal duty, the education of children and the reputation of the Council.</p> <p>- This would also carry financial impact in terms of emergency mitigation measures required.</p>	<p>- Clear milestones in place over a 12-month period, such as offer day, October census, on time applications which allow clear touch point and review periods to ensure close monitoring of places</p> <p>- Future projections and modelling of places is now reviewed by a third party as part of the verification process to ensure any projections</p> <p>- National data sets used to triangulate local needs, such as NHS projected birth data</p> <p>- Regular DFE meetings in place to discuss need across the city and collaborate around future free schools. DFE meetings and outputs in terms of future wave projections are considered within the pupil places allowing a complete picture to be understood.</p> <p>- Officers monitor the approved free school programme applications, to ensure programmes remain on track around place provision delivery and operate any contingency mechanisms should slippage occur</p> <p>- Working with secondary schools around the city to facilitate temporary provision of space to accommodate larger classes.</p> <p>- Full team in place to work alongside DFE to help support the delivery of additional spaces through the current government programmes such as free schools. This includes review current surplus council assets and land.</p> <p>- In order to reach a point of certainty in the provision of space we are working both internally and with assistance from independent experts to review our place planning forecasts and develop phased provision of new space. This work is being managed by an internal - Schools Estates Governance Board and is reporting regularly.</p> <p>- Ensuring all projections and tolerances are understood including contingency measures which need to be implemented at each milestone and check point should it be identified that we the authority is falling below the projection.</p>	4	3	12	<p>- Data reviews received frequently but sufficient control measures currently in place</p> <p>- Should additional resource be required this will be put in place</p> <p>- Close working with both school in the city and government programme is continuing to ensure sufficient places are provided</p>	3	3	8		Richard Sword	31/03/19 and ongoing

Appendix 2a - LCC Strategic Risk Register

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<p>1. FINANCIAL CHALLENGES The Council fails to respond adequately to the cuts in public sector funding over the coming year or 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 18/19 and draft budget for 19/20 prepared and balanced. Spending review 4 programme underway and previous spending reviews largely complete. - Further work required to balance the medium term, particularly driving the spending review programme - £6m service transformation fund</p>	5	4	20	<p>- Heavy involvement of City Mayor and COO in ensuring spending review programme delivers. - Appropriate change management/ project management arrangements to be put in place for major review areas. - Delivery of spending review 4 - Sign off for 2019/20 budget</p>	5	3	15		<p>Andy Keeling Alison Greenhill</p>	<p>31/03/2019/ 2020 and On-going</p>
<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>	<p>- 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.</p>	<p>- 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 and Oct 2018 Forum meeting evaluated approach to date of the Forum. - Arrangements for engagement of, and support to, the Voluntary Community Sector (VCS) have been commissioned and contracts are in place. - Specific Executive Members have clear objectives around partnership working in their portfolios, for example working with the voluntary and community sector is reflected in the portfolios for the Assistant City Mayors for Communities and Equalities, and for the Voluntary and Community Sector. - Close involvement of City Mayor and Members in key partnerships.</p>	4	3	12	<p>- Regular review and evaluation of the current position by Strategic Management Board. - Review of existing arrangements and contract for VCS engagement and support will be part of spending review 4 - Key aspects of partnership working being reviewed and updated in the light of Ofsted findings e.g. LSCB - City Mayor Faith and Community Forum to evaluate current work of the Forum at Oct 2018 meeting</p>	4	2	8	<p>Miranda Cannon / All Strategic Directors</p>	<p>31/03/19 and ongoing</p>	

Appendix 2a - LCC Strategic Risk Register

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<p>2. STAKEHOLDER ENGAGEMENT (Continued) 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. - Continue working on staff awareness and training 	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 2018. <u>- LRF have identified cyber security as a significant risk and are looking to support around awareness raising and business continuity / response planning</u> 	4	3	12		Andy Keeling / Alison Greenhill	<u>31/03/19 and ongoing</u>

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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>	<ul style="list-style-type: none"> - Insufficiently prepared management leads to disorder in the rapid restoration of business critical activities and the control of the emergency plan. - The wider 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 	<ul style="list-style-type: none"> - 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 REBR 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 and a number of table-top exercises recently done for specific services - Risk Management/Insurance Services/REBR Team provide updates and lessons learnt on incidents to CBCT/Audit & Risk Committee as appropriate - Self cert annually by Directors to confirm BCPs in place for all service areas - CBCP which is reviewed annually but also updated as and when changes occur - Desktop review of the Corporate Plan by insurers confirmed it is a well written plan - Resilience Direct Secure Site (web based) holds CBCP and all Business Critical Activities BCPs (alongside emergency planning documentation) and is securely accessed by the CBCT - Communications on-call arrangements working more effectively and training run for all staff involved including LRF training/meet each on call officer individually for an annual half hour briefing - Review recently completed which has amalgamated emergency planning, risk management and business continuity to deliver one integrated function which in itself should be more resilient as a result - Assisting maintained schools on BC planning 	5	2	10	<ul style="list-style-type: none"> - Further embedding of business continuity management approach. - Further completion of Business Continuity tests. - Further communication/training and awareness for staff on continuity arrangements. Contingency planning training continues to be delivered to levels of management below the Corporate BCP and all staff. - Post review continue the work on closer integration of Business Continuity with Emergency Planning - Working towards an analytical approach in reviewing the number of Business Critical Activities and to reduce them to ensure recovery from an incident is more efficient and effective 	4	2	8		Miranda Cannon	<u>31/03/19</u> and <u>ongoing</u>

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<p>5. INFORMATION GOVERNANCE Information Governance/Security/ Data Protection policies/procedures/ protocols are not followed by staff and members.</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. - Possibility of not being compliant with new data protection legislation (GDPR, Data Protection Act 2018) 	<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 in place - GDPR action plan implemented and regularly reviewed 	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. - Information asset registers, Privacy Notices, policies & procedures and contract clauses reviewed in light of GDPR - GDPR training available across the Council - Data Protection Officer appointed 	4	2	8		Andy Keeling	<u>31/03/19</u> <u>and</u> <u>ongoing</u>

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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"> - 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 and the Executive each quarter and reported twice yearly to Audit and Risk Committee) and these are underpinned by registers at Heads of Service level reviewed and discussed at Divisional Management Teams quarterly. - Regular inspections and reports by the Health and Safety team with all actions being followed up within a reasonable time. Close involvement of Trade Unions in monitoring and reviewing Health and Safety. - A process of more regular reporting to Corporate Management Team on health and safety matters has been established via the quarterly risk management reports - Work is well advanced on reviewing absence management with agreed actions being focused on to seek to address this particularly in terms of stress and musculo-skeletal absence which are the top causes. In addition CMT approved a new employee Health and Wellbeing framework and action plan which will further support the work to reduce absence and deal with key issues such as work-related stress. New Mental Health training has been piloted and is due to be being rolled out. - Current corporate equality strategy and action plan approved by Council in June 2018 which supports will support the Council in ensuring it meets the requirements of the Equalities Act 2010 and the Public Sector Equality Duty. Action plan is monitored quarterly - Draft process to be finalised and rolled out in relation to officer decisions to ensure compliance with the relevant legislation. 	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. 	4	2	8		Kamal Adatia / Miranda Cannon	31/03/19 and ongoing
<p>7. SAFEGUARDING</p> <p>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.</p>	<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 e.g. 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		Steven Forbes	31/03/19 and ongoing

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65												
8. SCHOOL IMPROVEMENT	<ul style="list-style-type: none"> - 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 	<ul style="list-style-type: none"> - 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 - <u>Working with most schools in the Primary sector to establish a school improvement strategy based on a school-led system and a collaborative approach to school improvement.</u> - <u>All schools encouraged to carry out a safeguarding audit – some schools . considered "at risk" and/or near inspection targeted directly via the head and governors to carry out an audit in the Spring term of 2019. Reports from schools sent to the SI team for scrutiny.</u> - <u>Continue to explore traded services with schools where service budgets do not allow for the same levels of support as previously</u> 	4	3	12	<ul style="list-style-type: none"> - 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 - <u>Review induction process for new heads</u> - <u>Review financial controls on maintained schools</u> 	4	2	8		Paul Tinsley	<u>31/03/19 and ongoing</u>
9. CIVIL CONTINGENCY RESPONSE/INCIDENT RESPONSE 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) .	<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 public's 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 - Fail to meet statutory requirements - City Council fails to respond effectively to the requirements of Government proposals and/or legislation 	<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. - 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 <u>and Executive</u> 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. - City Council major incident plan reviewed and signed off. - Emergency control room fully equipped and operational at City Hall and provides a facility for both local management of emergencies and use by the LRF as a SCG venue. Tested on a number of large scale events e.g. LCFC victory parade and KR3 reinternment and specifically for LRF multi-agency TCG flooding exercise. - New logging system implemented to support major incident response and event management - <u>Emergency management arrangements tested a number of times in 2018 as a result of major incidents e.g. Hinckley Road and LCFC helicopter crash and were found to be robust and effective. Debriefs undertaken and lessons learnt being implemented</u> - <u>Briefings provided to scrutiny on emergency planning and incident response to increase member understanding and awareness</u> 	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 - Continue to undertake full debriefs from any incidents and ensure lessons learnt and recommendations are acted upon. Council debrief for Hinckley Road major incident has been completed and fed into an LRF formal debrief which is being finalised. - <u>Post May elections member development programme will include briefings on emergency planning for Councillors</u> 	4	2	8		Miranda Cannon - Alison Greenhill - Ivan Brown	<u>31/03/19 and ongoing</u>

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Risk Register Owner: Andy Keeling, COO

Date completed: 31/01/19

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>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>	<p>- The Council does not have the right skills, behaviours and competencies in terms of the workforce to deliver the city's vision and priorities.</p> <p>- The Council fails to maximise the potential of its key resource.</p> <p>- Staff become demotivated/are under pressure which has an impact on productivity and delivery across the Council.</p> <p>- Disruption to service delivery.</p> <p>- Impacts on continuity of services. Creates risks in delivery because information on processes/procedures etc is lost</p> <p>- Service demands may not be met.</p> <p>- Reputational damage.</p> <p>- Financial impacts.</p> <p>- Drain on resources</p> <p>- Potential reduction in controls being exercised and as a result, the business control environment is reduced.</p> <p>- Potential exposure for fraud/irregularity.</p> <p>- Impact on the Health and Wellbeing of the City.</p> <p>- Council loses knowledge, experience and skills</p> <p>- Posts not filled with the right skills set/qualification/experience</p> <p>- changing market conditions may result in the Council being unable to recruit to specific posts or attract candidates of the right skill mix</p>	<p>- Organisational Development Team (OD) working to develop their role and remit and engagement with the organisation</p> <p>- Organisational vision and values continued roll out</p> <p>- Active programme of work to support young people into employment and to utilise graduates, apprenticeships, work placements etc across the Council and to maximise the use of the apprenticeship levy. Significant numbers of graduates and apprenticeships in place within the Council</p> <p>- Digital Transformation programme includes a focus on developing the digital skills and competencies within the workforce.</p>	4	3	12	<p>An approach to workforce planning has been piloted and dashboards developed to support divisions. This is to be reported back to CMT and used to inform further what OD interventions and L&D activity and support is needed as part of the work of the OD Team</p> <p>- Continue the embedding of the vision and values across the organisation</p> <p>- Enabling our best work project on performance management has developed a framework for employee performance management and proposed leadership competencies to underpin management and leadership development <u>and this is now being rolled out across LCC</u></p> <p>- Continue to identify opportunities to use apprenticeship schemes in targeted areas e.g. recent launch of new apprenticeship scheme in adult social care in partnership with Warwick University</p> <p><u>- New employer value proposition being developed which will feed into a fully modernised and competitive recruitment website to attract people to roles within LCC</u></p>	3	3	9		Miranda Cannon / Craig Picknell	<u>31/03/19 and ongoing</u>

Appendix 2a - LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 31/01/19

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>11. COMMISSIONING, CONTRACT MONITORING, MANAGEMENT & PROCUREMENT</p> <p>Lack of robustness in contract management & monitoring protocols/procedures/controls and limited awareness/understanding of contractual risks by staff within the Council, particularly by those procuring for goods/services.</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- -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- -Partnership arrangements/collaborative agreements where formalised legally binding contracts are not in place -Lack of consistency in LCC standard contract/agreement clauses leaves LCC open to liability risks -Not being clear in LCC specifications and requirements restricts the ability to effectively work with or manage the provider -Agreements instantly may limit the ability to get specific measurable outcomes LCC might want and the City needs -Different processes/procedures/governance/expectations on delivery within the same areas of expertise i.e. procurement or commissioning- -Duplicate and waste time in preparation on contracts -Contracts/agreements exist with no stability/not robust/lack of control across the council 	<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) - Electronic tendering system in use - Procurement template documentation in use - Service Analysis Team to use work to date to inform major piece of work around commissioning and contract management - <u>Contract Procedure Rules in place along with associated guidance.</u> - <u>Policy that all procurement over a de minimis threshold should be carried out by one of the specialist procurement teams.</u> - <u>Professional procurement staff recruited and in post</u> - <u>Contract Risk Management training available from RMIS</u> - <u>Professional training for procurement staff (MCIPS)</u> - <u>Electronic tendering system in use</u> - <u>Procurement template documentation in use</u> - <u>Service Analysis Team to use work to date to inform major piece of work around commissioning and contract management</u> 	3	4	12	<ul style="list-style-type: none"> - 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. - <u>Further review or Contract Procedure Rules to focus on greater efficiency</u> - <u>Training in procurement and contract management for staff across the Council</u> - <u>Enhanced engagement with local business to widen portfolio of potential suppliers</u> 	3	3	9		Kamal Adatia	<u>31/12/19 and ongoing</u>

Appendix 2a - LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO


Date completed: 31/01/19

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			
89	<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. -Partnership arrangements/collaborative agreements where formalised legally binding contracts are not in place. -Lack of consistency in LCC standard contract/agreement clauses leaves LCC open to liability risks -Not being clear in LCC specifications and requirements restricts the ability to effectively work with or manage the provider -Agreements instantly limit the ability to get specific measurable outcomes LCC might want and the City needs -Different processes/procedures/governance/expectations on delivery within the same areas of expertise i.e. procurement or commissioning -Duplicate and waste time in preparation on contracts Contracts/agreements exist with no stability/not robust/lack of control across the council - Reputational damage. - Financial impacts: not secure value for money and/or required service delivery. - Potential for challenge/litigation and fines being incurred with associated cost/resource implications - Contracts may not be adhered to. - Procurement processes may not be efficient. 											
<p>12. ASSET MANAGEMENT That in advance of the imminent completion and adoption of the Council's strategic and corporate asset management plan that the condition of certain properties will deteriorate.</p>	<ul style="list-style-type: none"> - The council's assets may fall into disrepair losing income and increasing maintenance costs. - Inability to optimise performance of the port folio. 	<ul style="list-style-type: none"> - Final Asset Management Plan - including lifecycle planning for schools will be embedded during mid 2018. UBB Programme now mainstreamed into EBS business as usual activity - A single corporate asset management system is now in place. - Central Maintenance Fund is available to address urgent repair items and Health 	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 - Creation of corporate property to group for a single part of management, review and escalation. 	5	3	15		Matt Wallace	<u>31/03/19</u> and <u>ongoing</u>

Appendix 2a - LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 31/01/19

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			
13. NATIONAL AGENDA/CHANGES IN LEGISLATION/ GOVERNMENT ETC On-going changes in government, legislation etc. gives rise to new demands and responsibilities with insufficient time for implementation and insufficient budget.	<ul style="list-style-type: none"> - Loss of income. - Services may not be delivered. - Reputational damage. - The budget may not be sufficient to deliver the expected service demand. - Statutory services, such as public health may be reduced and or the Council is unable to protect and safeguard the public, vulnerable individuals etc. - Implementation of unpopular fees for services required by the Public of the Council. - The health and wellbeing of the City may be impacted. - Causing service failure or significant cost over runs. 	<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	<u>31/03/19</u> and <u>ongoing</u>
 14. DIGITAL TRANSFORMATION The council may not be able to maximise the use of technology and data to work smarter and more efficiently, reduce costs and deliver customer friendly services. Integration of data, workflows and systems may not be delivered as required	<ul style="list-style-type: none"> - LCC is not able to meet the savings targets - Service delivery may not be met or may be compromised - Demand management may become problematic as increased population and draw on services. - Service costs may increase as more demand is placed on expensive channels - Demand and service costs are increased by if the end to end transformation of both the service area and the IT/data is not delivered as creating a digital presence only increases the process, rather than streamlining - Reputational damage to the council as demand pressures increase - Customer experience is poor, leading to complaints and an increased demand as customers are accessing the services multiple times for the same transaction 	<ul style="list-style-type: none"> - Scope, vision, objectives and design principles for the digital transformation programme have been agreed. - Digital Transformation Programme Manager now in post. - Digital Transformation Board established and a digital transformation gateway process to manage projects is agreed and in place supported by a weekly Digital Transformation conference call led by senior officers. - Resources for the programme are being have been secured and other relevant areas of the programme are being taken forward using existing core resources in areas such as Organisational Development and Equalities. - Key transformation projects have been agreed and are being undertaken within the workstreams around ICT rationalisation, channel transformation and service based digital transformation. Work underway on identifying and baselining metrics to measure the progress and impact of the programme overall. - New Open Data platform has gone live with transparency data and work underway to look at future development of the platform. - Council has signed up to the DHCLG digital declaration and is engaged with the new national Digital Collaboration Unit to support the programme. Expressions of interest have been submitted for the national Digital fund. 	4	3	12	<ul style="list-style-type: none"> - Complete the capture of the detailed baseline to inform the programme development and Finalise and sign off the metrics to measure progress across the different aspects of digital transformation - Upskill and embed programme resources to ensure a customer-centric approach to design so that digital transformation ensures a customer-friendly approach with clear customer experience - Ensure clear communications relating to the programme. - Review ICT resources and approach needed to ensure the programme is able to deliver at the appropriate pace 	3	3	9		Miranda Cannon	<u>31/03/19</u> and <u>ongoing</u>

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Risk Register Owner: Andy Keeling, COO

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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>15. BREXIT SCENARIOS - There may be significant implications relating to requirements for further public sector cuts, reductions in other funding streams particularly for infrastructure projects, as well as longer-term legislative changes in areas such as procurement. Also creating a level of instability and uncertainty in financial markets and in relation to staffing either directly or indirectly (via supply chains)</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 <u>- Community tensions and disorder.</u> <u>- Potential for service disruption arising from supply issues, public disorder etc</u></p>	<p>- Monitor situation closely. <u>COO part of national reporting arrangement through regional Execs.</u> <u>- CMT completed and reported a Brexit impact assessment to Executive and is further updating this.</u> <u>- LRF has undertaken a detailed risk assessment and is undertaking planning in light of potential risks particularly around public disorder and disruption and other issues such as travel disruption around East Midlands Airport. Established LRF plans and arrangements in place to manage such risks if they emerge. A reporting regime and structure has been agreed by the LRF and LCC has identified relevant representatives for roles in this and is engaged in planning and reporting activity</u> - Joint work underway with LRF to assess risks and identify where plans needed. - Work underway on an LCC risk assessment relating to potential Brexit impacts</p>	4	3	12	<p>- Complete risk assessments with LRF and internally and monitor. <u>- Continue to monitor and update LCC impact assessment and take appropriate actions in accordance with this.</u> <u>Continue to work with the LRF in managing risks.</u> Consider implications alongside future budget strategy</p>	3	3	9		Andy Keeling / Alison Greenhill / Miranda Cannon	<u>31/03/19 and ongoing</u>
<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 ongoing exercise (led by LFRS) whereby high rise buildings are assessed for a) cladding b) whether that cladding is ACM and c) through the fire service, whether the building satisfies fire safety regulations. - All LCC owned tall buildings have been reviewed in conjunction with LFRS and any mitigating actions identified completed - Maxfield House is a s part of a planned improvement programme having work undertaken, this is currently empty and work ongoing - Decision taken to demolish LCC owned Goscote House taken. - No further occupation and current tenancies reducing to mitigate risk (from 134 now down to 42 tenants - 24 of these to be rehoused to Maxfield House)</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. - The Council and the Fire Service jointly will continue to review high rise and other buildings in the context of emerging government guidance - Demolition of Goscote House due during 2019. - Decision taken to fit sprinklers to all LCC owned tall buildings, Maxfield House is <u>now being fitted due for completion in March 2019</u> in 2018 during improvement works. All other LCC owned Tower blocks to have sprinklers retro fitted from 2019 onwards <u>- Fire Safety leaflet agreed with LFRS/Internal Comms is to be distributed to all LCC Council tenants including those in Tower blocks in March 2019</u></p>	2	3	6		<u>Chris Burgin/John Leach</u>	<u>31/03/19 and ongoing</u>

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			Impact	Probability	Risk		Impact	Probability	Risk			
<p>17. ENSURING STATUTORY RESPONSIBILITY FOR PROVISION OF SECONDARY SCHOOL PLACES</p> <p>Failure to provide secondary schools places in line with statutory responsibilities Uncertainty over the delivery and timing of government free schools, together with risks around the impact of Brexit, results in the city having either insufficient or a surplus of secondary school places.</p>	<p>- Surplus space developed which prejudices particular schools resulting in closures or that of the freeschool programme stalls and we find a lack of places, with subsequent impact on our legal duty, the education of children and the reputation of the Council.</p> <p>- This would also carry financial impact in terms of emergency mitigation measures required.</p>	<p>- Clear milestones in place over a 12-month period, such as offer day, October census, on time applications which allow clear touch point and review periods to ensure close monitoring of places,</p> <p>- Future projections and modelling of places is now reviewed by a third party as part of the verification process to ensure any projections</p> <p>- National data sets used to triangulate local needs, such as NHS projected birth data</p> <p>- Regular DFE meetings in place to discuss need across the city and collaborate around future free schools. DFE meetings and outputs in terms of future wave projections are considered within the pupil places allowing a complete picture to be understood.</p> <p>- Officers monitor the approved free school programme applications, to ensure programmes remain on track around place provision delivery and operate any contingency mechanisms should slippage occur</p> <p>- Working with secondary schools around the city to facilitate temporary provision of space to accommodate larger classes.</p> <p>- Full team in place to work alongside DFE to help support the delivery of additional spaces through the current government programmes such as free schools. This includes review current surplus council assets and land.</p> <p>- In order to reach a point of certainty in the provision of space we are working both internally and with assistance from independent experts to review our place planning forecasts and develop phased provision of new space. This work is being managed by an internal - Schools Estates Governance Board and is reporting regularly.</p> <p>- Ensuring all projections and tolerances are understood including contingency measures which need to be implemented at each milestone and check point should it be identified that we the authority is falling below the projection.</p>	4	3	12	<p>- Data reviews received frequently but sufficient control measures currently in place.</p> <p>- Should additional resource be required this will be put in place.</p> <p>- Close working with both school in the city and government programme is continuing to ensure sufficient places are provided</p>	3	3	8		Richard Sword	31/03/19 and ongoing

Almost Certain	5					3
Probable / Likely	4		11			1,12
Possible	3			2,5,6,8,9,10,13,14,15,16,17		7
Unlikely	2					4
Very unlikely / Rare	1					
		1 Insignificant / Negligible	2 Minor	3 Moderate	4 Major	5 Critical / Catastrophic

Impact

Appendix 3

LCC Operational Risk Exposure Summary as at 31st January 2019

Risk Ref (as per ORR)	Risk	Risk Owner	Risk Score with existing controls			Target Risk Score with further controls			Target date
			I	L	Score	I	L	Score	
STRATEGIC AREA – ADULT SOCIAL CARE									
1.	Care Services & Commissioning (ASC) - Budget & Compliance Lack of budget / resources to comply with changes in DOLs legislation	TR	4	4	16	4	3	12	31/03/19 ongoing
2.	Care Services & Commissioning (ASC) - Mental Health - Statutory Duty LCC is legally obliged under the Mental Health Act (MHA) to provide 24/7 service	TR	4	4	16	4	3	12	31/03/19 ongoing
3	Care Services & Commissioning (ASC) - Removal of salary enhancements	TR	4	4	16				31/03/19 ongoing
4.	Care Services & Commissioning (ASC) - Data breach - Human error as demands on role increase likelihood for breach with access to sensitive data	TR	5	3	15	4	3	12	31/03/19 ongoing
STRATEGIC AREA – CITY DEVELOPMENTS AND NEIGHBOURHOODS									
8.	Neighbourhood and Environmental Services – Beaumont Park Depot – Condition of depot creating risks to service delivery, individuals working on site and visitors	JL	5	3	15	4	2	8	31/03/19
5.	Housing - Data Breaches – Increasing demand on staff capacity increases potential for errors which lead to data breaches	CB	4	4	16	4	4	16	31/03/19
7.	Neighbourhood and Environmental Services – Lack of adequate resource capacity	JL	4	4	16	3	3	9	31/03/19 ongoing
10.	Tourism, Culture & Investment – Markets – Risk relating to trader attrition and inability to attract new traders particularly during the market improvement works	MD	4	4	16	3	4	12	31/03/19 ongoing
11.	Tourism, Culture & Investment – Markets – the prevalence of incidents of anti-social behaviour in and around the Market area	MD	4	4	16	2	3	6	31/03/19 ongoing
6.	Housing – Legislation - Change in Government legislation on council housing known to be coming but full details remain unclear	CB	3	5	15	3	4	12	31/03/19
9.	Neighbourhood and Environmental Services – Reduction in income generation programmes	JL	3	5	15	2	4	8	31/03/19 ongoing
13.	Tourism, Culture & Investment – De Montfort Hall – Loss of operational ability due to failure of flying bars if not replaced	MD	5	3	15	5	1	5	31/03/19 ongoing
12.	Tourism, Culture & Investment – De Montfort Hall – Loss of operational ability due to failure	MD	5	3	15	5	2	10	31/03/19

Risk Ref (as per ORR)	Risk	Risk Owner	Risk Score with existing controls			Target Risk Score with further controls			Target date
			I	L	Score	I	L	Score	
	of stage lift if not replaced								ongoing
STRATEGIC AREA – CORPORATE RESOURCES AND SUPPORT									
17.	Finance – Corporate Fraud; Failure or inability to effectively detect, prevent, investigate and deal with corporate fraud	AG	5	4	20	5	4	20	31/03/19
18.	Finance - Information and Customer Access – Cyber Security. Increasing profile and expertise to circumvent established defences increase vulnerability of LCC data.	AG	4	5	20	4	5	20	31/03/19 ongoing
14.	Delivery, Communications and Political Governance - The service may struggle to manage a number of unplanned, additional elections	MC	5	4	20	4	3	12	31/03/19 ongoing
19.	Finance - Financial challenges - the Council fails to respond adequately to the cuts in funding over the coming year or years.	AG	5	4	20	5	2	10	31/03/19 and ongoing
15.	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	4	16	28/02/19
20.	Finance - Tactical Decision Making - Business solutions considered by services, which impact upon Information Services service delivery, are taken without consultation or considering the impact	AG	4	4	16	4	4	16	31/03/19 ongoing
16.	Delivery, Communications and Political Governance - legal challenges particularly related to PSED/Consultation/Employment – Increased legal challenges heighten the need to ensure that processes are effective and efficient.	MC	4	4	16	4	3	12	31/03/19 ongoing
21.	Finance – Introduction of Universal Credit Full service	AG	4	4	16	3	4	12	31/03/19 ongoing
22.	Finance – BSC /Payroll Service – Loss or partial loss of Payroll Application SAFE	AG	3	5	15	3	4	12	31/03/19 ongoing
23.	Legal – Workloads and Pressure – Client Care. Services within the Council are stretched with increased demands and pressures.	KA	4	4	16	4	3	12	31/03/19
STRATEGIC AREA - EDUCATION AND CHILDREN'S SERVICES									
24.	Children's Social Care and Early Help - Budget Loss and / or reduction of services to achieve budget savings	CT	5	4	20				31/03/19
25.	Children's Social Care and Early Help - GDPR Change in Data Protection regulation (GDPR) which came into force May 2018.	CT	4	4	16	5	3	15	31/03/19
26.	Learning Services – A rising number of LA	PT	4	4	16	4	3	12	31/03/19

Risk Ref (as per ORR)	Risk	Risk Owner	Risk Score with existing controls			Target Risk Score with further controls			Target date
			I	L	Score	I	L	Score	
	maintained schools are reporting financial deficits								
27.	Learning Services – External competition continues to threaten the future viability of the City Catering Service	PT	4	4	16	3	4	12	31/03/19
28.	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.	TBC	4	4	16	4	3	12	31/03/19
STRATEGIC AREA – PUBLIC HEALTH									
29.	Budget - External Influences External national imperatives without associated budget introduced which will impact on local delivery	IB	4	4	16	4	4	16	31/03/19
30.	Budget Restrictions - Commissioning Reduced budget for services impacts on financial viability to potential 3rd party contractors who may deem package to be unsustainable.	IB	4	4	16	4	3	12	31/03/19
31.	Technology – Systems/ technology not fit for purpose to support services and commercial objectives, lack of IT knowledge	IB	4	4	16	3	4	12	31/03/19
32.	Budget Restrictions - Funding Ongoing austerity for Public Sector requires changes to service delivery to comply with available budget, continued reductions could force termination of services to ensure priority services remain available	IB	3	5	15	3	4	12	31/03/19
33.	Contract Management – Dilution of resources within Contract Management Services appear to impact the Public Health specific support for all elements of contract management	IB	3	5	15	1	1	1	31/03/19

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
IB - Ivan Browne
JL - John Leach

KA - Kamal Adatia
MC - Miranda Cannon
MD - Mike Dalzell
PT - Paul Tinsley
TR - Tracie Rees

Appendix 4 - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 31/01/2019

Risk What is the issue: what is the root cause/ problem – what could go wrong	Consequence /effect: what would occur as a result, how much of a problem would it be, to whom and why	Existing actions/controls	Risk Score with existing measures			Further management actions/controls required	Target Score with further controls			Cost	Risk Owner	Review Date
			(See Scoring Table)				(See Scoring Table)					
			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
STRATEGIC AREA - Adult Social Care												
1. Care Services & Commissioning (ASC) - Budget - Compliance Lack of budget / resources to comply with changes in DOLs legislation	- DOLs assessments not carried out; - Potential for individuals to be illegally deprived of their liberty, for safeguarding due to lack of oversight and for legal claims against LCC, and fines.	- Following legal advice from a Barrister, Leadership has agreed a revised prioritisation system that is reviewed regularly. - Use of Independent BIAs - Use of form 3b; - Development of internal staff (Social workers - BIA)	4	4	16	- Report to Exec - seeking additional funding for 12month project.	4	3	12		Tracie Rees	31.03.2019 Ongoing
2. Care Services & Commissioning (ASC) - Mental Health - Statutory LCC is legally obliged under the Mental Health Act (MHA) to provide 24/7 service	- Risk of harm to, or by, mentally ill person - Breach of compliance and possible fines - Reputational damage - Impact on morale and stress if staff working outside hours - Increased staff turnover leads to immediate resource issues; also recruitment and training requirement - Potential delays and can increase working hours. - Not meeting MHA legislation - Potential delays and can increase working hours.	- 24/7 rota reviewed with AMPs and Unions and due for implementations shortly; - using non-AMPs for appropriate functions	4	4	16	- Management support to AMHPs; - Continue to consider options for recruitment, Continue to escalate. - Pilot of new 7 day rota commenced 01.09.2018 and was reviewed at the end Nov 2018, but issue of cover still not resolved. - Review to be completed to change ToC. Meantime the risk remains high as the council may not be able to undertake its statutory duty.	4	3	12		Tracie Rees	31.03.2019 Ongoing
3. Care Services & Commissioning (ASC) - Salary enhancements - BIAs Removal of enhancements	- Failure to provide out of hours service (Stat duty); - Loss of key staff who seek alternative employment; - Disruption to service standards and provision; - Decreased morale	- Raised profile corporately. JE in progress with corporate JE team.	4	4	16						Tracie Rees	31.03.2019 Ongoing

Appendix 4 - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 31/01/2019

Risk	Consequence /effect: what would occur as a result, how much of a problem would it be, to whom and why	Existing actions/controls	Risk Score with existing measures			Further management actions/controls required	Target Score with further controls			Cost	Risk Owner	Review Date
			Impact	Likelihood	Risk		(See Scoring Table)					
							Impact	Likelihood	Risk			
4. Care Services & Commissioning (ASC) - Data breach Human error as demands on role increase likelihood for breach with access to sensitive data	- Sensitive data shared with wrong individuals; - Distressing to service users; - Reputational damage to LCC; - ICO investigation and potential fines	- E-learning staff training - mandatory; - HR action against offenders / disciplinary / dismissal / court; - Shared learning; - Information sharing agreement / DPA policy; - Caldicott Guardian - TR; - Automated message on log-on	5	3	15	- Reviewing toolkits / refresher training / reviewing guidance and training on GDPR requires regular refresher	4	3	12		Tracie Rees	31.03.2019 Ongoing
STRATEGIC AREA - City Development and Neighbourhoods												
5. Housing - Data Breaches Increasing demand on staff capacity increases potential for errors which lead to data breaches	- Sensitive data shared without permission; - ICO investigation and potential significant fines, - Reputational damage, - Decreased morale, - Decreased capacity as staff support investigation	- Staff training on-line mandatory programmes; - Reinforced notifications; - Formal process to manage breach, formal disciplinary procedures to manage process; - HR support; - Introducing technology to support staff undertaking their roles; - Channelling services on-line to allow customers to self serve; - Password protection mandatory; - Proactive recruitment and retention to maintain FTE levels; - Planned and organised approach to service changes; - Guidance on removal of autofill on email circulated due to number of breaches where this has been the cause	4	4	16	- Ongoing programme of training and education; - Enhanced use of hardware; - Channel shift to promote self serve; - Streamlining of processes, - Review of service analysis / requirements, - Lessons learned review across council from Information Governance - Audit process to be implemented by Info Governance to identify weaknesses with PATs Service Areas	4	4	16		Chris Burgin	31.03.2019
6. Housing - Legislation Change in Government legislation on council housing known to be coming but full details remain unclear	- Requirement to increase stock significantly would likely be difficult to adhere to. - Current stock reducing through RTB with remaining stock primarily less desirable and needing increased maintenance investment; overcrowding may get worse	- Stock significance - housing company established - phase one agreed and implementation starts Jan 2019; - Homecome sourcing additional affordable lets; - New build included within affordable housing register (homechoice system); - Prioritised housing register to focus on those with greater need; - Under occupation project underway to review opportunities / availability of estate to meet needs and demands; - STEPT accommodation provision to support customer needs	3	5	15	- Phase 2 to be scoped following completion of Phase 1; - Social lettings agency option being considered to being unaffordable available accommodation in city; - Consider further prioritised needs assessment; - Establish tenant incentive scheme as part of under occupation project; - Pursue additional STEPT accommodation	3	4	12		Chris Burgin	31.03.2019

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Appendix 4 - Leicester City Council Operational Risk Register

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Risks as at: 31/01/2019

Risk What is the issue: what is the root cause/ problem – what could go wrong	Consequence /effect: what would occur as a result, how much of a problem would it be, to whom and why	Existing actions/controls	Risk Score with existing measures			Further management actions/controls required	Target Score with further controls			Cost	Risk Owner	Review Date
			(See Scoring Table)				(See Scoring Table)					
			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
<p>7. 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, resulting in confusion etc.</p> <p style="font-size: 2em; font-weight: bold;">79</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. - Reputational damage may result from unplanned building closures due to staff shortages. - Significant delay to decide and implement a solution could weigh heavily in any proceedings that would follow a serious incident. 	<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 - Organisational review consultation process. - Managing expectations with senior officers / stakeholders - Accessing external grants 	4	4	16	<ul style="list-style-type: none"> - Building adequate criteria and expectations into Service Reviews - Income generation to fund service specific posts / resources - Better use of existing internal & external resources (partnerships) 	3	3	9		John Leach	31.03.2019 Ongoing
<p>8. Neighbourhood and Environmental Services - BEAUMONT PARK DEPOT</p> <p>Condition of depot creating risks to service delivery, individuals working on site and visitors, situation identified in H&S report in 2011. Previously requested in 2014 to be accommodated in Capital Programme. Strategic Director with Head of Finance moved to be dealt with as part of Depot Review passed for action to Director of EBS following site visit in Nov 2017. Options drawn up Feb 2018 but later abandoned. NES awaiting confirmed direction re resolution.</p>	<ul style="list-style-type: none"> - Serious accident injury and or death to staff/member of public. - Reputational damage to LCC. - Insurance claims against the Council. - Legal challenge. - Media exposure. - Adverse effect on budget/finances. - Closure of premises, loss of service. - Breaches in legislation and/or non-compliance. - Demand led services may not be met. - Significant delay to decide and implement a solution could weigh heavily in any proceedings that would follow a serious incident. 	<ul style="list-style-type: none"> - On going review of depot in-house Business Change Manager facilitating with E&B. Undertaking options appraisal with input from Legal, Planning and Highways. - Building conditional surveys reviewed under the TNS Programme. - Agreed to manage outside of Depot review with separate budget allocation. - Dedicated Banksman employed to manage traffic movement on site. - All staff trained in banksman duty of care. - H&S team undertake review of short term safety measures for pedestrians and vehicles on site. 	5	3	15	<ul style="list-style-type: none"> - New site - Suitable adaptation of existing to accommodate operational practices and introduction of one way traffic system. 	4	2	8	Unknown at present	John Leach	31.03.19

Appendix 4 - Leicester City Council Operational Risk Register

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What is the issue:												
what is the root cause/												
problem – what could go wrong			(See Scoring Table)				(See Scoring Table)					
			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
<p>9. Neighbourhood and Environmental Services - REDUCTION IN INCOME GENERATION PROGRAMMES</p> <p>With reductions in public demand in Building Control and Pest Control income generated by the Council may be significantly reduced and income generation/revenue targets may not be met.</p> <p>Also, 'one off' income programmes are set as recurring within the budgets/accounts; impacting further on future financial targets.</p> <p>Competition from competitors e.g., Crematorium.</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. - Internal recharges, e.g. for community space, will reduce as services reorganise. 	<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. - An agreement is in place for withdrawal of internal services from community settings under the TNS programme. - Draw on external funding 	3	5	15	<ul style="list-style-type: none"> - Introducing new ways of working to encourage entrepreneurial opportunities - External funding opportunities further explored 	2	4	8	N/A	John Leach	31.03.2019 Ongoing

Appendix 4 - Leicester City Council Operational Risk Register

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			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
<p>10. Tourism, Culture & Investment - Markets Risk relating to trader attrition and inability to attract new traders particularly during the market improvement works</p>	<p>- Trader occupancy rates currently sit at 51% average. This is due, it is felt, to the ongoing improvement works taking place in the area and the general malaise in city centre retail. - Ongoing regeneration in the Market will, it is hoped, halt the reduction in traders</p>	<p>- The public square will be used to attract footfall and the new screen will complete in spring 2019. - An investment programme for the outdoor market has been agreed by the City Mayor. - Revised price strategy has made it simpler and better value for money on certain days of the week.</p>	4	4	16	<p>- Carry out improvement programme and re-branding exercise to enhance environment and broaden customer base. - Attract new specialist markets and new traders in new lock up units. - New policy proposed to prioritise quality new commodities and reduce duplication will follow.</p>	3	4	12	Work to Market is urgently needed as without improvements new commodities cannot be expected	Mike Dalzell	31.03.2019 Ongoing
<p>11. Tourism, Culture & Investment - Markets The prevalence of incidents of anti-social behaviour in and around the Market area</p>	<p>- Public and Traders cease to use the Market because of the prevalence of ASB issues</p>	<p>- Inspectors regularly patrol</p>	4	4	16	<p>- Market rules are complemented with zero tolerance. Security staff are engaged. Make frequent Police Patrols</p>	2	3	6	£40,000pa Cost not budgeted for.	Mike Dalzell	31.03.2019 Ongoing
<p>12. Tourism, Culture & Investment - De Montfort Hall Loss of operational ability, falling below customer expectation, loss of reputation, knock on effect to touring promoters if facilities not up to industry expectation. Root problem: The stage lift has recently suffered some failures and if this lift were to cease operation, we would not be able to change format of the hall to enable DMH to hold the variety of performances we currently have booked</p>	<p>- Loss of income - Loss of reputation - Negative PR.</p>	<p>- Responsibility for maintenance of the stage lift has rested with DMH until recently. - EBS have now taken on responsibility. We have had the lift serviced this Summer 2017, with recommendations for some repairs to take place in Summer 2018 which would cost approximately£30k but the lift really needs to be replaced entirely at a cost nearer £200k. - The recent conditional report suggest that the lift will fail in 12-18 months. - Property services have expressed that they do not have a budget to service our needs.</p>	5	3	15	<p>- Works procured but cannot be carried out until Aug 2019. - Mitigation and controls to be put in place reduce risk of failure in meantime.</p>	5	2	10	Mitigation in place for 2hr callout until works can be undertaken..	Mike Dalzell	31.03.2019 Ongoing

Appendix 4 - Leicester City Council Operational Risk Register

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What is the issue:												
what is the root cause/												
problem – what could go wrong												
			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
<p>13. Tourism, Culture & Investment - De Montfort Hall</p> <p>Loss of operational ability, falling below customer expectation, loss of reputation, knock on effect to touring promoters if facilities not up to industry expectation.</p> <p>Root problem: The flying bars recently suffered some failures and if the flying bars were to cease operation, we would not be able to continue with our programme of shows.</p>	<p>- Loss of income, loss of reputation, negative PR.</p>	<p>- Responsibility for maintenance of the flying bars has rested with DMH until recently. The recent condition report commissioned by Theatre Plan, suggest that the flying bars will fail in 12-18 months. Approximate cost of replacement would be £200k.</p> <p>- Further investigation is required.</p> <p>- EBS will struggle to fund from maintenance budgets.</p>	5	3	15	<p>- Replacement took place during summer,2018.</p> <p>- Now operational and appears reliable, although some minor adjustments still required to software,</p>	5	1	5	<p>circa £100k.</p> <p>Funded via EBS capital.</p>	<p>Mike Dalzell</p>	<p>31.03.2019</p> <p>Ongoing</p>
<p>STRATEGIC AREA - Corporate Resources and Support</p>												
<p>14. Delivery, Communications and Political Governance - UNPLANNED ELECTION EVENT</p> <p>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.</p> <p>Unable to source suitable polling stations and a count venue for unplanned elections.</p> <p>Ability to deliver planned elections severely compromised by short notice unplanned elections e.g. snap general election due to current Brexit issues or a further referendum relating to Brexit</p>	<p>- Elections not performed appropriately/challenges received and elections may have to be re-run.</p> <p>- Impacts on delivery of planned elections</p> <p>- Reputational damage.</p> <p>- Adverse effect on finances.</p> <p>- Media coverage.</p> <p>- Public complaints.</p> <p>- Increase in resource requirements.</p> <p>- Could lead to increased expectations on the existing trained core team, who hold relevant and detailed knowledge.</p> <p>- The potential repetition of impacts and pressures that arose during 2011 elections.</p> <p>- Impacts also on the wider capacity and resources of the Council which would be needed to support delivery.</p>	<p>- Returning officer and nominated deputies are in place.</p> <p>- Insurance is in place.</p> <p>- Many elections can be planned and have set dates. Monthly planning meetings and work underway in preparation for the next planned elections (Mayoral and Local) in May 2019 taking account of lessons learned from recent elections. Monthly meetings have considered and will continue to review the risk of a further short-notice general election due to continued issues nationally arising from Brexit negotiations</p> <p>- May 2015 and 2016 elections and EU referendum enabled newer members of the core team to develop further skills and experience in specific aspects of the elections process which was further consolidated by 2017 general election.</p> <p>- Electoral Commission guidance gives detailed support in the planning and management of each specific type of elections.</p> <p>- A number of the Electoral Services team undertaking professional AEA qualifications. Recruited two new electoral services officers and they will be provided with appropriate core professional training</p> <p>- In recent elections have drawn upon external expertise e.g. training delivered via AEA and involved a wider group of staff from across the Council to support the process.</p> <p>- Detailed debriefs have been done after each election in recent years and used to feed into planning for future elections.</p>	5	4	20	<p>- Continue to develop skills and expertise across the wider electoral services team including completion of formal training & qualifications - a number of staff undertaking relevant qualifications.</p> <p>- Use external or peer support where feasible e.g. from other local authorities.</p> <p>- Consider training/up-skilling a pool of contingency staff.</p> <p>- Keep under review staffing skills and expertise within the team and more widely</p>	4	3	12		<p>Miranda Cannon</p>	<p>31.03.2019</p> <p>Ongoing</p>

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			(See Scoring Table)				(See Scoring Table)					
What is the issue:			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
<p>what is the root cause/</p> <p>problem – what could go wrong</p>												
<p>15. Delivery, Communications and Political Governance - HR System Implementation Implementation of the new HR system goes over budget / timescales or system cannot meet requirements and fails to achieve desired outcomes and benefits</p>	<ul style="list-style-type: none"> - Ability to deliver the core HR service is compromised - Critical data / information is lost - Statutory requirements such as HMRC and other returns cannot be achieved - Increased costs to the service including risk of fines where statutory requirements cannot be met e.g. pensions returns - Reputational damage - Pressure on staff resulting from the need to work in the absence of an effective system - Staff are not paid correctly (under or overpayments) creating additional work for Payroll and dissatisfaction amongst affected staff - Other errors occur e.g. calculation of annual leave creating additional work for BSC and dissatisfaction amongst staff/TUs 	<ul style="list-style-type: none"> - Project Manager and Project Board in place. Close involvement of key areas including ICT Procurement, BSC, ICT - Supplier has been in dialogue concerning a settlement proposal regarding what they propose to deliver/not deliver - a formal offer is still not forthcoming however. In addition the Supplier has been given notice twice regarding issues relating to the live system where contractual obligations are not being met however the response from the Supplier is poor and could lead to a possible breach of contract. Further actions being determined and contingency options being prepared. Andy Keeling and City Mayor briefed on the position. Close ongoing support and involvement from Legal Services and Procurement. - Recruitment removed from scope and re-tendered in light of failure by supplier to deliver. A newly procured system has been implemented and went live in Jan 2019 (see further risk below) - Core HR/Payroll system whilst live is incomplete in terms of functionality versus ITT, SLAs for support are not being met and there continue to be a significant number of live issues which are not being addressed 	4	4	16	- Determine next course of action with the supplier in relation to settlement and the live system. Continue to progress contingency / business continuity options	4	4	16		Miranda Canon	28.02.2019

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			(See Scoring Table)				(See Scoring Table)					
			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
<p>16. Delivery, Communications and Political Governance - LEGAL CHALLENGES PARTICULARLY RELATED TO PSED/CONSULTATION/EMPLOYMENT</p> <p>Consultation approach and EIAs are increasingly targeted areas for legal challenge and increased tendency for employment tribunals particularly since abolition of fees. Increased legal challenges heighten the need to ensure that processes are followed by staff:</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>	<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. - Unrealistic public/political expectations 	<ul style="list-style-type: none"> - Equality Impact Assessments (EIAs) are performed to help ensure the Council meets the Public Sector Equality Duty (PSED). Workshops are being planned to support those completing EIAs. Enhanced focus on governance agreed by CMT in Sept including new Governance Group who will consider equalities and risk as part of their work. - 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. Report done to CMT on review of previous EIAs and tracking of recommendations which was well received and identified areas for improvement in existing practice particularly linked to decision making. - 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 undertaken by the Comms and Equalities Teams - Equality Strategy and action plan approved by Council in June 2018 and work underway second quarterly review completed and progress is on track - Work underway on supporting equalities tools and guidance and revamp of the offer on the intranet completed 	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. - Delivery of EIA workshops and provide further guidance/templates if appropriate/needed in light of those workshops 	4	3	12		Miranda Cannon	31.03.2018 Ongoing
<p>17. Finance - Corporate Fraud</p> <p>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	31.03.2019
<p>18. Finance - Information and Customer Access - Cyber Security</p> <p>Increasing profile and expertise to circumvent established defences increase vulnerability of LCC data.</p>	<ul style="list-style-type: none"> - Data hacked and released into public domain; - Reputational damage - seek alternative more expensive solutions; - Fines from ICO; - Staff stress increases; - Damage to identified individuals; - Denial of service 	<ul style="list-style-type: none"> - Technology defences; - Awareness campaign; - Targeted follow up's; - Built into new system standards from 3rd party applications (secure passwords, TLS); - Daily back-up of systems 	4	5	20	<ul style="list-style-type: none"> - Technology solutions, requires cost effective considerations; - Continued awareness training etc.. 	4	5	20		Alison Greenhill	31.03.2019 Ongoing

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			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
19. Finance - Financial Challenges The Council fails to respond adequately to the cuts in public sector funding over the coming year or years.	- Council is placed in severe financial crisis. Reputational damage to the Council and substantial crisis job losses. If the process is not properly managed, the Council will have little money for anything but statutory 'demand led services'	- Budget balanced in 18/19 and 19/20. Spending review 4 programme underway and previous spending reviews largely complete. - Further work required to balance the medium term, particularly driving the spending review programme	5	4	20	- Heavy involvement of City Mayor and COO in ensuring spending review programme delivers. - Appropriate change management/ project management arrangements to be put in place for major review areas - Delivery of spending review 4	5	2	10		Alison Greenhill	31/03/2019/2020 and On-going
20. Finance - Tactical Decision Making Business solutions considered by IT Services, which impact upon Information Services service delivery, are taken without consultation or considering the impact	- Increased budget pressure to implement / maintain expensive systems; - Increased pressure achieve service budget / targets; - Staff morale decreases; - Reduction in service capacity; - Breach of licences leading to fines; - Security risks of data / service; - Service support to other parts of council affected; - Internal reputational damage;	- Consultation with HoS to increase knowledge and understanding of IT requirements at early stages of projects; - Create Target Operating Model (TOM); - Enforcing Digital Transformation (DT) gateway process; - Provide clear criteria for commissioning new IT solutions; - Business Continuity (BC) process includes costs to service;	4	4	16	- Monitor effectiveness of identified mitigations to determine future actions / plan	4	4	16		Alison Greenhill	31.03.2019 Ongoing

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<p>21. 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 - Monthly payments of a combined standard award and housing element paid directly to the claimant, unless alternative arrangements applied for and eligibility criteria met. 	<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 defendable 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	31.03.2019 Ongoing

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Risks as at: 31/01/2019

Risk	Consequence /effect: what would occur as a result, how much of a problem would it be, to whom and why	Existing actions/controls	Risk Score with existing measures			Further management actions/controls required	Target Score with further controls			Cost	Risk Owner	Review Date
			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
<p>What is the issue:</p> <p>what is the root cause/</p> <p>problem – what could go wrong</p>												
<p>21. Finance - Introduction of Universal Credit (UC) Full Service - Continued</p> <p>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.</p>	<ul style="list-style-type: none"> - 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 offs 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. 	<ul style="list-style-type: none"> - 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 Direct Debits - Robust Comms plans in plain literature is being reviewed to strengthen the message to pay - Overpayment recovery - discount pilot being operated by Business Services Centre, - Review alternative recovery options, based on findings of other Financial Services areas - This will be monitored by ASC/Public health - S02's will be monitored to identify work related stress and understand impacts on officers to plan and put in place support 										
<p>21. Finance - Introduction of Universal Credit (UC) Full Service - Continued</p> <p>CUSTOMER ACCESS</p> <p>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 of access to IT to enable them to engage in the application, compliance and claim management process as required under their claimant commitment.</p>	<ul style="list-style-type: none"> - 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 including libraries etc 	<ul style="list-style-type: none"> - 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 										

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Appendix 4 - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 31/01/2019

Risk What is the issue: what is the root cause/ problem – what could go wrong	Consequence /effect: what would occur as a result, how much of a problem would it be, to whom and why	Existing actions/controls	Risk Score with existing measures			Further management actions/controls required	Target Score with further controls			Cost	Risk Owner	Review Date
			(See Scoring Table)				(See Scoring Table)					
			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
<p>22. Finance- BSC - Payroll Service Loss, or partial loss of Payroll Application SAFE. Fragility of the software and SAFE system support resources leaves the potential for a significant number of staff to be paid incorrectly. This would mean over/under payments or in extreme cases no payment. LGPS/TPS potential non-compliance.</p>	<ul style="list-style-type: none"> - Reputational damage - potentially huge. Noting reputational damage with Harborough DC & Leicestershire Cares - Approx. 16,500 employees, councillors and external customers not paid/incorrectly paid on a monthly basis - Requirement for emergency payments due to financial hardship - Financial compensation for bank charges imposed on employees, councillors and external customers 	<ul style="list-style-type: none"> - SAFE EMS systems provided by SAFE Computing, 20 Freeschool Lane, Leicester LE1 4FY are retaining expertise from SAFE ownership - Escrow Agreement (49000) with NCC Group - Payroll Services BCP in place, lead Cory Laywood - Line by line manual checks of the payroll extracts from the SAFE system 	3	5	15	<ul style="list-style-type: none"> - Occasional testing of BCP plan - Using BAU processes to deal with under or over payments - Additional checking processes before the final BACS run - Smart reporting to test for known issues 	3	4	12	20% of monthly net pay at £18m	Alison Greenhill	31.03.19 & ongoing
<p>Legal - Workloads & Pressure - Court Care Services within the Council are stretched with increased demands and pressures. Unrealistic deadlines at times can be set for major projects, procurement and contracts. There is a concern that whilst corporate policy is correct and general awareness of correct procedures/rules exists, it may not be implemented effectively within services.</p>	<ul style="list-style-type: none"> - Timely legal advice from clients not sought. - Failure to comply with laid down guidelines. - Breach of regulations or law e.g. data protection. - Council found to act unlawfully. - Challenges to procurement processes. - Cost implications from requirements not being followed/deadlines being missed/ not delivering value for money for Council. - Award made against council etc. - Staff demotivated - Negative Press/Reputation of Council 	<ul style="list-style-type: none"> - Reviewing practices to be improve flexibility of approach. - Channel Shift. - Raising awareness - corporate messages. - Early engagement - feeding into deadlines. - Attending project boards. - Projects to look at new ways of working. 	4	4	16	<ul style="list-style-type: none"> - Completion of review of practices by September 2019. - Improved use of technology e.g. Electronic Signatures/Virtual Hearings/Channel Shifts (Corporate Channel shift program - March 2019). - Need to increase comms program/training and awareness of current practices (deadlines with project plan). 	4	3	12		Kamal Adatia	31/03/19
<p>STRATEGIC AREA - Education and Children's Services</p>												
<p>24. Children's Social Care and Early Help - Budget Loss and / or reduction of services to achieve budget savings</p>	<ul style="list-style-type: none"> - Reduction in preventative services impacting on ability to deliver Statutory services; - Inability to deliver Placement Sufficiency; - Decrease Capacity / Increase demand; - Potential reduction of staffing levels; - Limited ability to deliver some front line services; - Potential for future claims against authority 	<ul style="list-style-type: none"> - Transformation board oversees all budget reduction projects; - Strategic Oversight; - Clear governance arrangements 	5	4	20	<ul style="list-style-type: none"> - Star Chamber presentation re: undeliverable savings 					Caroline Tote	31.03.2019

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			(See Scoring Table)				(See Scoring Table)					
			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
25. Children's Social Care and Early Help - GDPR Change in Data Protection regulation (GDPR) which came into force May 2018.	- Historic breaches of information due to human error continue; - Under new regulations the size of potential fines significantly greater; - Inaccurate data within systems; - Inaccurate decisions made for service user; - Could lead to data breaches and significant fines and incorrect service provision for service user. ICO involvement	- Training cascaded across services; - Compliance monitored; - Lessons learnt have been cascaded; - Actions taken where necessary	4	4	16	- Developing clear and consistent HR response. Majority of staff have completed GDPR training session. - Referral paperwork (MARF) is taking GDPR into account.	5	3	15		Caroline Tote	31.03.2019
26. Learning Services - Financial Deficit Rising number of LA maintained schools are reporting financial deficits.	- Schools carrying significant financial deficits present a financial risk to the Council unless they are quickly supported to bring deficits back to a balanced budget position. - The LA has limited capacity to intervene in schools in deficit.	- A School Finance Group meets monthly to receive reports on the current position in relation to school budgets. - Schools receive letters requesting reassurances once deficits are notified and are required to apply for a licenced deficit in certain circumstances. - An independent business manager is also appointed in some instances, to help the schools concerned address their budget deficits	4	4	16	- Investigate further options such as additional capacity to support schools via more hours allocated for school business manager support.	4	3	12		Paul Tinsley	31.03.2019
27. Learning Services - External Management External competition continues to threaten the future viability of the City Catering Service	- If the current rate of decline continues then the service will soon begin to make a loss. - City Catering Service losing business. - Impact on other services due to the difference being picked up by the General Fund affecting delivery of those other services	- Discussions with school business managers and report commissioned from APSE consultant	4	4	16	- Prepare options paper to take to Executive	3	4	12		Paul Tinsley	31.03.2019
28. 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		TBC	31.03.2019

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What is the issue:												
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STRATEGIC AREA - Public Health												
29. Budget - External Influences External national imperatives without associated budget introduced which will impact on local delivery.	<ul style="list-style-type: none"> - Call on finances from NHS pay award; - Changes in financial call due to changes in clinical requirements/fluctuations in drug/treatment market prices; - Prioritisation / decommissioning / reduction of existing service delivery model 	<ul style="list-style-type: none"> - Internal decision making process; - Expertise within team to assess choices and inform management briefings / options appraisal; - Advocacy by Director Public Health (DPH) with national bodies; 	4	4	16	<ul style="list-style-type: none"> - Political escalation; - Corporate responsibility; - Service & budget planning - Utilise partnership approach - Explore alternative treatment/therapy options 	4	4	16		Ivan Browne	31.03.2019
30. Budget Restrictions - Commissioning Reduced budget for services impacts on financial viability to potential 3rd party contractors who may deem may package to be unsustainable.	<ul style="list-style-type: none"> - Loss of existing contractors unable to fulfil contracts within reducing financial envelope; - May not be attractive to new providers during tenders; risk of failed procurement - Loss of service provision; - Impact on community who require service; - Impact on NHS as demand increases for other services; - Decreased morale; - Reputational damage to LCC 	<ul style="list-style-type: none"> - Bespoke procurement methods; - Briefing of lead members to highlight potential risks and consequences; - Internal decision making process; - Expertise within team to assess choices and inform management briefings / options appraisal; - Advocacy by Director Public Health (DPH) with national bodies; - Provider negotiations; - Working with internal departments (legal / procurement / contract management/ finance) 	4	4	16	<ul style="list-style-type: none"> - Continue with existing controls; - Explore joint commissioning (internal with LCC, and external with county and regionally) - Implement management of change processes - Accept new and novel approaches to commissioning including encouraging consortium applications 	4	3	12		Ivan Browne	31.03.2019
31. Technology Systems / technology not fit for purpose to support services and commercial objectives, lack of IT knowledge.	<ul style="list-style-type: none"> - Inability to achieve savings targets; - Service delivery remains static or not effective - Reduced morale of staff seeking organisational development and progress - Reputational damage - Lack of system integration - Customer dissatisfaction - Loss of income - Legal challenges 	<ul style="list-style-type: none"> - Realistic business plans and objectives set based on current technology capabilities - Project team involvement in new system deployment which impacts on service delivery - Communications with service users to manage expectations - Discussions with IT to understand potential development opportunities for systems in future - Working with IT to ensure sufficient testing of new system takes place; - Scrutiny of current systems to review concerns 	4	4	16	<ul style="list-style-type: none"> - Project group with IT to establish problems / limitations of current systems and review options on market as solutions - Ensure adequate engagement of CCG/ HIS to ensure systems run as effectively as possible 	3	4	12		Ivan Browne	31.03.2019

Appendix 4 - Leicester City Council Operational Risk Register

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Risks as at: 31/01/2019

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<p>32. Budget Restrictions - Funding Ongoing austerity for Public Sector requires changes to service delivery to comply with available budget, continued reductions could force termination of services to ensure priority services remain available.</p>	<ul style="list-style-type: none"> - Change in service provision; - Decreased / ceased service /user contact; - Decreased / ceased service effectiveness; - Reputational damage; - Increased demand on other public services (primary / secondary health care / Social Care / Leisure Centres); - Risk of missing safeguarding issues; - Impact on council statutory duties; - Judicial review; - Central government intervention 	<ul style="list-style-type: none"> - PH Return to Central Government (Return On Investment (ROI)); - Staffing restructure; - Invest to save opportunities explored; - Internal briefings / decision making process; - Political support; - Articulating associated risks; - Scrutiny; - Clinical Governance Process in place; - Monitoring to identify adverse effects 	3	5	15	<ul style="list-style-type: none"> - Continue with existing controls; - Secure additional revenue e.g. income generation through commercial opportunities -Continue to explore a variety of potential local and national funding opportunities including commercial, government, academic, grant funding, -Utilise in kind support/asset sharing where possible 	3	4	12		Ivan Browne	31.03.2019
<p>33. Public Health - Contract Management Allocation of resources within Contract Management Service appear to impact on Public Health specific support for all elements of contract management</p>	<ul style="list-style-type: none"> - Delay in process leads to delay delivering identified actions; - Current assurance practices are not sufficiently robust; - Service delivery impact; - Negative impact on service user; - Reputational damage; - Impact on PH team capacity 	<ul style="list-style-type: none"> - Management through performance review group; - Concern escalations; - Service ownership / involvement in contract meetings; 	3	5	15	<ul style="list-style-type: none"> - Development of SLA; - Ongoing provider/client satisfaction feedback - Liaising with new contract managers to fully understand PH services - Awaiting DMT decision on actions 	1	1	1		Ivan Browne	31/03/19

Appendix 4a - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 31/01/19

Risk	Consequence /effect: what would occur as a result, how much of a problem would it be, to whom and why	Existing actions/controls	Risk Score with existing measures			Further management actions/controls required	Target Score with further controls			Cost	Risk Owner	Review Date
What is the issue:												
what is the root cause/												
problem – what could go wrong			(See Scoring Table)	(See Scoring Table)								
			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
STRATEGIC AREA - Adult Social Care												
1. Care Services & Commissioning (ASC) - Budget - Compliance Lack of budget / resources to comply with changes in DOLs legislation	- DOLs assessments not carried out; - potential for individuals to be illegally deprived of their liberty, for safeguarding due to lack of oversight and for legal claims against LCC, and fines.	- <u>Following legal advice from a Barrister, Leadership has agreed a revised prioritisation system that is reviewed regularly.</u> - <u>Use of Independent BIAs</u> - Use of form 3b; - Development of internal staff (Social workers - BIA)	4	4	16	- <u>Report to Exec - seeking additional funding for 12month project.</u>	4	3	12		Tracie Rees	<u>31.03.2019</u> <u>Ongoing</u>
2. Care Services & Commissioning (ASC) - Mental Health - Statutory Duty LCC is legally obliged under the Mental Health Act (MHA) to provide 24/7 service	- Risk of harm to, or by, mentally ill person - Breach of compliance and possible fines - Reputational damage - Impact on morale and stress if staff working outside hours - Increased staff turnover leads to immediate resource issues; also recruitment and training requirement - Potential delays and can increase working hours. - Not meeting MHA legislation - Potential delays and can increase working hours.	- 24/7 rota reviewed with AMPs and Unions and due for implementations shortly; - using non-AMPs for appropriate functions	4	4	16	- Management support to AMHPs; - Continue to consider options for recruitment. - Continue to escalate. - <u>Pilot of new 7 day rota commenced 01.09.2018 and was reviewed at the end Nov 2018, but issue of cover still not resolved.</u> - <u>Review to be completed to change ToC.</u> - <u>Meantime the risk remains high as the council may not be able to undertake its statutory duty.</u>	4	3	12		Tracie Rees	<u>31.03.2019</u> <u>Ongoing</u>
3. Care Services & Commissioning (ASC) - Salary enhancements - BIAs Removal of enhancements	- Failure to provide out of hours service (Stat duty); - Loss of key staff who seek alternative employment; - disruption to service standards and provision; - decreased morale	- Raised profile corporately. - <u>JE in progress with corporate JE team.</u>	4	4	16						Tracie Rees	<u>31.03.2019</u> <u>Ongoing</u>

Appendix 4a - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 31/01/19

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What is the issue:												
what is the root cause/												
problem – what could go wrong												
			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
4. Care Services & Commissioning (ASC) - Data breach Human error as demands on role increase likelihood for breach with access to sensitive data	- Sensitive data shared with wrong individuals; - Distressing to service users; - Reputational damage to LCC; - ICO investigation and potential fines	- E-learning staff training - mandatory; - HR action against offenders / disciplinary / dismissal / court; - Shared learning; - Information sharing agreement / DPA policy; - Caldicott Guardian - TR; - Automated message on log-on	5	3	15	- Reviewing toolkits / refresher training / reviewing guidance and training on GDPR requires regular refresher	4	3	12		Tracie Rees	31.03.2019 Ongoing
STRATEGIC AREA - City Development and Neighbourhoods												
5. Housing - Data Breaches Increasing demand on staff capacity increases potential for errors which lead to data breaches	- Sensitive data shared without permission; - ICO investigation and potential significant fines, - Reputational damage, - Decreased morale, - Decreased capacity as staff support investigation	- Staff training on-line mandatory programmes; - Reinforced notifications; - Formal process to manage breach, formal disciplinary procedures to manage process; - HR support; - Introducing technology to support staff undertaking their roles; - Channelling services on-line to allow customers to self serve; - Password protection mandatory; - Proactive recruitment and retention to maintain FTE levels; - Planned and organised approach to service changes; - Guidance on removal of autofill on email circulated due to number of breaches where this has been the cause	4	4	16	- Ongoing programme of training and education; - Enhanced use of hardware; - Channel shift to promote self serve; - Streamlining of processes, - Review of service analysis / requirements, - Lessons learned review across council from Information Governance - Audit process to be implemented by Info Governance to identify weaknesses with PATs Service Areas	4	4	16		Chris Burgin	31.03.2019

Appendix 4a - Leicester City Council Operational Risk Register

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<p>6. Housing - Legislation Change in Government legislation on council housing known to be coming but full details remain unclear</p>	<ul style="list-style-type: none"> - Requirement to increase stock significantly would likely be difficult to adhere to. - Current stock reducing through RTB with remaining stock primarily less desirable and needing increased maintenance investment; overcrowding may get worse 	<ul style="list-style-type: none"> - Stock significance - housing company established - phase one agreed and implementation starts Jan 2019; - Homecome sourcing additional affordable lets; - New build included within affordable housing register (homechoice system); - Prioritised housing register to focus on those with greater need; - Under occupation project underway to review opportunities / availability of estate to meet needs and demands; - STEPT accommodation provision to support customer needs 	3	5	15	<ul style="list-style-type: none"> - Phase 2 to be scoped following completion of Phase 1; - Social lettings agency option being considered to being unaffordable available accommodation in city; - Consider further prioritised needs assessment; - Establish tenant incentive scheme as part of under occupation project; - Pursue additional STEPT accommodation 	3	4	12		Chris Burgin	31.03.2019
<p>7. 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, 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. - Reputational damage may result from unplanned building closures due to staff shortages. 	<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 - Organisational review consultation process. - <u>Managing expectations with senior officers / stakeholders</u> - <u>Accessing external grants</u> 	4	4	16	<ul style="list-style-type: none"> - <u>Building adequate criteria and expectations into Service Reviews</u> - <u>Income generation to fund service specific posts / resources</u> - <u>Better use of existing internal & external resources (partnerships)</u> - 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. - Need to plan work rather than be reactive, put in place "response times" for undertaking work. 	3	3	9		John Leach	31.03.2019 Ongoing

Appendix 4a - Leicester City Council Operational Risk Register

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			(See Scoring Table)				(See Scoring Table)					
			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
<p>8. Neighbourhood and Environmental Services - BEAUMONT PARK DEPOT Condition of depot creating risks to service delivery, individuals working on site and visitors, situation identified in H&S report in 2011. <u>Previously requested in 2014 to be accommodated in Capital Programme. Strategic Director with Head of Finance moved to be dealt with as part of Depot Review passed for action to Director of EBS following site visit in Nov 2017. Options drawn up Feb 2018 but later abandoned. NES awaiting confirmed direction re resolution.</u></p>	<ul style="list-style-type: none"> - Serious accident injury and or death to staff/member of public. - Reputational damage to LCC. - Insurance claims against the Council. - Legal challenge. - Media exposure. - Adverse effect on budget/finances. - Closure of premises, loss of service. - Breaches in legislation and/or non-compliance. - Demand led services may not be met. <p><u>- Significant delay to decide and implement a solution could weigh heavily in any proceedings that would follow a serious incident.</u></p>	<ul style="list-style-type: none"> - On going review of depot in-house Business Change Manager facilitating with E&B. - Undertaking options appraisal with input from Legal, Planning and Highways. - Building conditional surveys reviewed under the TNS Programme. - Agreed to manage outside of Depot review with separate budget allocation. - Dedicated Banksman employed to manage traffic movement on site. - All staff trained in banksman duty of care. - H&S team undertake review of short term safety measures for pedestrians and vehicles on site. 	5	3	15	<p><u>- New site</u> <u>- Suitable adaptation of existing to accommodate operational practices and introduction of one way traffic system.</u></p> <p>Building reviewed under Depot review part of Technical Services Board. Looking at options to extend footprint to allow more space required for scale of operations and introduce a one way system for access and egress. Flagged as a Department issue through to Strategic Director. No budget allocated to project, Director NES and P&OS HOS requested priority vehicle access works as part of Depot £1m project at meeting with Director E&B 10 May 2018. Still no agreed action to resolve. Site visit undertaken 26 September 2018 with H&S Manager to review and recommendations provided to Strategic Director. Agreed operational actions completed. Excerpt of Risk Register sent to Strategic Director.</p>	4	2	8	Unknown at present	John Leach	<u>31.03.19</u>

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<p>9. Neighbourhood and Environmental Services - REDUCTION IN INCOME GENERATION PROGRAMMES</p> <p>With reductions in public demand in Building Control and Pest Control income generated by the Council may be significantly reduced and income generation/revenue targets may not be met. Also, 'one off' income programmes are set as recurring within the budgets/accounts; impacting further on future financial targets. Competition from competitors e.g., Crematorium.</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. - Internal recharges, e.g. for community space, will reduce as services reorganise. 	<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. - An agreement is in place for withdrawal of internal services from community settings under the TNS programme. - <u>Draw on external funding</u> 	3	5	15	<ul style="list-style-type: none"> - <u>Introducing new ways of working to encourage entrepreneurial opportunities</u> - <u>External funding opportunities further explored</u> - 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. - Exec briefing paper on Bereavement Services F&C options. - Larger shared service for Building Control – Roman developing assessment re feasibility. 	2	4	8	N/A	John Leach	<u>31.03.2019 Ongoing</u>
<p>10. Tourism, Culture & Investment - Markets</p> <p>Risk relating to trader attrition and inability to attract new traders particularly during the market improvement works</p>	<ul style="list-style-type: none"> - Trader occupancy rates currently sit at 51% average. This is due, it is felt, to the ongoing improvement works taking place in the area and the general malaise in city centre retail. - Ongoing regeneration in the Market will, it is hoped, halt the reduction in traders 	<ul style="list-style-type: none"> - The new screen will be potentially completed on 02/19 and will be used to attract footfall to the area to encourage sales. - Improvement work to the Market is on-going, but expected to start 10/2018. - <u>The public square will be used to attract footfall and the new screen will complete in spring 2019.</u> - <u>An investment programme for the outdoor market has been agreed by the City Mayor.</u> - <u>Revised price strategy has made it simpler and better value for money on certain days of the week.</u> 	4	4	16	<ul style="list-style-type: none"> - Review and analysis of market traders likelihood to leave the market undertaken and can be provided as evidence. - Carry out revised regeneration works and encourage specific commodities. - <u>Carry out improvement programme and re-branding exercise to enhance environment and broaden customer base.</u> - <u>Attract new specialist markets and new traders in new lock up units.</u> - <u>New policy proposed to prioritise quality new commodities and reduce duplication will follow.</u> 	3	4	12	<u>Work to Market is urgently needed as without improvements new commodities cannot be expected</u>	Mike Dalzell	<u>31.03.2019 Ongoing</u>

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Risk Register Owner: Andy Keeling, COO

Risks as at: 31/01/19

Risk What is the issue: what is the root cause/ problem – what could go wrong	Consequence /effect: what would occur as a result, how much of a problem would it be, to whom and why	Existing actions/controls	Risk Score with existing measures			Further management actions/controls required	Target Score with further controls			Cost	Risk Owner	Review Date
			(See Scoring Table)				(See Scoring Table)					
			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
11. Tourism, Culture & Investment - Markets The prevalence of incidents of anti-social behaviour in and around the Market area	- Public and Traders cease to use the Market because of the prevalence of ASB issues	- Inspectors regularly patrol	4	4	16	- Market rules are complemented with zero tolerance. Security staff are engaged. Make frequent Police Patrols	2	3	6	£30,000 pa – £40,000pa Cost not budgeted for.	Mike Dalzell	31.03.2019 Ongoing
12. Tourism, Culture & Investment - De Montfort Hall - Loss of operational ability, falling below customer expectation, loss of reputation, knock on effect to touring promoters if facilities not up to industry expectation. Root problem: The stage lift has recently suffered some failures and if this lift were to cease operation, we would not be able to change format of the hall to enable DMH to hold the variety of performances we currently have booked	- Loss of income - Loss of reputation - Negative PR.	- Responsibility for maintenance of the stage lift has rested with DMH until recently. - EBS have now taken on responsibility. - We have had the lift serviced this Summer 2017, with recommendations for some repairs to take place in Summer 2018 which would cost approximately £30k but the lift really needs to be replaced entirely at a cost nearer £200k. - The recent conditional report suggest that the lift will fail in 12-18 months. - Property services have expressed that they do not have a budget to service our needs.	5	3	15	- Works procured but cannot be carried out until Aug 2019. - Mitigation and controls to be put in place reduce risk of failure in meantime.	5	2	10	Mitigation in place for 2hr callout until works can be undertaken..	Mike Dalzell	31.03.2019 Ongoing

Appendix 4a - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 31/01/19

Risk What is the issue: what is the root cause/ problem – what could go wrong	Consequence /effect: what would occur as a result, how much of a problem would it be, to whom and why	Existing actions/controls	Risk Score with existing measures			Further management actions/controls required	Target Score with further controls			Cost	Risk Owner	Review Date
			(See Scoring Table)				(See Scoring Table)					
			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
<p>13. Tourism, Culture & Investment - De Montfort Hall Loss of operational ability, falling below customer expectation, loss of reputation, knock on effect to touring promoters if facilities not up to industry expectation.</p> <p>Root problem: The flying bars recently suffered some failures and if the flying bars were to cease operation, we would not be able to continue with our programme of shows.</p>	<ul style="list-style-type: none"> - Loss of income - Loss of reputation - Negative PR. 	<ul style="list-style-type: none"> - Responsibility for maintenance of the flying bars has rested with DMH until recently. - The recent condition report commissioned by Theatre Plan, suggest that the flying bars will fail in 12-18 months. - Approximate cost of replacement would be £200k. - Further investigation is required. - EBS will struggle to fund from maintenance budgets. 	5	3	15	<ul style="list-style-type: none"> - Replacement took place during summer, 2018 however teething problems persist. - EBS working with contractor to resolve. - <u>Now operational and appears reliable, although some minor adjustments still required to software.</u> 	5	<u>1</u>	<u>5</u>	<p>Circa £100k. Funded via EBS capital.</p>	Mike Dalzell	<u>31.03.2019</u> <u>Ongoing</u>

Appendix 4a - Leicester City Council Operational Risk Register

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What is the issue:								
what is the root cause/								
problem – what could go wrong			(See Scoring Table)		(See Scoring Table)			
			Impact Likelihood Risk		Impact Likelihood Risk			

STRATEGIC AREA - Corporate Resources and Support

<p>14. Delivery, Communications and Political Governance - UNPLANNED ELECTION EVENT</p> <p>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.</p> <p>- Unable to source suitable polling stations and a count venue for unplanned elections.</p> <p><u>- Ability to deliver planned elections severely compromised</u></p> <p><u>- Short notice unplanned elections e.g. snap general election due to current Brexit issues or a further referendum relating to Brexit</u></p>	<p>- Elections not performed appropriately/challenges received and elections may have to be re-run.</p> <p><u>- Impacts on delivery of planned elections</u></p> <p>- Reputational damage.</p> <p>- Adverse effect on finances.</p> <p>- Media coverage.</p> <p>- Public complaints.</p> <p>- Increase in resource requirements.</p> <p>- Could lead to increased expectations on the existing trained core team, who hold relevant and detailed knowledge.</p> <p>- The potential repetition of impacts and pressures that arose during 2011 elections.</p> <p>- Impacts also on the wider capacity and resources of the Council which would be needed to support delivery.</p>	<p>- Returning officer and nominated deputies are in place.</p> <p>- Insurance is in place.</p> <p>- Many elections can be planned and have set dates. Monthly planning meetings and work underway in preparation for the next planned elections (Mayoral and Local) in May 2019 taking account of lessons learned from recent elections. Monthly meetings have considered and will continue to review the risk of a further short-notice general election due to continued issues nationally arising from Brexit negotiations</p> <p>- May 2015 and 2016 elections and EU referendum enabled newer members of the core team to develop further skills and experience in specific aspects of the elections process which was further consolidated by 2017 general election.</p> <p>- Electoral Commission guidance gives detailed support in the planning and management of each specific type of elections.</p> <p>- A number of the Electoral Services team undertaking professional AEA qualifications. Recruited two new electoral services officers and they will be provided with appropriate core professional training</p> <p>- In recent elections have drawn upon external expertise e.g. training delivered via AEA and involved a wider group of staff from across the Council to support the process.</p> <p>- Detailed debriefs have been done after each election in recent years and used to feed into planning for future elections.</p>	5	4	20	<p>- Continue to develop skills and expertise across the wider electoral services team including completion of formal training & qualifications - a number of staff undertaking relevant qualifications.</p> <p>- Use external or peer support where feasible e.g. from other local authorities.</p> <p>- Consider training/up-skilling a pool of contingency staff.</p> <p>- Keep under review staffing skills and expertise within the team and more widely</p>	4	3	12		Miranda Cannon	<u>31.03.2019</u> <u>Ongoing</u>
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Appendix 4a - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 31/01/19

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what is the root cause/												
problem – what could go wrong			(See Scoring Table)				(See Scoring Table)					
			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
<p>15. Delivery, Communications and Political Governance - HR System Implementation Implementation of the new HR system goes over budget / timescales or system cannot meet requirements and fails to achieve desired outcomes and benefits</p>	<ul style="list-style-type: none"> - Ability to deliver the core HR service is compromised - Critical data / information is lost - Statutory requirements such as HMRC and other returns cannot be achieved - Increased costs to the service including risk of fines where statutory requirements cannot be met e.g. pensions returns - Reputational damage - Pressure on staff resulting from the need to work in the absence of an effective system - Staff are not paid correctly (under or overpayments) creating additional work for Payroll and dissatisfaction amongst affected staff - Other errors occur e.g. calculation of annual leave creating additional work for BSC and dissatisfaction amongst staff/TUs 	<ul style="list-style-type: none"> - Project Manager and Project Board in place. Close involvement of key areas including ICT Procurement, BSC, ICT - Supplier has been in dialogue concerning a settlement proposal regarding what they propose to deliver/not deliver - a formal offer is still not forthcoming however. In addition the Supplier has been given notice twice regarding issues relating to the live system where contractual obligations are not being met however the response from the Supplier is poor and could lead to a possible breach of contract. Further actions being determined and contingency options being prepared. Andy Keeling and City Mayor briefed on the position. Close ongoing support and involvement from Legal Services and Procurement. - Recruitment removed from scope and has been re-tendered in light of failure by supplier to deliver. A supplier has been confirmed and implementation is underway <u>A newly procured system has been implemented and went live in Jan 2019</u> (see further risk below) - Go live of payroll and self-serve elements has happened, issues prioritised and majority of high and medium risk issues addressed but low priority fixes still to be completed before phase one can be closed - supplier is not progressing these at the current time. Work on next phases of implementation also not progressing specifically case management, reporting and Health and Safety. Pension returns were completed but only as a result of considerable LCC input. <u>- Core HR/Payroll system whilst live is incomplete in terms of functionality versus ITT, SLAs for support are not being met and there continue to be a significant number of live issues which are not being addressed</u> 	4	4	16	<ul style="list-style-type: none"> - Determine next course of action with the supplier in relation to settlement and the live system. Continue to progress contingency / business continuity options 	4	4	16		Miranda Canon	<u>28.02.2019</u>

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Appendix 4a - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

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what is the root cause/												
problem – what could go wrong			(See Scoring Table)				(See Scoring Table)					
			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
<p>16. Delivery, Communications and Political Governance - LEGAL CHALLENGES PARTICULARLY RELATED TO PSED/CONSULTATION/EMPLOYMENT</p> <p>Consultation approach and EIAs are increasingly targeted areas for legal challenge and increased tendency for employment tribunals particularly since abolition of fees. Increased legal challenges heighten the need to ensure that processes are followed by staff:</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>	<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. - Unrealistic public/political expectations 	<ul style="list-style-type: none"> - Equality Impact Assessments (EIAs) are performed to help ensure the Council meets the Public Sector Equality Duty (PSED). Workshops are being planned to support those completing EIAs. Enhanced focus on governance agreed by CMT in Sept including new Governance Group who will consider equalities and risk as part of their work. - 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. Report done to CMT on review of previous EIAs and tracking of recommendations which was well received and identified areas for improvement in existing practice particularly linked to decision making. - 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 undertaken by the Comms and Equalities Teams - Equality Strategy and action plan approved by Council in June 2018 and work underway - first second quarterly review completed and progress is on track - Work underway on supporting equalities tools and guidance and revamp of the offer on the intranet completed 	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. - Delivery of EIA workshops and provide further guidance/templates if appropriate/needed in light of those workshops 	4	3	12		Miranda Cannon	31.03.2018 Ongoing

Appendix 4a - Leicester City Council Operational Risk Register

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			(See Scoring Table)				(See Scoring Table)					
			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
17. Finance - Corporate Fraud Failure or inability to effectively detect, prevent, investigate and deal with corporate fraud.	<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	31.03.2019
18. Finance - Information and Customer Access - Cyber Security Increasing profile and expertise to circumvent established defences increase vulnerability of LCC data.	<ul style="list-style-type: none"> - Data hacked and released into public domain; - Reputational damage - seek alternative more expensive solutions; - Fines from ICO; - Staff stress increases; - Damage to identified individuals; - Denial of service 	<ul style="list-style-type: none"> - Technology defences; - Awareness campaign; - Targeted follow up's; - Built into new system standards from 3rd party applications (secure passwords, TLS); - Daily back-up of systems 	4	5	20	<ul style="list-style-type: none"> - Technology solutions, requires cost effective considerations; - Continued awareness training etc.. 	4	5	20		Alison Greenhill	31.03.2019 Ongoing
19. Finance - Financial Challenges The Council fails to respond adequately to the cuts in public sector funding over the coming year or years.	<ul style="list-style-type: none"> - 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 18/19 and 19/20. Spending review 4 programme underway and previous spending reviews largely complete. - Further work required to balance the medium term, particularly driving the spending review programme 	5	4	20	<ul style="list-style-type: none"> - Heavy involvement of City Mayor and COO in ensuring spending review programme delivers. - Appropriate change management/ project management arrangements to be put in place for major review areas - Delivery of spending review 4 	5	2	10		Alison Greenhill	31/03/2019/2020 and On-going
20. Finance - Tactical Decision Making Business solutions considered by services, which impact upon Information Services service delivery, are taken without consultation or considering the impact	<ul style="list-style-type: none"> - Increased budget pressure to implement / maintain expensive systems; - Increased pressure achieve service budget / targets; - Staff morale decreases; - Reduction in service capacity; - Breach of licences leading to fines; - Security risks of data / service; - Service support to other parts of council affected; - Internal reputational damage; 	<ul style="list-style-type: none"> - Consultation with HoS to increase knowledge and understanding of IT requirements at early stages of projects; - Create Target Operating Model (TOM); - Enforcing Digital Transformation (DT) gateway process; - Provide clear criteria for commissioning new IT solutions; - Business Continuity (BC) process includes costs to service; 	4	4	16	<ul style="list-style-type: none"> - Monitor effectiveness of identified mitigations to determine future actions / plan 	4	4	16		Alison Greenhill	31.03.2019 Ongoing

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<p>21. 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 - Monthly payments of a combined standard award and housing element paid directly to the claimant, unless alternative arrangements applied for and eligibility criteria met. 	<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	<p>£2m Rent arrears</p> <p>£0.5m Grant loss</p> <p>£3.6m CT loss</p>	Alison Greenhill	<p><u>31.03.2019</u></p> <p><u>Ongoing</u></p>

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problem – what could go wrong			(See Scoring Table)		(See Scoring Table)			
			Impact Likelihood Risk		Impact Likelihood Risk			
<p>21. Finance - Introduction of Universal Credit (UC) Full Service - Continued</p> <p>FINANCIAL</p> <p>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.</p>	<ul style="list-style-type: none"> - 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 offs 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. 	<ul style="list-style-type: none"> - 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 Direct Debits - Robust Comms plans in plain literature is being reviewed to strengthen the message to pay - Overpayment recovery - discount pilot being operated by Business Services Centre, - Review alternative recovery options, based on findings of other Financial Services areas - This will be monitored by ASC/Public health - S02's will be monitored to identify work related stress and understand impacts on officers to plan and put in place support 						
<p>21. Finance - Introduction of Universal Credit (UC) Full Service - Continued</p> <p>CUSTOMER ACCESS</p> <p>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 of access to IT to enable them to engage in the application, compliance and claim management process as required under their claimant commitment.</p>	<ul style="list-style-type: none"> - 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 including libraries etc 	<ul style="list-style-type: none"> - 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 						

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What is the issue:												
what is the root cause/												
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22. Finance- BSC - Payroll Service Loss, or partial loss of Payroll Application SAFE. Fragility of the software and SAFE system support resources leaves the potential for a significant number of staff to be paid incorrectly. This would mean over/under payments or in extreme cases no payment. LGPS/TPS potential non-compliance.	- Reputational damage - potentially huge. Noting reputational damage with Harborough DC & Leicestershire Cares - Approx. 16,500 employees, councillors and external customers not paid/incorrectly paid on a monthly basis - Requirement for emergency payments due to financial hardship - Financial compensation for bank charges imposed on employees, councillors and external customers	- SAFE EMS systems provided by SAFE Computing, 20 Free school Lane, Leicester LE1 4FY are retaining expertise from SAFE ownership - Escrow Agreement (49000) with NCC Group - Payroll Services BCP in place, lead Cory Laywood - Line by line manual checks of the payroll extracts from the SAFE system	3	5	15	- Occasional testing of BCP plan - Using BAU processes to deal with under or over payments - Additional checking processes before the final BACS run - Smart reporting to test for known issues	3	4	12	20% of monthly net pay at £18m	Alison Greenhill	31.03.19 & ongoing
STRATEGIC AREA - Education and Children's Services												
24. Children's Social Care and Early Help - Budget Loss and / or reduction of services to achieve budget savings	- Reduction in preventative services impacting on ability to deliver Statutory services; - Inability to deliver Placement Sufficiency; - Decrease Capacity / Increase demand; - Potential reduction of staffing levels; - Limited ability to deliver some front line services; - Potential for future claims against authority	- Transformation board oversees all budget reduction projects; - Strategic Oversight; - Clear governance arrangements	5	4	20	- Star Chamber presentation re: undeliverable savings					Caroline Tote	31.03.2019
25. Children's Social Care and Early Help - GDPR Change in Data Protection regulation (GDPR) which came into force May 2018.	- Historic breaches of information due to human error continue; - Under new regulations the size of potential fines significantly greater; - Inaccurate data within systems; - Inaccurate decisions made for service user; - Could lead to data breaches and significant fines and incorrect service provision for service user. ICO involvement	- Training cascaded across services; - Compliance monitored; - Lessons learnt have been cascaded; - Actions taken where necessary	4	4	16	- Developing clear and consistent HR response. - Majority of staff have completed GDPR training session. - Referral paperwork (MARF) is taking GDPR into account.	5	3	15		Caroline Tote	31.03.2019

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28. 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		TBC	<u>31.03.2019</u>
STRATEGIC AREA - Public Health												
29. Budget - External Influences External national imperatives without associated budget introduced which will impact on local delivery	- Call on finances <u>from</u> NHS pay award; - Changes in financial call due to changes in clinical requirements/ <u>fluctuations in drug/treatment market prices;</u> - Prioritisation / decommissioning / reduction of existing service delivery model	- Internal decision making process; - Expertise within team to assess choices and inform management briefings / options appraisal; - Advocacy by Director Public Health (DPH) with national bodies;	4	4	16	- Political escalation; - Corporate responsibility; - Service & budget planning <u>- Utilise partnership approach</u> <u>- Explore alternative treatment/therapy options</u>	4	4	16		Ivan Browne	31.03.2019
30. Budget Restrictions - Commissioning Reduced budget for services impacts on financial viability to potential 3rd party contractors who may deem may package to be unsustainable.	- Loss of existing contractors unable to fulfil contracts within reducing financial envelope; <u>- May not be attractive to new providers during tenders; risk of failed procurement</u> - Loss of service provision; - Impact on community who require service; - Impact on NHS as demand increases for other services; - Decreased morale; - Reputational damage to LCC	- Bespoke procurement methods; <u>- Briefing of lead members to highlight potential risks and consequences;</u> - Internal decision making process; - Expertise within team to assess choices and inform management briefings / options appraisal; - Advocacy by Director Public Health (DPH) with national bodies; - Provider negotiations; - Working with internal departments (legal / procurement / contract management/ finance)	4	4	16	- Continue with existing controls; <u>- Explore joint commissioning (internal with LCC, and external with county and regionally)</u> <u>- Implement management of change processes</u> <u>- Accept new and novel approaches to commissioning including encouraging consortium applications</u>	4	<u>3</u>	<u>12</u>		Ivan Browne	<u>31.03.2019</u>

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			(See Scoring Table)				(See Scoring Table)					
			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
<p>32. Budget Restrictions - Funding Ongoing austerity for Public Sector requires changes to service delivery to comply with available budget, continued reductions could force termination of services to ensure priority services remain available</p>	<ul style="list-style-type: none"> - Change in service provision; - Decreased / ceased service /user contact; - Decreased / ceased service effectiveness; - Reputational damage; - Increased demand on other public services (primary / secondary health care / Social Care / Leisure Centres); - Risk of missing safeguarding issues; - Impact on council statutory duties; - Judicial review; - Central government intervention 	<ul style="list-style-type: none"> - PH Return to Central Government (Return On Investment (ROI)); - Staffing restructure; - Invest to save opportunities explored; - Internal briefings / decision making process; - Political support; - Articulating associated risks; - Scrutiny; - Clinical Governance Process in place; - Monitoring to identify adverse effects 	3	5	15	<ul style="list-style-type: none"> - <u>Continue with existing controls;</u> - <u>Secure additional revenue e.g. income generation through commercial opportunities</u> - <u>Continue to explore a variety of potential local and national funding opportunities including commercial, government, academic, grant funding.</u> - <u>Utilise in kind support/asset sharing where possible</u> 	3	4	12		Ivan Browne	<u>31.03.2019</u>
STRATEGIC AREA - Corporate Resources and Support												
<p>23. Legal - Workloads & Pressure Client Care Services within the Council are stretched with increased demands and pressures. Unrealistic deadlines at times can be set for major projects, procurement and contracts. There is a concern that whilst corporate policy is correct and general awareness of correct procedures/rules exists, it may not be implemented effectively within services.</p>	<ul style="list-style-type: none"> - Timely legal advice from clients not sought. - Failure to comply with laid down guidelines. - Breach of regulations or law e.g. data protection. - Council found to act unlawfully. - Challenges to procurement processes. - Cost implications from requirements not being followed/deadlines being missed/ not delivering value for money for Council. - Award made against council etc. - Staff demotivated - Negative Press/Reputation of Council 	<ul style="list-style-type: none"> - Reviewing practices to be improve flexibility of approach. - Channel Shift. - Raising awareness - corporate messages. - Early engagement - feeding into deadlines. - Attending project boards. - Projects to look at new ways of working. 	4	4	16	<ul style="list-style-type: none"> - Completion of review of practices by September 2019. - Improved use of technology e.g. Electronic Signatures/Virtual Hearings/Channel Shifts (Corporate Channel shift program - March 2019). - Need to increase comms program/training and awareness of current practices (deadlines with project plan). 	4	3	12		Kamal Adatia	31/03/19

10
NEW

Appendix 4a - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 31/01/19

Risk	Consequence /effect: what would occur as a result, how much of a problem would it be, to whom and why	Existing actions/controls	Risk Score with existing measures			Further management actions/controls required	Target Score with further controls			Cost	Risk Owner	Review Date
What is the issue:												
what is the root cause/												
problem – what could go wrong												
			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
STRATEGIC AREA - Education and Children's Services												
26. Learning Services - Technology A rising number of LA maintained schools are reporting financial deficits.	- Schools carrying significant financial deficits present a financial risk to the Council unless they are quickly supported to bring deficits back to a balanced budget position. The LA has limited capacity to intervene in schools in deficit.	- A School Finance Group meets monthly to receive reports on the current position in relation to school budgets. - Schools receive letters requesting reassurances once deficits are notified and are required to apply for a licenced deficit in certain circumstances. - An independent business manager is also appointed in some instances, to help the schools concerned address their budget deficits	4	4	16	- Investigate further options such as additional capacity to support schools via more hours allocated for school business manager support.	4	3	12		Paul Tinsley	31.03.2019
27. Learning Services - Contract Management External competition continues to threaten the future viability of the City Catering Service	- If the current rate of decline continues then the service will soon begin to make a loss. - City Catering Service losing business. - Impact on other services due to the difference being picked up by the General Fund affecting delivery of those other services	- Discussions with school business managers and report commissioned from APSE consultant	4	4	16	- Prepare options paper to take to Executive	3	4	12		Paul Tinsley	31.03.2019
STRATEGIC AREA - Public Health												
31. Public Health - Technology Systems / technology not fit for purpose to support services and commercial objectives ; lack of IT knowledge,	- Inability to achieve savings targets; - Service delivery remains static or not effective - Reduced morale of staff seeking organisational development and progress - Reputational damage - Lack of system integration - Customer dissatisfaction - Loss of income - Legal challenges	- Realistic business plans and objectives set based on current technology capabilities - Project team involvement in new system deployment which impacts on service delivery - Communications with service users to manage expectations - Discussions with IT to understand potential development opportunities for systems in future - Working with IT to ensure sufficient testing of new system takes place; - Scrutiny of current systems to review concerns	4	4	16	- Project group with IT to establish problems / limitations of current systems and review options on market as solutions - Ensure adequate engagement of CCG/ HIS to ensure systems run as effectively as possible	3	4	12		Ivan Browne	31/03/19

Appendix 4a - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 31/01/19

Risk What is the issue: what is the root cause/ problem – what could go wrong	Consequence /effect: what would occur as a result, how much of a problem would it be, to whom and why	Existing actions/controls	Risk Score with existing measures			Further management actions/controls required	Target Score with further controls			Cost	Risk Owner	Review Date
			(See Scoring Table)				(See Scoring Table)					
			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
33. Public Health - Contract Management Dilution of resources within Contract Management Service appear to impact on Public Health specific support for all elements of contract management	- Delay in process leads to delay delivering identified actions; - Current assurance practices are not sufficiently robust; - Service delivery impact; - Negative impact on service user; - Reputational damage; - Impact on PH team capacity	- Management through performance review group; - Concern escalations; - Service ownership / involvement in contract meetings;	3	5	15	- Development of SLA; - Ongoing provider/client satisfaction feedback - Liaising with new contract managers to fully understand PH services - Awaiting DMT decision on actions	1	1	1		Ivan Browne	31/03/19
DELETED												
10. 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.	-Teams already at a minimum number and extra workloads may be unsustainable. -Likelihood of key person dependency as teams reduce further (fewer people in key roles). -Potential non-compliance with legislation/regulation. -Potential stress-related absence/claims. -Quality of service delivery may be affected.	-"Step-up"—work experience utilise -Graduate project officers -Training & Mentoring -Knowledge sharing -Apprenticeship Levy -Leicester Environmental Volunteer scheme -PDR's, identify training and skills gaps and needs	3	5	15	-Succession planning review is required. -Continue to enhance and develop the apprenticeship scheme. -Commence positive promotion of the work/career in this area. -Seek funding for apprenticeship. -Ensure knowledge sharing takes place. -Training/ Mentoring/ Structuring.	3	4	12	N/A	John Leach	31-01-2019 Ongoing
11. 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 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	31-01-2019 Ongoing
13. 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. -Failure to meet government air quality mandating requirements.	-Air Quality Action Plan	5	3	15	-Air Quality Action Plan Board in place and action plan is being delivered. CAZ agreement with bus operators to signed. Defra funding secured for Feasibility Study to assess AQ intervention options. £16m ERDF Low Carbon bid. -Successful Transforming Cities bid likely to exceed ERDF delivery. DfT inception meeting 9/11/18.	4	3	12		Andrew L Smith	31-01-2019 Ongoing

Appendix 4a - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risks as at: 31/01/19

Risk What is the issue: what is the root cause/ problem – what could go wrong	Consequence /effect: what would occur as a result, how much of a problem would it be, to whom and why	Existing actions/controls	Risk Score with existing measures			Further management actions/controls required	Target Score with further controls			Cost	Risk Owner	Review Date
			(See Scoring Table)				(See Scoring Table)					
			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
<p>27. 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 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 Health check 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)</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	31.01.2019

Year to date (April - December 2018)

Appendix 5

	Total Claims	Repudiated	In Progress	Paid	Paid £k
Q1	171	83 49%	44 26%	44 26%	60.4
Q2	125	35 28%	77 62%	13 10%	28.9
Q3	105	25 24%	76 72%	4 4%	1.0
Q4					
Year to date	401	143	197	61	90.3

April 2017 - March 2018	682	401 59%	97 14%	184 27%	497.7
April 2016 - March 2017	645	403 62%	37 6%	205 32%	984.4
April 2015 - March 2016	779	518 66%	39 5%	222 28%	1,341.8

Quarter 3 (October - December 2018)

	Public Liability	Employers Liability	Motor	ECS	Property	Total	Estimated claim value	of which paid to date:
							£k	£k
1 Neighbourhood & Environmental Services	3		14	1		18	35.1	0.7
2 Tourism, Culture & Inward Investment	2					2	4.1	0.0
3 Planning Development & Transportation	2		25			27	174.0	0.3
4 Estates & Building Services					3	3	76.9	0.0
5 Housing Services	21		21		4	46	53.7	0.0
6a Adult Social Care Health & Wellbeing	1		1			1	0.0	0.0
7 Education & Childrens Services	1		1			2	2.4	0.0
9 Schools			2		1	3	3.5	0.0
8 Corporate Resources	1					1	0.3	0.0
X Other / not recorded	1					1	0	0.0
	32	0	64	1	8	105	357.6	1.0

of which:

claim closed at no cost

25

24%

Quarter 2 (July - September 2018)

	Public Liability	Employers Liability	Motor	ECS	Property	Total	Estimated claim value	of which paid to date:
							£k	£k
1 Neighbourhood & Environmental Services	10		13		1	24	62.4	7.5
2 Tourism, Culture & Inward Investment					1	1	0.0	0.0
3 Planning Development & Transportation	32		5	1		38	616.6	2.9
4 Estates & Building Services					3	3	561.1	0.0
5 Housing Services	31		3	9	5	48	114.5	8.4
6a Adult Social Care Health & Wellbeing	2		1			1	2.0	1.0
7 Education & Childrens Services	1					1	3.5	0.0
9 Schools	1				1	3	18.7	0.1
8 Corporate Resources						0	0.0	0.0
X Other / not recorded			2			2	0.2	0.0
	77	3	30	2	13	125	1399.5	28.9

of which:

claim closed at no cost

35

28%

Quarter 1 (April - June 2018)

	Public Liability	Employers Liability	Motor	ECS	Property	Total	Estimated claim value	of which paid to date:	
							£k	£k	
1 Neighbourhood & Environmental Services	6		14			20	33.7	14.9	
2 Tourism, Culture & Inward Investment	1		1		1	3	13.7	0.0	
3 Planning Development & Transportation	59		1			60	49.8	15.0	
4 Estates & Building Services	1		1		3	5	9.6	3.6	
5 Housing Services	34		3	21	1	6	65.9	20.6	
6a Adult Social Care Health & Wellbeing	4				1	0	5	20.1	1.1
7 Education & Childrens Services	2		2	1		5	17.6	1.7	
9 Schools	1		3			4	48.2	0.0	
8 Corporate Resources					1	1	0.0	0.0	
X Other / not recorded	1		2			3	3.5	3.5	
	109	6	42	3	11	171	262.1	60.4	

of which:

claim closed at no cost

83

NB All figures are based on information as at 31/7/18. Claim repudiation rates will increase over time; this is not a final position for the year's claims.

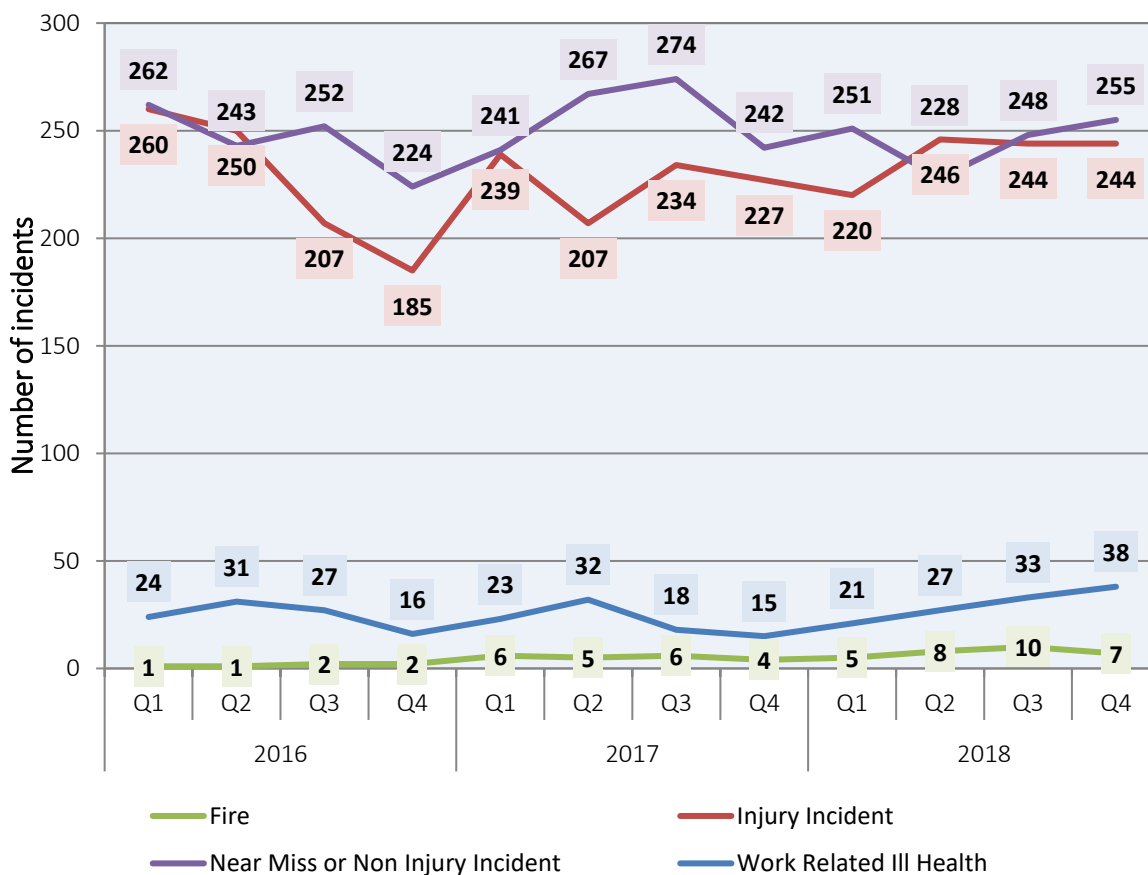
Appendix 6 - Health and Safety Data

Corporate number of incidents by incident type

		Fire	Injury Incident	Near Miss or Non Injury Incident	Work Related Ill Health	Total
2016	Q1	1	260	262	24	547
	Q2	1	250	243	31	525
	Q3	2	207	252	27	488
	Q4	2	185	224	16	427
2017	Q1	6	239	241	23	509
	Q2	5	207	267	32	511
	Q3	6	234	274	18	532
	Q4	4	227	242	15	488
2018	Q1	5	220	251	21	497
	Q2	8	246	228	27	509
	Q3	10	244	248	33	535
	Q4	7	244	255	38	544

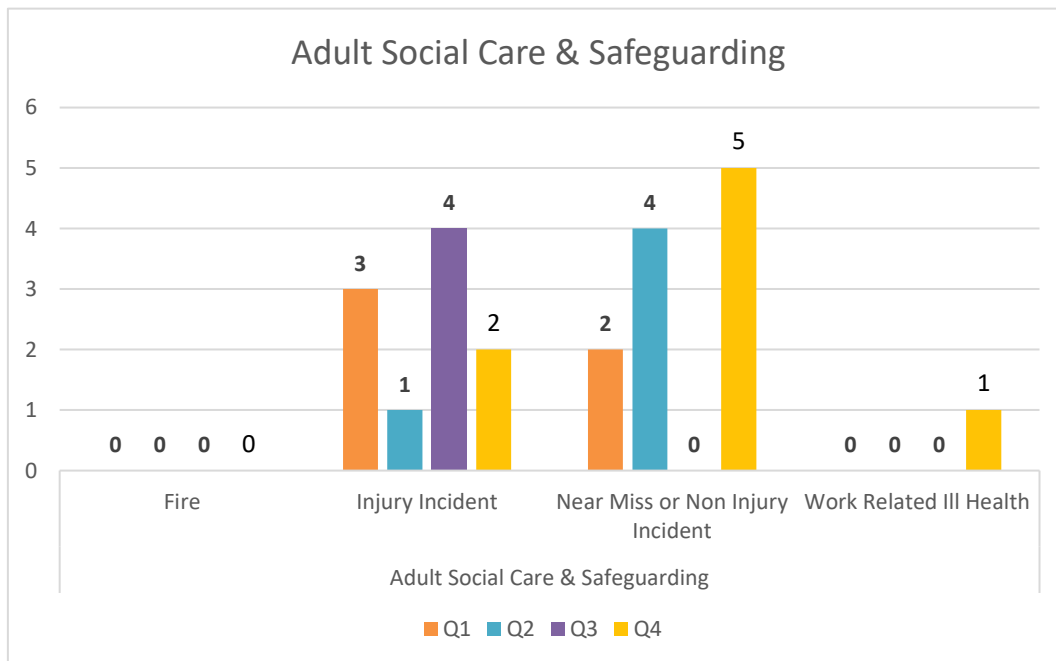
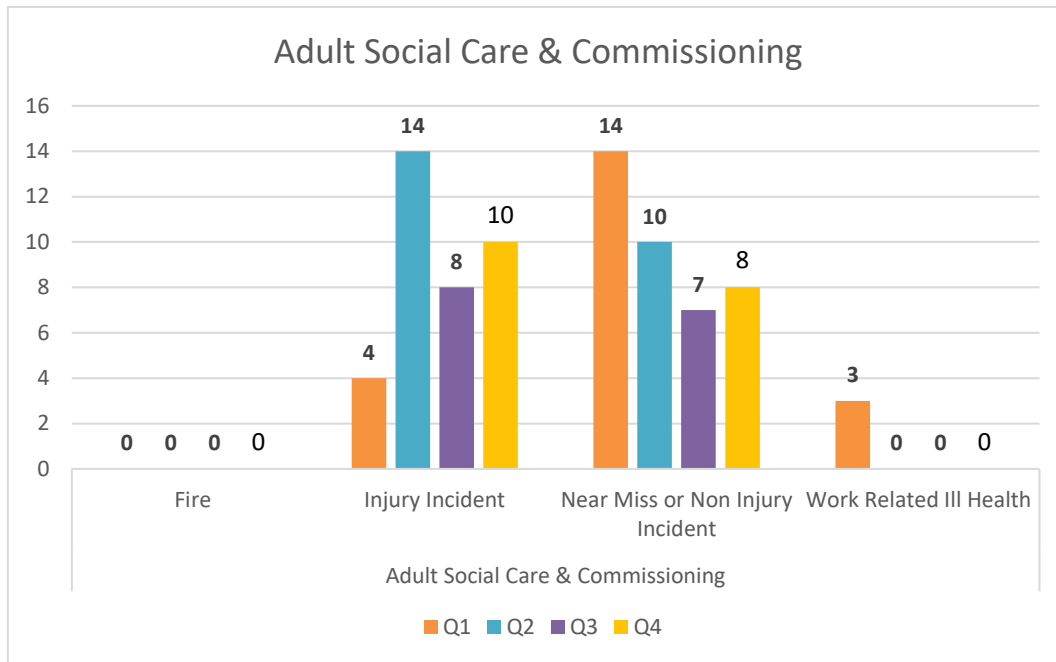
There has been a 2% increase in overall incidents since Q3 2018. Additionally, when compared to the same quarter in 2017 there has been an 11% increase overall. Incidents of Fire are down slightly on last quarter with 7. In all of 2018 83% of fires have occurred in Housing.

Corporate number of incidents by incident type (Q1 2016 to Q4 2018)

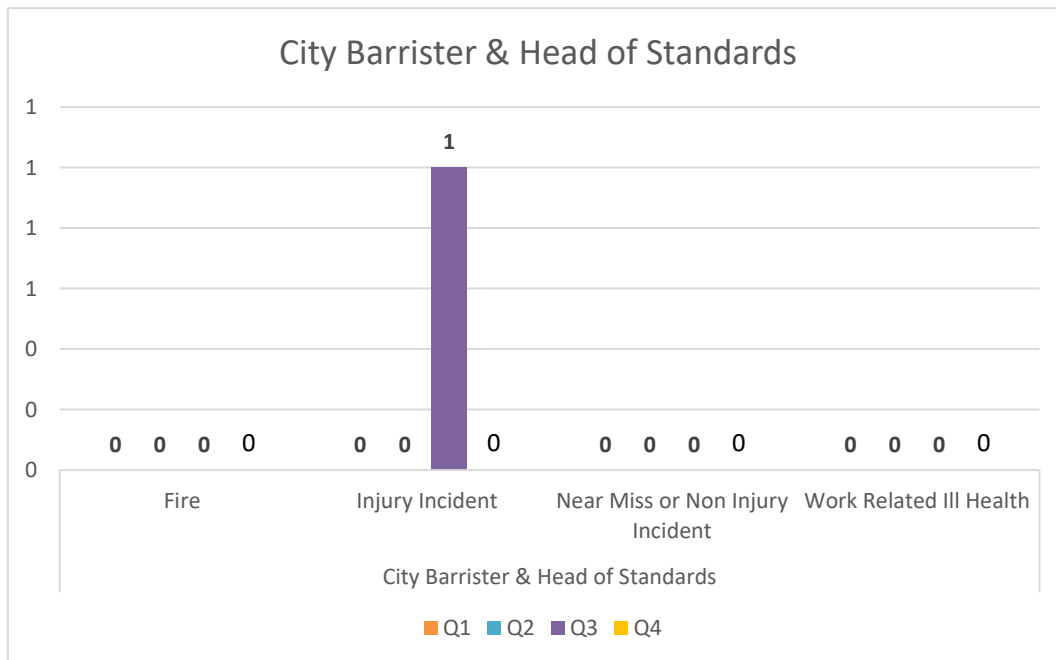
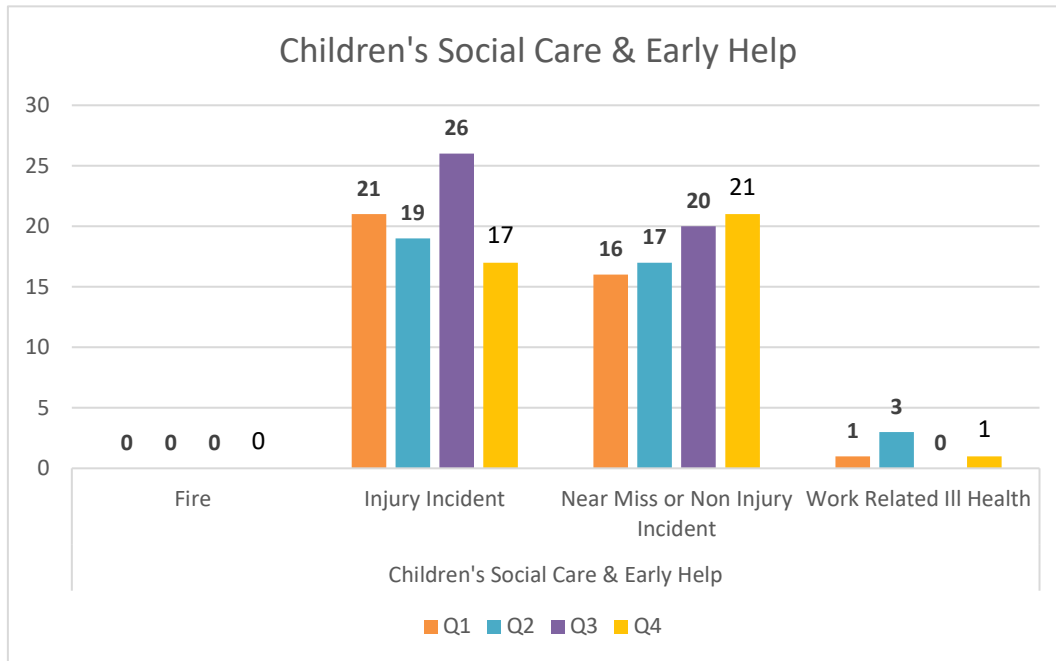


Appendix 6 - Health and Safety Data

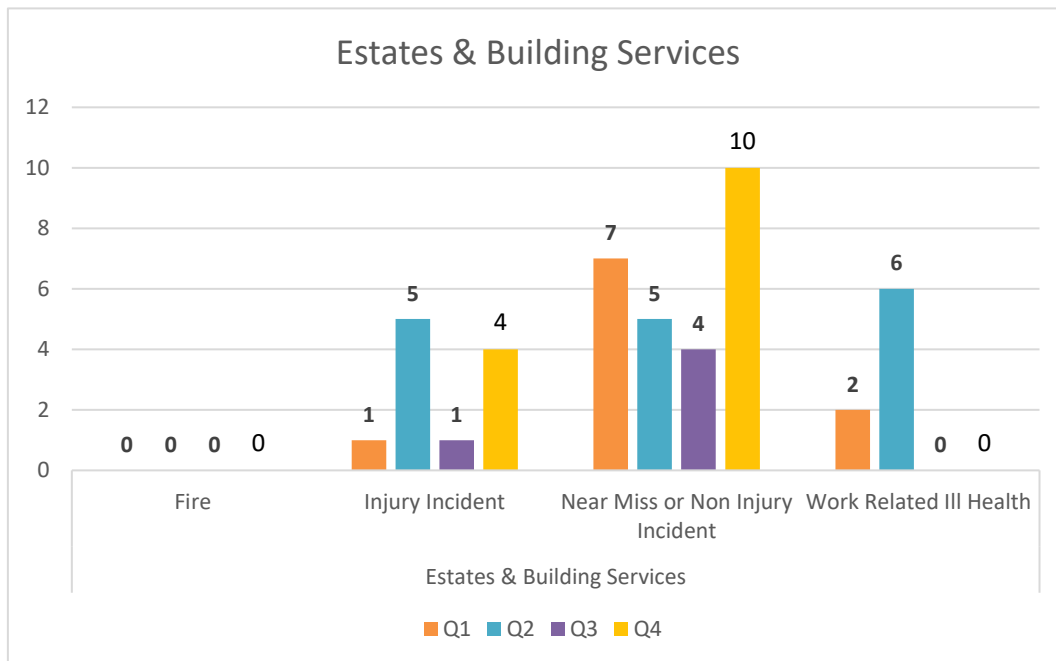
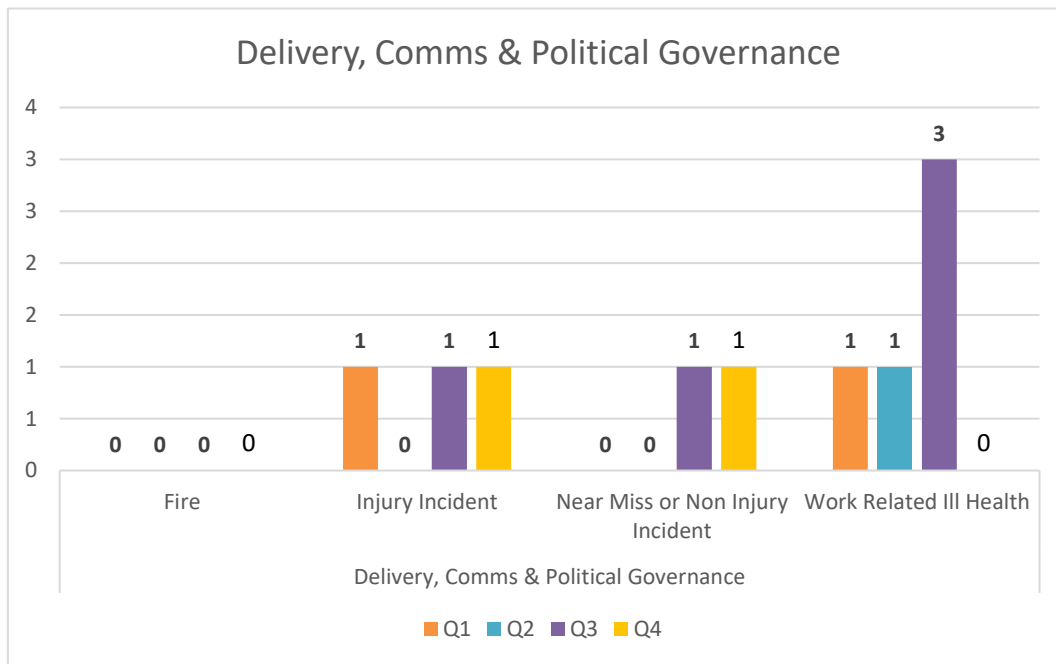
Number of Incidents by Division by Incidents



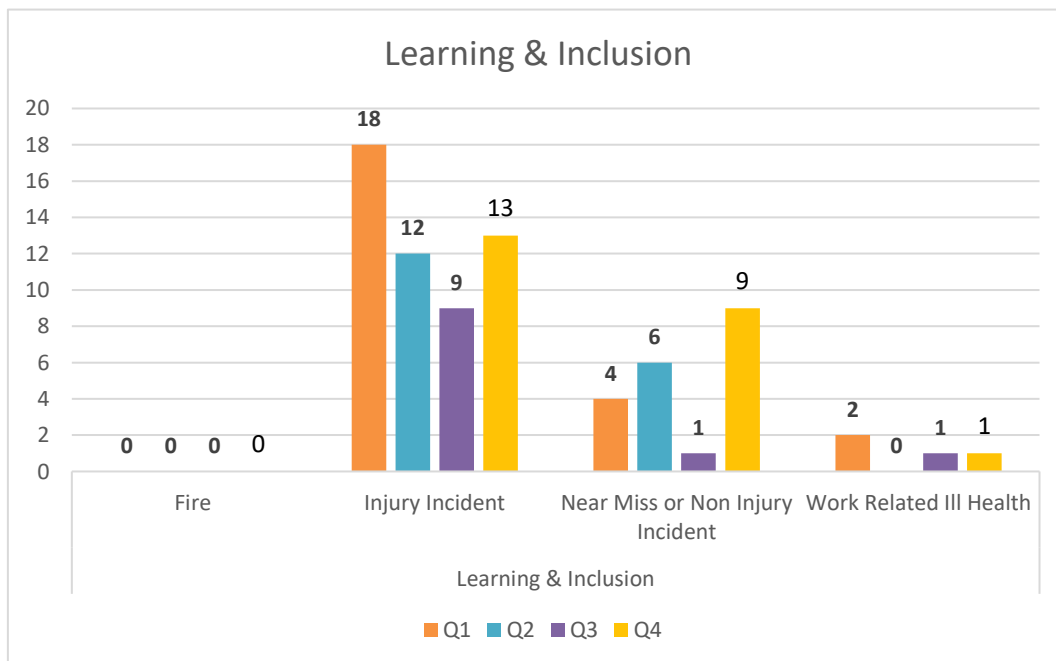
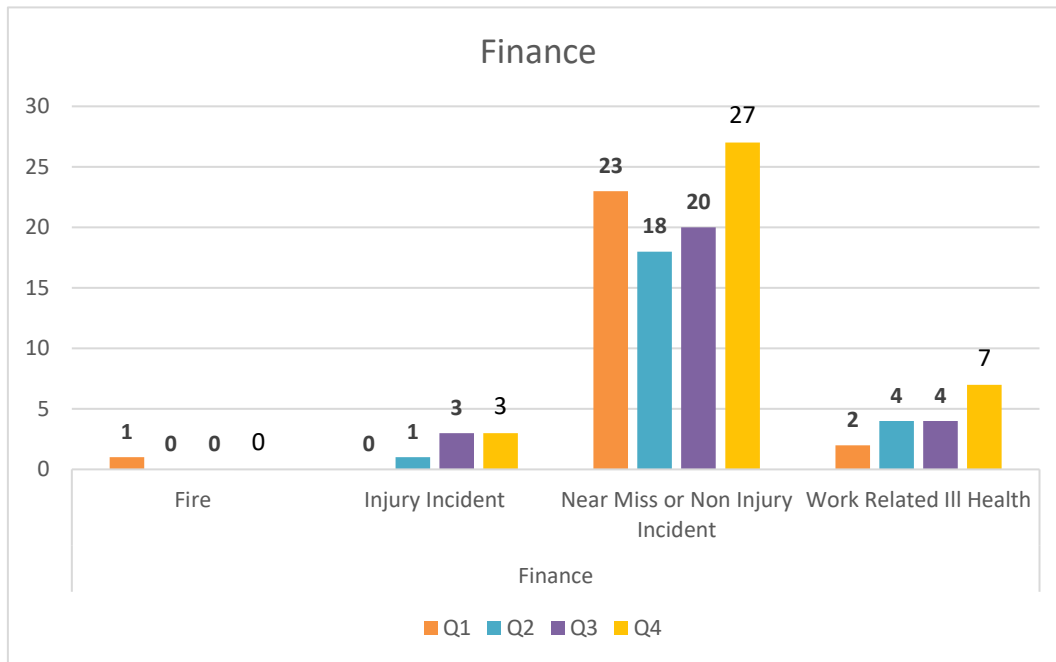
Appendix 6 - Health and Safety Data



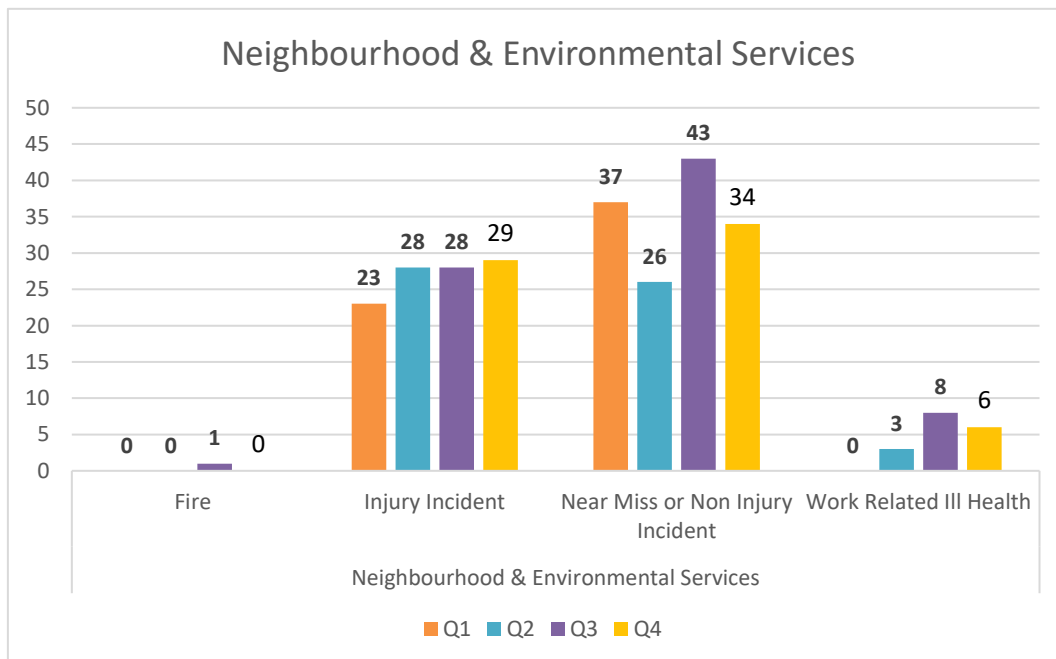
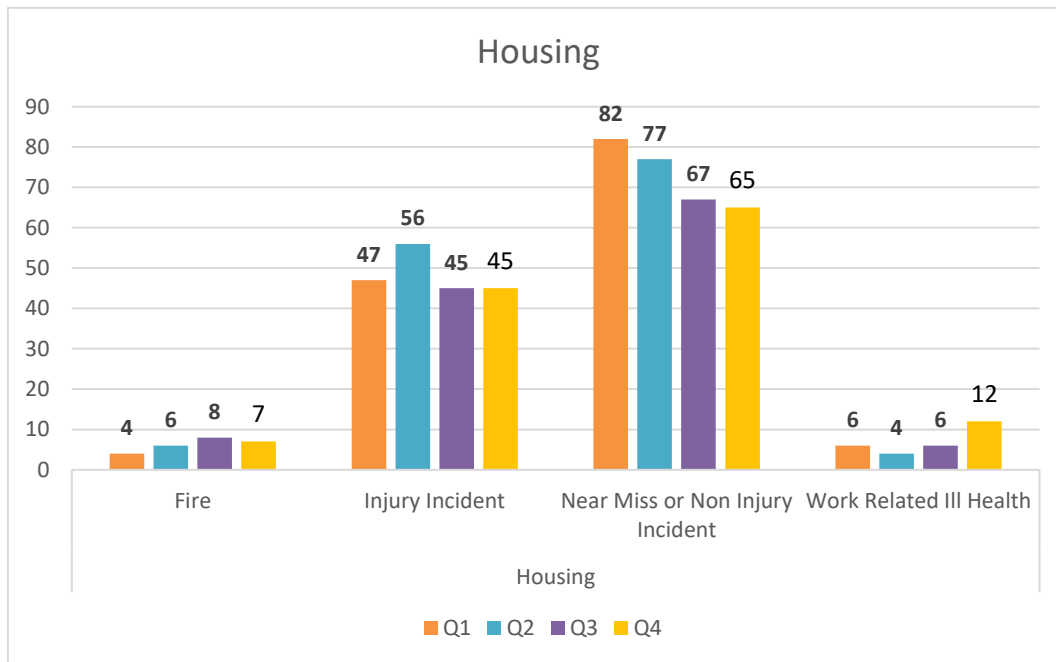
Appendix 6 - Health and Safety Data



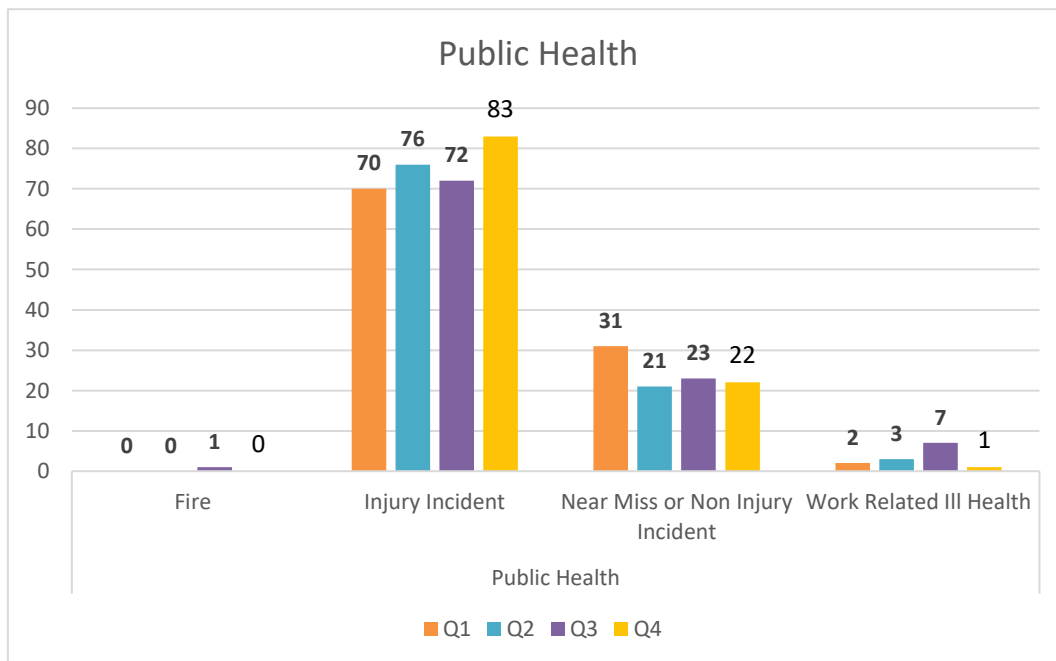
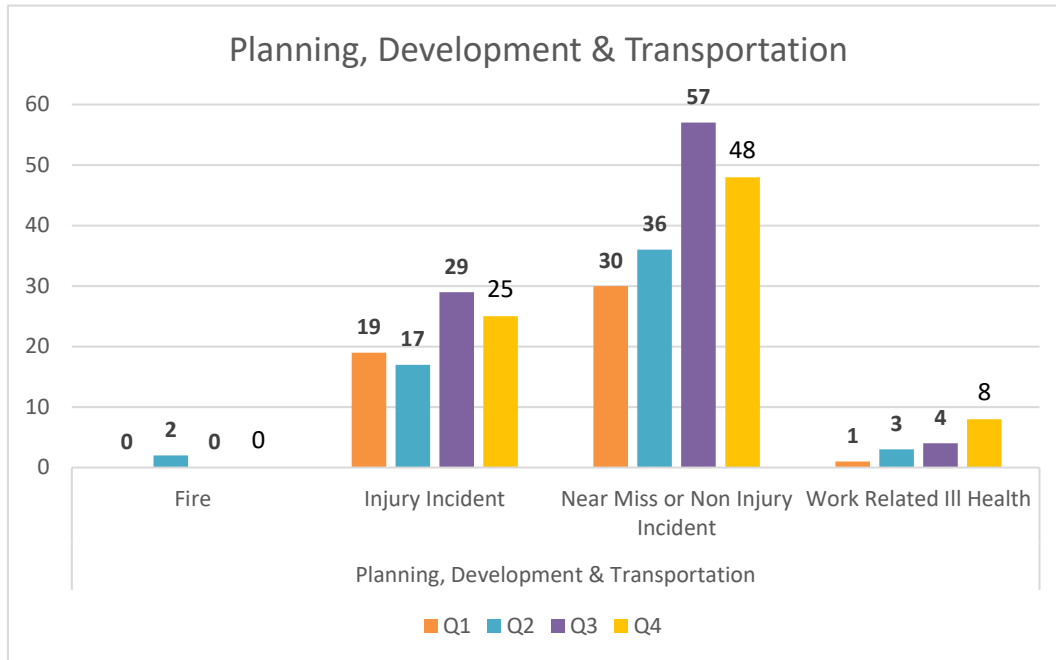
Appendix 6 - Health and Safety Data



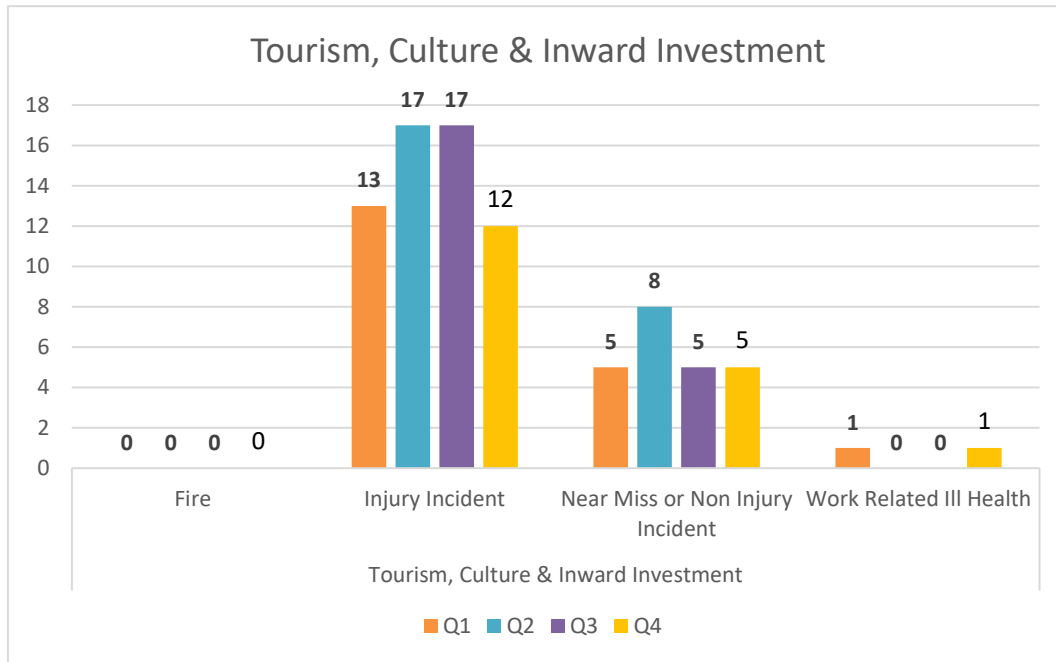
Appendix 6 - Health and Safety Data



Appendix 6 - Health and Safety Data



Appendix 6 - Health and Safety Data





Leicester
City Council

WARDS AFFECTED
All

Appendix E

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS Audit and Risk Committee

6th March 2019

Risk Management and Business Continuity Strategy and Policies 2019

Report of the Director of Delivery, Communications and Political Governance

1. Purpose of Report

- 1.1. To present to the Audit and Risk Committee (A&RC) the revised Risk Management and Business Continuity Policy Statement and Strategies (Appendix 1 and 2), which provide an effective framework for the council to manage and respond to key risks facing its services to help achieve the delivery of its Business Plan.
- 1.2. The documents have been significantly reviewed this year, leading to minor changes in the structure and general format.

2. Recommendations (or OPTIONS)

- 2.1. A&RC is recommended to consider and approve, on behalf of council, the updated:
 - Corporate Risk Management Policy Statement and Strategy at Appendix 1. This sets out the council's attitude to risk, the approach to be adopted to manage the challenges and opportunities facing officers; and
 - Corporate Business Continuity Management Policy Statement and Strategy at Appendix 2. This sets out the council's business continuity practices.

3. Report

Risk Management Strategy and Policy 2019

- 3.1 The council's original Risk Management Policy and Strategy was approved by Cabinet in 2009, with subsequent updates approved each subsequent year (since 2012 by the Executive). The Risk Management Strategy sets how the council tackles the risks it faces. It plays a vital part in the overall governance framework of the council and is particularly important in the current environment given the need to deliver our services in an effective and efficient way.

- 3.2 To date, improvements have been made in strengthening risk management arrangements within the council's diverse business units. A thorough review of the Policy and Strategy has taken place by the Manager, Risk Management to reflect developments made in the industry and to support the procedures/processes. Thereafter, insurers (at the time) reviewed these to provide some external assurance. Only minor presentational changes were made following their feedback. However, the assurance provided by insurers is not to be construed as an audit of the policies and strategies (see paragraph 3.5). The revised strategy will continue to help embed risk management throughout the council. It should however be noted that substantial changes were made to the policies and strategies in the previous year.
- 3.3 Effective risk management is essential for organisations and their partners to achieve strategic objectives and improve outcomes for local people. Good risk management looks at, and manages, both positive and negative aspects of risk. This process allows the council to methodically address risks stemming from its activities with the aim of achieving sustained benefit within each activity and across the portfolio of all its activities. The council's risk management process should (and if the policy is complied with, does) allow 'positive risk taking'.
- 3.4 Every project/programme should have a risk assessment/log. Risk, Emergency and Business Resilience (REBR) provides risk management training (Appendix 3 of the strategy provides details and dates). Following the strategy review by the Corporate Management Team (CMT) in October 2014, this training became mandatory for staff expected to complete a risk assessment. REBR is continuing to work with business areas and a training programme has been established for 2019 approved by CMT in December 2018.
- 3.5 In 2018, an independent external review of the Risk Management Policy and Strategy stated that 'The Policy and Strategy documents were considered against good practice guidance, including ISO31000 and working practices observed by Zurich in both the public and private sectors. The Policy Statement clearly sets out the council's risk management objectives identifying that risk presents both threats and opportunities to the organisation. The Strategy articulates a suitable framework for the delivery of risk management identifying key features including roles and responsibilities, risk reporting requirements, risk appetite, risk assessment methodology and competency requirements. Fundamental to the success of risk management is the integration of risk processes into "business as usual" activities and the development of a risk aware culture. To this extent it is important that the council's Risk Team continues to engage with and support business functions to ensure ongoing development of robust and relevant risk information which will support decision making and resource allocation at all organisational levels'. For risk management to be embedded and implemented successfully, support from both the Executive and senior management is imperative.

Business Continuity Policy and Strategy 2019

- 3.6 The council has established robust business continuity practices which are reviewed and maintained continuously throughout the year by service areas. Progress continues to be made to improve and strengthen business continuity management

arrangements, particularly addressing the continuous change the organisation experiences.

3.7 REBR is currently targeting the following key business continuity activities:-

- Continuing development of Business Continuity Management (BCM) at the council to better align with current accepted best practice standards (ISO22301) and requirements of the Civil Contingencies Act (2004) – including a revised pro-forma plan issued for staff and schools to use;
- Ensuring that up to date, tested plans exist for all areas. Primary focus remains on critical activities, followed by review of the remainder of the council's activities, those deemed 'non-critical' which will continue to be reviewed and dealt with by divisions;
- Challenging the definition and interpretation of critical;
- Managing the number of services deemed to be critical; Business Impact Analysis will be undertaken to aid this. This will involve Directors/ Heads of Service nominating/identifying a Business Continuity Lead for each of their service areas to work with REBR to identify priority processes, resource requirements as well as the impacts of not delivering key activities. This process will identify those services which are critical. Leicester City Council currently have 42 Business Critical Areas and it is anticipated to reduce these to ensure that resources can be correctly prioritised in the event of an incident;
- Continued delivery of a specific business continuity training programme for senior managers, management and their staff;
- Review, maintain and update the Business Continuity Plan (BCP) template periodically and ensure its implementation council wide; and
- Assisting schools with developing and testing of their BCPs.

The revised Business Continuity Policy and Strategy will assist on the delivery of the above mentioned points.

4. Key Deliverables

4.1 The key deliverables in both Policies and Strategies include:

4.1.1 Risk:

- Ensuring the Risk Management Framework at the council continues to reflect the organisational structure, and that risks affecting the delivery of the council's priorities and its objectives are properly identified, assessed, managed, monitored and reported;
- Continuance of the process whereby Divisional Directors and their Heads of Service have individual risk registers feeding through to the council's

Operational Risk Register, which is reviewed by CMT, led by the Chief Operating Officer, supported by the Manager, Risk Management, REBR;

- Improving divisional engagement with risk management processes to further embed a culture within the council where risk is anticipated and managed proactively and is part of the daily process. It is not a quarterly 'form filling' exercise but should be seen to 'add value'. A risk assessment should be completed and/or updated for each project or contract being let and for all the council's significant activities, as a minimum;
- Increasing recognition of the benefits that can be achieved, operationally and strategically, with effective and embedded risk management;
- Continuing to support the operational service areas in the development and improvement of their individual risk registers by identifying training needs, providing support and guidance and delivering training to them;
- Directors and managers continuing to identify staff requiring risk management training through the appraisal and job specification process. As highlighted above, this is a key deliverable for directors and their teams to better protect the council. It is the business areas that 'own' and should manage their risks; and
- Emphasising that REBR is perceived across the council as 'Risk Consultants' who will assist managers in scoping and managing their risk exposure to enable the implementation of innovative schemes. This team do not manage the council's risks as this remains the responsibility of service areas.

4.1.2 Business Continuity:

- **Resilience** - Proactively improves resilience when faced with the disruption to the council's ability to achieve its key objectives;
- **Reputation** - Helps protect and enhance the council's reputation as well as reducing the risk of financial loss;
- **Business improvement** - Gives a clear understanding of the entire organisation which can identify opportunities for improvement;
- **Compliance** - Demonstrates that applicable laws and regulations are being observed;
- **Cost Savings** - Creates opportunities to reduce the cost of business continuity management and may reduce insurance premiums. Poorly managed incidents also leave the council and its officers exposed to insurance claims;
- **Delivery** - Provides a rehearsed method of restoring the council's ability to supply critical services to an agreed level and timeframe following a disruption;

- **Management** - Delivers a proven capability for managing disruptions which helps to retain confidence in the council.

BCM is a cross-functional, organisation-wide activity; consequently, the arrangements in this strategy apply to:

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

4.1.3 The BCM programme needs to be managed in a continuous cycle of improvement if it is to be effective. Therefore, formal and regular exercise, maintenance, audit and self-assessment of the BCM **culture** are essential. This would be more achievable and effective if the appropriate staff within each division attend the BCM awareness training session delivered by REBR. This needs properly formalising and managing and remains a key activity within 2019.

4.1.4 The revised Business Continuity Policy and Strategy will assist on the delivery of the above mentioned points and in paragraph 3.7

5. FINANCIAL IMPLICATIONS

5.1 Rigorous BCP and risk management arrangements are essential to ensure the council can minimise the likelihood of incidents occurring, minimise insurance costs and claims, and be confident of recovering effectively from any major incident that does occur with as little additional or abortive expense as possible.

Colin Sharpe, Head of Finance, 37 4081

Legal Implications

5.2 'Rigorous Risk Management and BCM arrangements are essential to ensure the council can be confident of ensuring it has proper cover for its legal liabilities'.

Kamal Adatia, City Barrister, 37 1401

Equality Implications

5.3 'A robust approach to business continuity planning will limit the impact of incidents and plays a key role in maintaining service delivery, therefore there will be a positive impact across all protected characteristics. If business continuity planning is not effective there is a greater risk where a service has been identified as critical. If those critical services were unable to maintain service delivery, there may be a disproportionate impact on those with particular protected characteristic/s, such as age and disability. The recommendations of the report will support a robust

approach and minimise the impact of incidents which could have a disproportionate impact on certain protected groups.

Hannah Watkins, Equalities Manager, 37 5811

OTHER IMPLICATIONS	YES/NO	Paragraph/References Within Supporting information
Risk Management	Yes	All of the paper.
Legal	Yes	
Climate Change	No	
Equal Opportunities	Yes	
Policy	Yes	All of the paper.
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	No	
Corporate Parenting	No	
Health Inequalities Impact	No	

6. Other Implications

7. Report Authors

- 7.1. Sonal Devani, Manager, Risk Management, Risk, Emergency and Business Resilience Team, Ext 37 1635.

January 2019



Risk Management

Policy Statement and Strategy 2019

04/10/2018
Leicester City Council
Sonal Devani on behalf of Miranda Canon

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Risk Management

Policy Statement and Strategy 2019

Risk Management Policy Statement

Leicester City Council's approach to the management of risk

Risk management involves managing the council's threats and opportunities. By doing so effectively, the Council is in a stronger position to deliver its objectives. Risk is a feature of all business activity and is an attribute of the more creative of its strategic developments. The council accepts the need to take proportionate risk to achieve its strategic objectives, but these should be identified and managed appropriately. However, residual risks may still be high even after controls are identified and implemented. Such risks may relate to activities/projects where the organisation has statutory responsibilities to deliver such services, and in such instances, it is important that risks are being managed effectively and efficiently and the impact can be minimised as far as possible should the threat/event occur.

The key objectives of Risk Management are to:

1. Identify, manage and act on opportunities and threats to enable the council to achieve its objectives and integrate risk management into the culture and day to day working of the council.
2. Ensure compliance with governance requirements and that risk management (identification of, and plans to manage, risk) is an integral part of the Council's governance including the decisions taken by the Executive and the Corporate Management Team (CMT).
3. Embed, actively support and promote risk management. Raise awareness of the need for risk management to those involved in developing the council's policies and delivering services.
4. Ensure that a systemic and consistent approach to risk management is adopted throughout the organisation and as part of divisional planning, performance management and models of operation.
5. Supporting a culture of well-measured risk taking throughout the council's business.
6. Manage risk in accordance with best practice and comply with statutory and regulatory requirements, for example Fraud Act, Anti Bribery and Care Acts.
7. Ensure the organisation's risk profile and exposure is communicated bottom up and top down.

The above objectives will be achieved by:-

1. Ensuring CMT, Directors and other relevant stakeholders obtain assurance that the council is managing and mitigating risks that could affect the achievement of the organisation's objectives.
2. Establishing reporting mechanisms to submit Strategic and Operational Risk Registers to CMT, City Mayor and Executive, Audit and Risk Committee and relevant stakeholders.
3. Ensuring the operations and initiatives that are high risk to the council are reported and monitored through the appropriate director to aid informed decision making.
4. Providing opportunity for learning on risk management across the council by scheduling a rolling training programme year on year.
5. Continual review and improvement of the council's processes for the identification, management and communication of risk to ensure best practice is being communicated and implemented.
6. Ensuring accountabilities, roles and responsibilities for managing risk are clearly defined, communicated and understood.

7. Establishing clear processes, responsibilities and reporting lines for risk.
8. Anticipating and responding to changing social, environmental and legislative requirements.
9. Demonstrating the benefits of effective risk management through: -
 - Cohesive leadership and improved management controls;
 - Improved resource management – people, time, and assets;
 - Improved efficiency and effectiveness in service and project delivery;
 - Minimising the impact following an incident, damage limitation and cost containment;
 - Better protection of employees, residents and others from harm;
 - Reduction in incidents, accidents and losses leading to lower insurance premiums; and improved reputation for the council.
10. Recognise that it is not possible, nor desirable, to eliminate risk entirely, and so have a comprehensive business continuity and insurance programme that protects the council from significant financial loss following damage or loss of its assets- therefore minimising the impact from an event.

Andy Keeling
Chief Operating Officer

Sir Peter Soulsby
City Mayor

January 2019

Risk Management Strategy

INTRODUCTION

1. The Risk Management Strategy seeks to promote identification, assessment, response, monitoring and communication of risks that may adversely impact the achievement of the council's aims and objectives. This strategy builds on, and replaces, the 2018 Risk Management Strategy. Through the continued development and implementation of the strategy, the maturity of the council's risk management will be reflected in a more enabled and proactive culture of embracing innovative opportunities and managing risks. The ultimate aim of the strategy is to embed risk management throughout the organisation and to ensure officers/staff understand their roles in the process.

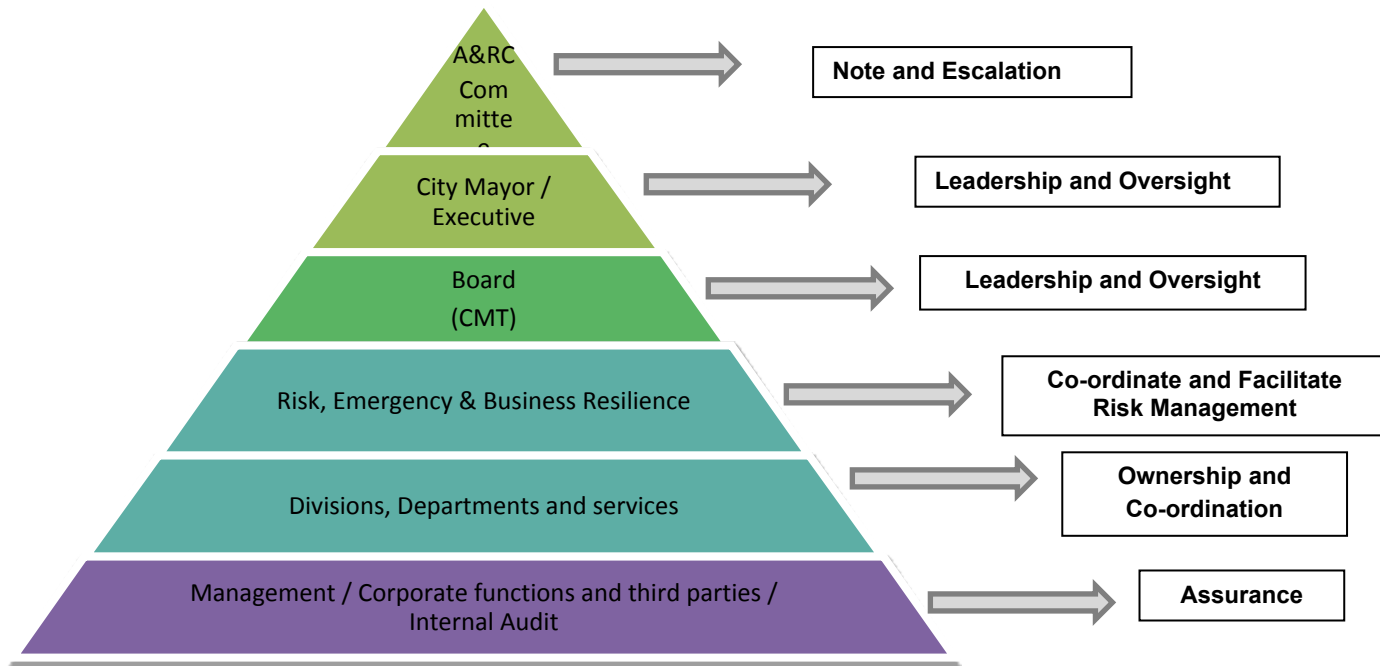
AIMS AND OBJECTIVES

2. The aims and objectives of Leicester City Council's Risk Management Strategy are:-
 - To provide the Executive, Members and senior officers with regular risk management reports that give a comprehensive picture of the council's risk profile and exposure;
 - To assist the council and its partners to adopt a "fit for purpose" methodology towards identification, evaluation, control and communication of risks and to help ensure those risks are reduced to an acceptable level – the 'risk appetite';
 - To ensure that transparent and robust systems are in place to track and report upon existing and emerging risks which potentially could have a detrimental impact on the council or influence the achievement of objectives;
 - To help further integrate risk management into the culture and day to day working of the council and ensure a cross divisional/operational approach is applied;
 - To provide reliable information on which to base the annual strategic and operational risk and governance assurance statements;
 - To encourage well measured risk taking where it leads to sustainable improvements in service delivery;
 - To ensure a consistent approach in the identification, assessment and management of risk ('the risk management cycle) throughout the organisation.
3. Given the diversity of services offered by the authority and therefore, the wide range of potential risks that could arise, it is essential that responsibility for identifying and taking action to address those risks is clear. Commitment and involvement of staff at every level is essential to effectively carry out risk management. Although different staff/managers will have specific duties to assist in this process, it is important that they are aware of and understand their role. Staff involvement may consider views and comments from other divisional teams who may have experience of managing similar risks.

ASSURANCE AND REPORTING STRUCTURE OF RISKS AT LEICESTER CITY COUNCIL

As part of the risk management and assurance process, we would like to create an environment of a 'no surprises' system and the 'tone from the top' is an essential criteria in fulfilling this.

All staff and associated stakeholders have responsibility for managing risk, some more than others. Please see **Appendix 1** for full roles and responsibilities.



Within this structure, each party has the following key roles:

- The **Audit and Risk Committee** is responsible for noting the effectiveness of the council's risk management arrangements, challenging risk information and escalating issues to the Board/Executive;
- **City Mayor and Executive** has a leadership and oversight role particularly in challenging CMT and senior managers in relation to the identified risks and mitigating actions and holding them to account for effective risk management. The City Mayor and Executive are also responsible for approving risk policies and strategy and receiving quarterly risk management reports to review.
- **The Corporate Management Team (CMT)** has the risk oversight role. CMT must ensure the risk related control environment is effective; is responsible for approving and reviewing risk policies and strategies; setting the level of risk the council is prepared to accept – it's '**risk appetite**'; receiving quarterly risk management reports to review and approve and agreeing the training programme;
- **Risk, Emergency & Business Resilience (REBR)** develops and coordinates implementation of the Risk Management Strategy and provides a facilitators role, supporting and guiding all other service areas on how to manage their risks. REBR also coordinate, populate and maintain the council's risk registers, producing quarterly reports comprising of these risk registers to submit to CMT and the Audit and Risk Committee.
- **Departments and services** are the '**risk-takers**' and are responsible for identifying, assessing, measuring, monitoring and reporting significant risks associated with their functions or activities and for managing risks within their departments.

- As part of the council's **combined model, management, third parties and Internal Audit** give assurance on the management of risks and the operation/performance of controls

RISK DEFINITION AND APPETITE

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

“Risk is the effect of uncertainty on objectives”

5. When risk discussions are taking place, it is assumed by many staff that all risks must be eliminated. However, this is not the case. Risk is a part of everyday life and taking risks and acting on opportunities may also be a route to success, if managed properly. Risk Appetite is defined as “the amount of risk that the Council is prepared to take to achieve its objectives’. **Appendix 2** demonstrates the council's risk appetite. The council is prepared to tolerate risks that fall below the risk appetite line (the prominent black line). For risks that are scored above the line, the council should consider their occurrence and design controls for implementation if that risk materialises. An example of this would be total loss of a building by fire. This is a typical 'high impact' but 'low likelihood' risk that cannot realistically be managed day to day, beyond normal management responsibilities, but if it occurs, would be dealt with by the invocation of an effective business continuity plan and appropriate insurance cover which are both significant mitigants for that risk.
6. Risk appetite needs to be considered at all levels of the organisation – from strategic decision makers to operational deliverers. The council's risk appetite is the amount of risk that it is prepared to take in order to achieve its objectives. Defining the council's risk appetite provides the strategic guidance necessary for decision-making and is determined by individual circumstances. In general terms, the council's approach to providing services is to be innovative and to seek continuous improvement within a framework of robust corporate governance. This framework includes risk management that identifies and assesses risks appertaining to decisions being considered or proposed.
7. As such, risk appetite should be considered for every proposal and risk rather than an overarching concept for the entire council. There will be areas where a higher level of risk will be taken in supporting innovation in service delivery. Certain areas will maintain a lower than cautious appetite - for example, in matters of compliance with law and public confidence in the council. Risk appetite can therefore be varied for specific risks, provided this is approved by appropriate officers and/or members. However, in all circumstances:
 - The council would wish to manage its financial affairs such that no action will be taken which would jeopardise its ability to continue as a going concern; and
 - The council would wish to secure the legal integrity of its actions always.

Despite this, at times the council may be forced to take risks beyond its appetite choosing to comply with central government directives or to satisfy public expectations of improved services. The challenge process will determine the decisions made - whether to proceed with such proposals and after careful assessment of the identified risks and an analysis of the risks compared to the benefits – i.e. cost benefit analysis. A cost benefit analysis also helps decide the commitment to risk management resources and it is important to keep in mind that not all costs benefit is confined to financial measurement and the cost of not taking action should also be considered

8. Leicester City Council's approach is to be **risk aware** rather than **risk averse**, to manage and mitigate the risk. As set out in its Risk Management Policy Statement, it is acknowledged that risk is a feature of all business activity and is a particular attribute of the more creative of its strategic developments. Directors and members are not opposed to risk. They are committed to taking risk with full awareness of the potential implications of those risks and in the

knowledge that a robust plan is to be implemented to manage them. The council's risk management process allows this **'positive risk taking'** to be evidenced.

9. **'Positive risk taking'** is a process of weighing up the potential benefits and impacts of exercising a choice of action over another course of action. This entails identifying the potential risks and developing plans and controls that reflect the positive potentials and stated priorities of the council. It then involves using available resources and support to achieve desired outcomes, and to **minimise any potential 'harmful' impacts**. It is certainly not negligent ignorance of potential risks but, usually, a carefully thought out strategy for managing a specific risk or set of circumstances.
10. Risk management ensures that key strategic and operational risks are well controlled, minimising the likelihood of an occurrence and its impact should the risk occur. It is recognised that there are costs involved in being too risk averse and avoiding risk, both in terms of bureaucracy and opportunity costs.
11. The council seeks to identify, assess and respond to all strategic risks that may affect the achievement of key business objectives and plan outcomes. Once a risk has been identified and rated, the council will adopt a risk response based on the nature of the risk. The council's risk responses include treat, tolerate, terminate or transfer – refer to paragraph 24 for the detail. Integrating risk transfer strategies requires decisions at the highest levels as the risk appetite will determine the extent to which it is prepared to retain the risk, as opposed to sharing risk by outsourcing or insurance.
12. However, having an effective risk management framework does not mean that mistakes and losses will not occur. Effective risk management means that high risks are highlighted, allowing appropriate action to be taken to minimise the risk of potential loss. The principle is simple, but this relies upon several individuals acting in unity, applying the same methodology to reach a sound conclusion. However, it is recognised that risk management and the analysis is based on judgement and is not infallible or an exact science. Incidents will still happen, but the council will be in a better position to recover from these incidents with effective risk controls/business continuity management processes in place. Leicester City Council is a "learning organisation" and the Council will seek to learn from adverse risk events.

RISK FINANCING

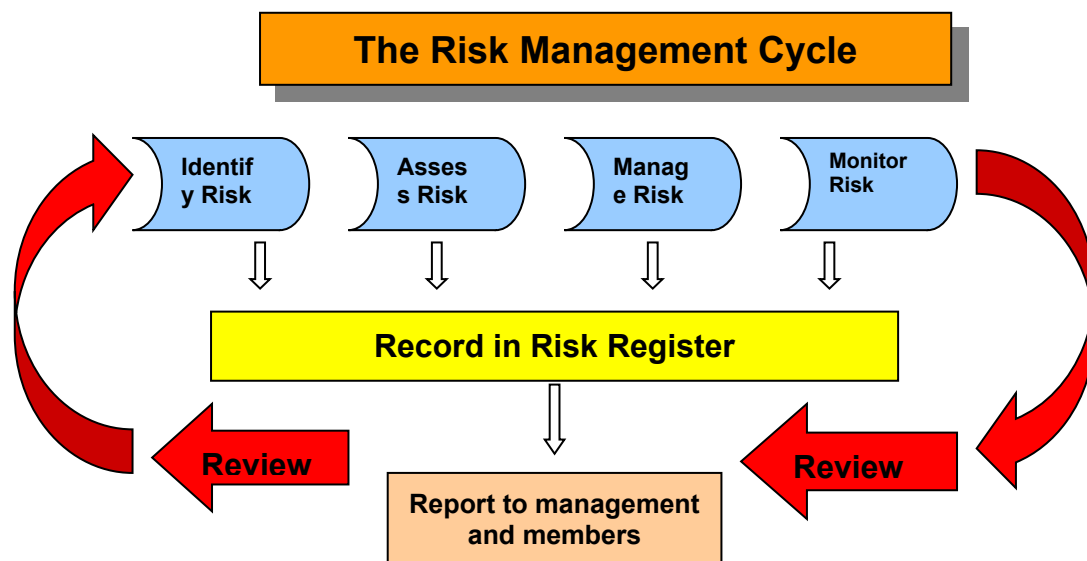
13. Risk Financing is the process which determines the optimal balance between retaining and transferring risk within an organisation. It also addresses the financial management of retained risk and may best be defined as money consumed in losses, funded either from internal reserves (such as the Insurance Fund) or from the purchase of 'external' insurance (such as the catastrophe cover provided by the council's external insurers). Simply put, it is how an organisation will pay for loss events in the most effective and least costly way possible. Risk financing involves the identification of risks, determining how to finance the risk, and monitoring the effectiveness of the financing technique chosen. Commercial insurance policies and self-insurance are options for risk transfer schemes though the effectiveness of each depends on the size of the organisation, the organisation's financial situation, the risks that the organisation faces, and the organisation's overall objectives. Risk financing seeks to choose the option that is the least costly, but that also ensures that the organisation has the financial resources available to continue its objectives after a loss event occurs. The council currently takes cover with external insurers for the following categories of insurable risk:

- Casualty (Employers Liability and Public Liability)
- Property
- Motor
- Fidelity Guarantee
- Engineering
- Professional Negligence
- Official Indemnity
- Personal Accident

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

RISK MANAGEMENT PROCESS

- The council's strategic objectives and individual divisional operational objectives are the starting point for the management of risk. Managers should not think about risk in isolation but consider events that might affect the council's achievement of its objectives. Strategic risks are linked to strategic objectives and operational risks linked to divisional service delivery objectives, therefore, day to day activities need, as a minimum, to be identified and monitored. This is best done by the effective implementation of the risk management process with the use of risk assessments/risk registers.
- Risk management is driven both top down and bottom up, to ensure risks are appropriately considered. To achieve this, managers should encourage participation with their staff in the process, through regular discussions/reviews. **The risk management process seeks to work with and support the business and not add a layer of bureaucracy.**
- The process below should be implemented by managers and staff to identify, assess, control, monitor and report their risks. Risk management is intended to help managers and staff achieve their objectives safely and is not intended to hinder or restrict them. The aim is not to become risk averse. The process ensures that a consistent risk management methodology is in place and implemented across all the diverse activities of the council.
- There are five key steps in the risk management process. These stages are covered in greater detail in the Risk Management Toolkit – a step-by-step guide to risk management at Leicester City Council - which is available to all members, managers and staff via the Risk, Emergency and Business Resilience pages on SharePoint.



- The risk management process is explained in detail in the '**Identifying and Assessing Operational Risk**' training course, which is now mandatory for staff completing a risk assessment (see **Appendix 3** for the 2019 training schedule) and teaches staff to: -

- **Identify** risk - management identify risks through discussion as a group, or discussion with their staff. REBR are available to support this process either by attending or facilitating risk ‘workshops’ or delivering risk identification and mitigation training to managers and their business teams in advance of their own sessions;
- **Assess/Analyse/Evaluate** - management assess the likelihood of risks occurring and the impact on the council/their objectives using the council’s approved risk assessment form and the 5x5 scoring methodology. Once the risks are scored, this will determine whether the risks are high, medium or low which will help in the prioritisation of risks for urgent attention;
- **Manage** - management determine the best way to manage their risks e.g. terminate, treat, transfer, tolerate or take the opportunity (see paragraph 24 below);
- **Monitor** – management should monitor their risks and the effectiveness of their identified management controls;
- **Review** - management ensure identified risks are regularly reviewed. This will normally be managed by means of a risk register (see sections 27 – 34 below for more detail).

IDENTIFYING THE RISKS

20. At Leicester City Council in order to identify risks, we need to focus on the aims and objectives of the organisation and of any project and activity. Every activity the council engages in contributes to achieving an objective and so risks that may affect the successful completion of that activity must be taken seriously. Risk is simply defined as **‘the effect of uncertainty on objectives’** – ISO31000 Risk Management Standard. As mentioned in paragraph 19, the training session covers in detail how to identify risks. Please refer to **Appendix 4** for the risk assessment template to log risks and its evaluation. **Appendix 5** indicates the different categories of risk which staff use as a prompt to identify risks. However, it is not an exhaustive list and officers are reminded that risks may not be present in all categories when they are completing their risk assessment. Also, staff may need to consider carrying out a dynamic risk assessment as and when required, for e.g. in the case of inclement weather, the original risk assessment may not have considered how to operate on a wet day as it was not anticipated.
21. The Manager, Risk Manager will continue to work collaboratively with ALARM, other councils and partners to undertake horizon scanning to identify new and emerging risks that affect the council. This may help to identify new collective trends and emerging risks.

ASSESS/ANALYSE AND EVALUATE RISKS

22. The primary function of “scoring” risks is to facilitate their prioritisation and assessment against risk appetite. This step involves determining the likelihood of the risk occurring and its impact should it occur. Please see **Appendix 2** for further detail of the scoring mechanism and the definitions utilised at this council to calculate the level of the risk: - **Impact x Likelihood = Risk score.**
23. This helps to prioritise the risks which require urgent action using a red, amber, green scoring mechanism (RAG status). The table below indicates how risks that are high, medium and low should be managed.

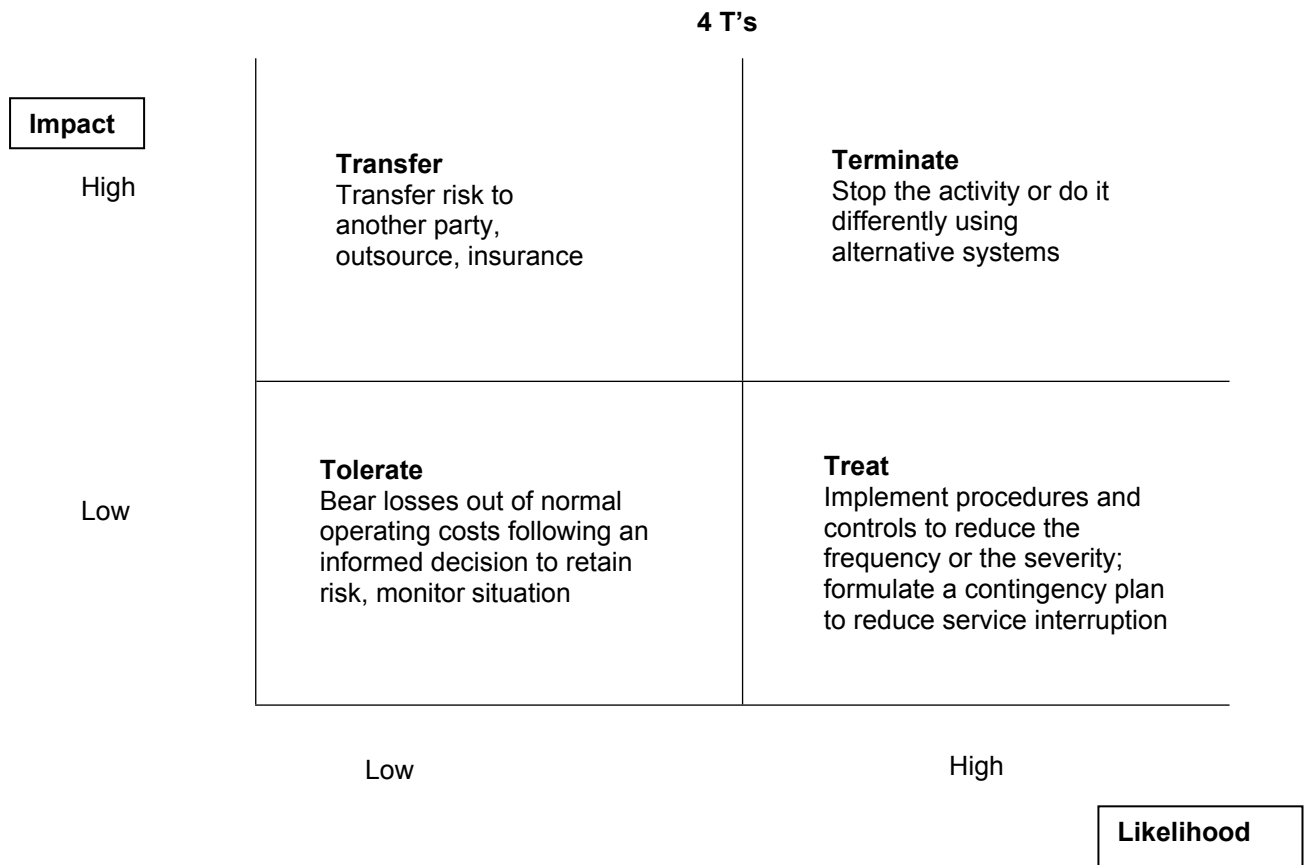
LEVEL OF RISK	OVERALL RATING	HOW THE RISK SHOULD BE TACKLED/ MANAGED
High Risk	15-25	IMMEDIATE MANAGEMENT ACTION
Medium Risk	9-12	Plan for CHANGE
Low Risk	1-8	Continue to MANAGE

MANAGE THE RISKS

24. Once risks have been identified and assessed by management (**a risk rating score has been derived**), managers should then determine how those risks will be dealt with – a process commonly known as the four T's. The risk rating score will also enable risks to be prioritised and influence the use of one or more of the four T's –

- Terminate
- Treat
- Tolerate
- Transfer

Please see below charts for possible actions after assessing and analysis of risks:



Likelihood	Impact	4 T's	Actions to take
High	High	Terminate	Requires immediate action/avoid or consider alternative ways
High	Low	Treat	Consider steps to take to manage risks – reduce the likelihood and/or better manage the consequence
Low	High	Transfer	Contingency plan/Insurance cover to bear financial losses/transfer risk to third party/outsource
Low	Low	Tolerate	Informed decision to retain risk. Keep under review. Monitor and bear losses from normal operating costs as the cost of instituting a risk reduction or mitigation activity is not cost effective or the impact of the risks are so low so deemed acceptable

25. Taking the opportunity is an enhancement to this process. This option is not an alternative to the above; rather it is an option which should be considered whenever tolerating, transferring or treating a risk. **There are two considerations here:**
- Consider whether at the same time as mitigating a threat, an opportunity arises to exploit positive impact. For example, if a large sum of capital funding is to be put at risk in a major project, are the relevant controls good enough to justify increasing the sum at stake to gain even greater advantage?
 - Consider also, whether circumstances arise which, whilst not generating threats, offer positive opportunities. For example, a drop in the cost of goods or services frees up resource which may be able to be redeployed or projects that enhance the economy of Leicester.
26. Secondary Risk - It's important to note here that it's common for efforts to reduce risk to have risks of their own. These are known as secondary risks. For example, if a project is outsourced a number of secondary risks will be assumed such as the risk that the outsourcing company will fail to deliver.

MONITORING AND REVIEWING THE RISKS

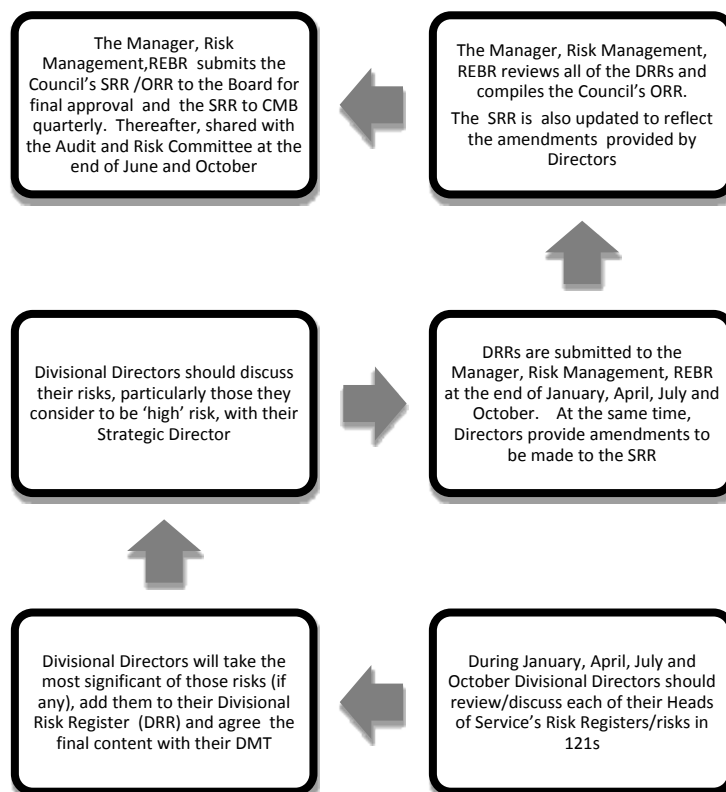
27. After evaluating the measures already in existence to mitigate and control risk, there may still be some remaining exposure to risk (residual risk). It is important to stress that such exposure is not necessarily detrimental to the council and ensures that the council is aware of its key business risks; what controls are in place to manage (mitigate) these risks; and, what the potential impact of any residual risk exposure is. This step in the risk process never really ends as monitoring and review of your risk assessment to ensure it stays valid is an ongoing process. The ultimate aim of risk management/assessment is to implement measures to reduce the risks to an acceptable level. Monitoring and review of circumstances must occur to see whether the measures implemented have reduced risks effectively and whether more should be done. To summarise, are the controls being implemented, are they effective, do further controls need to be considered, therefore, re-scoring of the risk, and do new risks need to be incorporated or any existing ones to be deleted.
28. It is important that those risks that have been identified as requiring action are subject to periodic review, to assess whether the risk of an event or occurrence still remains acceptable and if further controls are needed. Any further action(s) should be determined, noted and implemented. The frequency of reviews should be decided by management, depending on the type and value of the risks identified (see also 29 below). Currently, at Leicester City Council, the significant strategic and operational risks are reviewed and reported on a quarterly basis to CMT facilitated by the Manager, Risk Management. Below, is a table indicating a **suggested review** of risks dependent on the risk rating whether, high, medium or low.

Recommended risk review frequencies as per risk rating:

Standard Review	
Red risks	1 – 3 months
Amber risks	3 months
Green risks	6 months

RISK REPORTING

29. Significant operational risks should continue to be logged and monitored via the Operational Risk Register (ORR). It is the responsibility of each divisional director to ensure that operational risks are recorded and monitored via a risk register. These registers and the risks identified are aligned to the council's operating structure. REBR has produced a pro-forma risk assessment/register that **must** be used by all business areas (see **Appendix 4**).
30. The most significant risks identified by the divisional directors feed into the council's ORR which is managed by CMT and facilitated by the Manager, Risk Manager, REBR. They are accountable for ensuring that all operational risks are identified against service delivery objectives; that plans are implemented to control these exposures; key risks are included within the individual service plan and that monitoring and communication of risks takes place.
31. The Chief Operating Officer supported by CMT manages and monitors a Strategic Risk Register (SRR) for those risks that may affect achievement of the council's strategic objectives, with REBR facilitating. The most significant of these risks, those that may threaten the council's overall strategic aims, form this register which is reviewed and updated by directors each quarter. Responsibility for these risks rests with named directors. As part of the overall process of escalation, each strategic director should also have risk on their 121 agenda with their divisional directors at least quarterly. One of the significant strategic risks is a serious failing of the management of operational risks by their divisional directors.
32. RMS facilitates and supports this process and will continue to maintain the SRR/ORR, using the input from each Divisional Risk Register and the updates provided by each director for the SRR. The SRR/ORR will be reported quarterly to the CMT and Executive, and bi-annually to the Audit and Risk Committee. As part of this process, bespoke training needs may be identified and the REBR team will provide training and support upon request.
33. The process for reviewing and reporting operational and strategic risks at Leicester City Council is set out as below:



Key:

- DRR** – Divisional Risk Registers – compiled using most significant operational risks from Heads of Service risk registers.
- ORR** – Operational Risk Registers – produced by REBR using the significant risks from the DRRs submitted by Divisional Directors
- SRR** – Strategic Risk Registers – compiled by REBR using significant risks submitted by Directors and are those risks that may affect achievement of the council's strategic aims.

34. All risks identified, both operational and strategic, will need to be tracked and monitored by regular quarterly reviews of the risk registers at quarterly 121's. This will ensure that any changes in risks requiring action are identified; there is an effective audit trail; and the necessary information for ongoing monitoring and reporting exists.

PARTNERSHIP RISK

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

The driver of the Partnership Agreement should address internal and external risk issues.

RISK MANAGEMENT TRAINING

36. An annual programme of training (covering risk, insurance and business continuity planning) is available to all staff, managers and members. However, directors and managers should identify staff who requires this training through the staff appraisal process (existing staff) and through the jobs specification process (new staff) and appropriate training will be provided by REBR. CMT have made the 'Identifying and Assessing Operational Risk' training mandatory for staff who have to carry out a risk assessment.

INSURANCE LIMITS

37. Guidance is available on SharePoint on what to consider when determining insurance levels if procuring for services by a contractor or third party. The limits requested are based on the risks the activity will impose and the impacts. The consequences, impact and cost of risk columns of the risk assessment template will help to determine the insurance levels required. The insurances requested are usually Public Liability, Employers Liability and Professional Indemnity (though the latter is not always a pre-requisite).

REVIEW OF RISK MANAGEMENT POLICY AND STRATEGY

38. This Risk Management Policy Statement and Strategy is intended to assist in the development/integration of risk management from now until December 2019 when the next review is due of this policy and strategy.
39. All such documents and processes will remain subject to periodic review and with the next planned review to occur in Quarter 4 2019, this allows any changes in process to be aligned to the council's financial year end.

RISK MANAGEMENT AT LEICESTER CITY COUNCIL

40. A robust risk management process should be applied to all our activities during the next 12 months and beyond. To achieve this, priority exposures should be identified, addressed, and incorporated into appropriate risk management strategies and risk improvements into organisation's service delivery. A robust risk process will allow identification of emerging risks and horizon scanning. This should be in line with the council's priorities. This helps to determine how risks affects such priorities, whether to consider changes in council's operations and to enable us to make well-informed decisions. Risk must be considered as an integral part of divisional planning, performance management, financial planning and strategic policy-making processes. The cultural perception of risk management must continue changing from a 'have-to-do' to a 'need-to-do'. However, this does not need to become a bureaucratic and paper intensive exercise and judgment by the appropriate person should be exercised.
41. The Manager, Risk Management, REBR will continue to maintain a central copy of the SRR/ORR as well as the DRR's. Internal Audit will continue to utilise these registers to assist them in developing the audit plan and producing a programme of audits, which will test how well risk is managed within specific areas of the business – subject to resource being available. The council's Risk Strategy and Policy will help directors to report appropriately upon their risk and their risk registers, together with other information gathered by Internal Audit through consultations, will be used to formulate the audit work programme which, in turn, allows assurance to be given to both the CMT (officers) and the Audit and Risk Committee (members) that risk is being properly identified and managed at Leicester City Council.
42. Consideration should be given as to whether the management of risk should be included in job descriptions for all operational service area managers with responsibility and accountability for risks and be included in every director/manager's objectives and performance appraisal discussion.
43. Directors and managers should also ensure that all stakeholders (employees, volunteers, contractors and partners) are aware of their responsibilities for risk management and of the lines of escalation for risk related issues. Operational performance linked to risks helps to achieve objectives more effectively and efficiently.

CONCLUSION

44. A certain amount of risk is inevitable to achieve objectives and improve performance, hence the existence of this Policy and Strategy to help the organisation manage those risks and deliver high quality public services and better value for money.

Appendix 1 - LEADERSHIP, ROLES AND RESPONSIBILITIES

All Councillors	<ul style="list-style-type: none"> To consider and challenge risk management implications as part of their decision-making process.
City Mayor/ Executive	<ul style="list-style-type: none"> Approve the council's Risk Management Strategy and Policy Statement annually. Consider risk management implications when making decisions and determine the risk appetite for the council. Agree the council's actions in managing its significant risks. Receive regular reports on risk management activities and a quarterly review of the strategic risk register. Approve an annual statement on the effectiveness of the council's risk controls as part of the statement of accounts. Consider the effectiveness of the implementation of the risk management strategy and policy.
Audit and Risk Committee	<ul style="list-style-type: none"> Receive and note the council's Risk Management Strategy and Policy Statement annually. Receive and note the Strategic and Operational Risk Registers update reports.
Strategic Directors	<ul style="list-style-type: none"> Responsibility for leading and managing the identification of significant strategic risks. Ensure that there is a robust framework in place to identify, monitor and manage the council's strategic risks and opportunities. Ensuring that the measures to mitigate these risks are identified, managed and completed within agreed, time-scales, ensuring that they bring about a successful outcome. Lead in the promoting of a risk management culture within the council and with partners and stakeholders. Approve and maintain the requirements for all CMT reports, business cases and major projects to include a risk assessment (where appropriate). Ensure risk is considered as an integral part of service planning; performance management; financial planning; and, the strategic policy-making process. Consider risk management implications when making Strategic decisions. Management and quarterly review of the strategic risk register. Review and progress actions and capture emerging risks. Recommend the level of risk appetite for all strategic risks to Executive. Note, through quarterly review, the operational risk register. Ensure that the measures to mitigate these operational risks are identified, managed and completed within agreed timescales, ensuring that they bring about a successful outcome. Ensure that appropriate advice and training is available for all councillors and staff. Ensure that resources needed to deliver effective risk management are in place.
Corporate Management Team (CMT)	<ul style="list-style-type: none"> Responsibility for leading and managing the identification of significant operational risks from all operational areas. Ensuring that the measures to mitigate these risks are identified, managed and completed within agreed timescales, ensuring that they bring about a successful outcome. Lead in promoting a risk management culture within the council and within their departments. Approve and endorse the Risk Management Strategy and Policy Approve regular Risk Registers Report and understand status To respond appropriately and in a timely manner to exceptions in reports to ensure accountability and risk management processes aren't compromised.

Divisional Directors	<ul style="list-style-type: none"> • Submit Divisional Operational Risk Register (DORR) showing significant Divisional operational risks to Risk Management for consideration of inclusion in the council's Operational Risk Register. • Escalating risks/issues to the relevant Strategic Directors, where appropriate. • Ensure there is a clear process for risks being managed by their Heads of Service (and where appropriate, their managers and/or supervisors) to be reviewed, at least quarterly, allowing their DORR to be seen as complete. • Embeddedness of risk management within the service areas they are responsible for and promoting a risk management culture. • Ensure compliance with corporate risk management standards. • Ensure that all stakeholders (employees, volunteers, contractors and partners) are made aware of their responsibilities for risk management and are aware of the lines of escalation of risk related issues. • Identify and nominate appropriate staff for risk management training.
Manager, Risk Management	<ul style="list-style-type: none"> • To develop and coordinate the implementation of the Risk Management and Business Continuity Policy and Strategy. • Provide facilitation, training and support to promote an embedded, proactive risk management culture throughout the council. • Assist the Strategic and Divisional directors in identifying, mitigating and controlling the council's risks. • Coordinate, populate and maintain the strategic and operational risk registers of the council's most significant risks which are submitted to CMT and Audit & Risk Committee quarterly. • Review risks identified in reports to Strategic Directors and the Executive. • Ensure that risk management records and procedures are properly maintained, decisions are recorded and an audit trail exists. • Ensure an annual programme of risk management training and awareness is established and maintained to promote good risk management. • To assess emerging risks and key risks facing the council. Horizon scanning. • Advise management of key risk issues • Review External and Internal Audit recommendations to ensure these are picked up and dealt with by the business.
Internal Audit	<ul style="list-style-type: none"> • Have knowledge of Risk Management Policy and Strategy. • Support the risk management process. • Focus internal audit work on significant risks – risk-based auditing. • Provide the Risk team / Divisions / Departments with updates on risks identified from audits where necessary.
All Employees	<ul style="list-style-type: none"> • To have an understanding of risk and their role in managing risks in their daily activities, including the identification and reporting of risks and opportunities. • Support and undertake risk management activities as required. • Attend relevant training courses focussing on risk and risk management.
Stakeholders	<ul style="list-style-type: none"> • Directors and managers should also ensure that all stakeholders (employees, volunteers, contractors and partners) are made aware of their responsibilities for risk management and are aware of the lines of escalation for risk related issues. Risk management is most successful when it is explicitly linked to operational performance

Appendix 2 – RISK APPETITE AND RISK SCORING MATRIX

Key to Table:

The numbers in the boxes indicate the overall **risk score**, simply put:

‘Impact score’ x (multiplied) by the ‘Likelihood score’.

The score is then colour coded to reflect a ‘RAG’ (red, amber green) status. The solid black line indicates what directors consider is the council’s **‘risk appetite’** (see paragraphs 4-11 above) where they are comfortable with risks that sit below and to the left of that line.

		LEVEL OF RISK	OVERALL RATING	HOW THE RISK SHOULD BE TACKLED/ MANAGED		
		High Risk	15-25	IMMEDIATE MANAGEMENT ACTION		
LIKELIHOOD (A)	Almost 5	Medium Risk	9-12	Plan for CHANGE		
	Probable 4	Low Risk	1-8	Continue to MANAGE		
	Possible 3	3	6	9	12	15
	Unlikely 2	2	4	6	8	10
	Very unlikely/ Rare 1	1	2	3	4	5
		Insignificant/ Negligible 1	Minor 2	Moderate 3	Major 4	Critical/ Catastrophic 5
IMPACT (B)						

	IMPACT	SCORE	BENCHMARK EFFECTS
CRITERIA	CRITICAL/ CATASTROPHIC	5	Multiple deaths of employees or those in the council's care Inability to function effectively, council-wide Will lead to resignation of Chief Operating Officer and/or City Mayor Corporate manslaughter charges Service delivery has to be taken over by Central Government Front page news story in national press Financial loss over £10m
	MAJOR	4	Suspicious death in council's care Major disruption to council's critical services for more than 48hrs (e.g. major ICT failure) Noticeable impact in achieving strategic objectives Will lead to resignation of Strategic Director and/ or Executive Member Adverse coverage in national press/front page news locally Financial loss £5m - £10m
	MODERATE	3	Serious Injury to employees or those in the council's care Disruption to one critical council service for more than 48hrs Will lead to resignation of Divisional Director/ Project Director Adverse coverage in local press Financial loss £1m - £5m
	MINOR	2	Minor Injury to employees or those in the council's care Manageable disruption to internal services Disciplinary action against employee Financial loss £100k to £1m
	INSIGNIFICANT/ NEGLIGIBLE	1	Day-to-day operational problems Financial loss less than £100k

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

Appendix 3 – 2019 TRAINING SCHEDULE

Risk, Emergency & Business Resilience Training Programme 2019

Below are details of the Risk, Emergency and Business Resilience Training Programme for 2019. 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 the sessions will take place in City Hall and will start promptly at 9.30am. Sessions tend to run for no more than two hours but can finish 12 noon.

Identifying and Assessing Operational Risks

29 January

27 February

11 April

7 May

19 June

9 July

18 September

24 October

28 November.

(Training delivered by Sonal Devani and Nusrat Idrus)

Since October 2014 this session has been mandatory for all staff who 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.

Business Continuity Management

23 January

5 March

23 May

24 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.

Emergency Centre Volunteer Training

26 February

21 March

30 April

20 June

19 September

21 November.

(Training delivered by Martin Halse, Ramila Patel and Neil Hamilton-Brown)

The half day training session gives you an understanding of how an Emergency Centre is setup and the roles and responsibilities of staff and various organisations. **‘What happens to people when there is a fire or flood in the city?’** Frequently, the council is the first port of call for those caught up in the incident. One of the essential ways the council can help during an emergency is to open an emergency centre to assist those affected, such as happened during the recent major incident at Hinckley Road explosion.

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:

For Risk and Business Continuity:

Sonal Devani: (sonal.devani@leicester.gov.uk), 454 (37) 1635,

Nusrat Idrus (Nusrat.idrus@leicester.gov.uk), 454 (37) 1623

For Emergency Management:

Neil Hamilton-Brown (Neil.Hamilton-Brown@leicester.gov.uk), 454 (37) 1341,

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
Risk, Emergency & Business Resilience

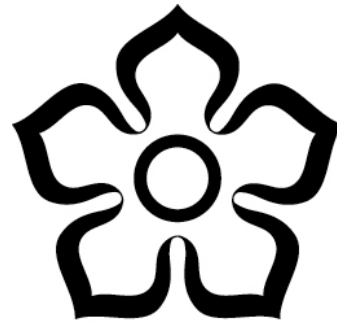
Appendix 4 – RISK ASSESSMENT / REGISTER TEMPLATE

XXXX Risk Assessment/Register										Date completed: xx/xx/2018			
Completed by (Risk Register Owner): Name (person who is responsible for all the risks in this register)													
Business Objective	Risk What is the problem/hazard? What is it that will prevent you from meeting your objectives?	Consequence /effect: what would actually happen as a result? How much of a problem would it be? To whom and why?	Existing actions/controls What are you doing to manage this now?	Risk Score with existing measures (See Scoring Table)			Further management actions/controls required. What would you like to do in addition to your existing controls?	Target Score with further management actions/controls required (See Scoring Table)			Cost (of Impact; of current controls; of further controls)	Risk Owner (Officer responsible for managing risk and controls)	Risk Review Date
				Impact	Likelihood	Risk Rating (I x L)		Impact	Likelihood	Risk Rating (I x L)			
What is it you need to achieve? Think about what your objective is/what you have to deliver.	What is the actual risk to your objective? This should be a statement that provides a brief, unambiguous and workable description that enables the risk to be clearly understood, analysed and controlled.	If the risk happens, what will actually be the impact? What will go wrong?	What have you already got in place to either reduce the likelihood of this risk occurring, or to reduce the impact on your area/budget if it does happen? These will be factors that are exerting material influence over the risk's likelihood and impact.	Score as per the scoring guide for both impact and likelihood. Multiply the two together to get the overall risk score. These scores should take into account the existing controls.			What further action do you feel necessary? Enter here, regardless of whether you have the resource to make these happen.	Score, as per the scoring guide, for both impact and likelihood taking into account the proposed new controls. Multiply the two together to get the overall risk score.			Impact cost - what will it cost you/the Council if this happens? Controls Cost - how much are the current controls costing you and how much will the future controls cost you?	Who is owner of this risk on a day to day basis. This may not be the owner of the risk register nor the person who identified the risk.	When will the future controls be in place or when will this risk be reviewed.

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Appendix 5 – CATEGORIES OF RISK

Sources of risk	Risk examples
External	
Infrastructure	Functioning of transport, communications and infrastructure. Impact of storms, floods, pollution.
Political, Legislative and Regulatory	Effects of the change in Central Government policies, UK or EU legislation, local and National changes in manifestos. Exposure to regulators (auditors/inspectors). Regulations – change and compliance.
Social Factors	Effects of changes in demographic profiles (age, race, social makeup etc.) affecting delivery of objectives. Crime statistics and trends. Numbers of children/vulnerable adults 'at risk'. Key Public Health issues.
Leadership	Reputation, authority, democratic changes, trust and branding. Intellectual capital. Culture. Board composition.
Policy and Strategy	Clarity of policies, communication. Policy Planning and monitoring and managing performance.
Technological	Capacity to deal with (ICT) changes and innovation, product reliability, developments, systems integration etc. Current or proposed technology partners.
Competition and Markets	Cost and quality affecting delivery of service or ability to deliver value for money. Competition for service users. Success or failure in securing funding.
Stakeholder related factors	Satisfaction of LCC taxpayers, Central Government, GOEM and other stakeholders. Customer/service user demand.
Environmental	Environmental impact from council, stakeholder activities (e.g. pollution – air and water, energy efficiency, recycling, emissions, contaminated land etc.). Traffic problems and congestion. Impact of activity on climate and climate change.
Operational (Internal influences)	
Finance	Associated with accounting and reporting, internal financial delegation and control, e.g. schools finance, managing revenue and capital resources, neighbourhood renewal funding taxation and pensions. Liquidity and cashflow. Interest rates. Credit lines and availability. Accounting controls.
Human Resources	Recruiting and retaining appropriate staff and applying and developing skills in accordance with corporate objectives, employment policies, health and safety.
Supply Chain - Contracts and Partnership	Supply Chain management. Contracts. Failure of contractors to deliver services or products to the agreed cost and specification. Procurement, contract and life cycle management, legacy. Partnership arrangements, roles and responsibilities.
Tangible Assets and Equipment	Safety and maintenance of buildings and physical assets i.e. properties; plant and equipment; ICT equipment and control. Public access.
Environmental	Pollution, noise, licensing, energy efficiency of day-to-day activities. Natural events, often weather related.
Project and Processes	Compliance, assurance, project management, performance management, revenue and benefits systems, parking systems etc. Research and development.
Professional Judgement and Activities	Risks inherent in professional work, designing buildings, teaching vulnerable children, assessing needs (children and adults).
Safeguarding	Protection of vulnerable adults/children
Corporate Governance Issues	
Integrity	Fraud and corruption, accountability, transparency, legality of transactions and transactions and limit of authority.
Leadership	Reputation, authority, democratic changes, trust and branding.
Information Governance & Data Security/Information for decision making	Data protection, data reliability and data processing. Control of data and information. E-government and service delivery. IT Systems.
Risk Management and Insurance	Incident reporting and investigation, risk analysis or measurement, evaluation and monitoring. Taking advantage of opportunities.



Leicester
City Council

Business Continuity Management Policy Statement and Strategy 2019

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Business Continuity Management Policy Statement and Strategy 2019

Business Continuity Management Policy Statement

Disruptive events occur and may be unexpected. It might be an external event such as severe weather, utility failure, terrorist attack or pandemic flu, or an internal incident such as ICT failure, loss of a major supplier or loss of a key building. Such events are usually low likelihood, but high impact events which we need to plan for, hence the requirement for this Policy setting the direction for Business Continuity Management (BCM) at Leicester City Council (LCC).

The BCM Process is designed to limit the impact of an incident and instil confidence with stakeholders, including insurers. By planning *now* rather than waiting for it to happen, we can get back to normal business in the quickest possible time. This is essential to those who rely on council services and it helps the community retain its confidence in the council and saves the organisation from reputational damage. Planning means firefighting is kept to a minimum, there is more support for staff handling the situation and reduced risk of financial loss.

In a disruptive situation, it will not be possible to run **all** council services as normal. Whilst all services are important, priority for recovery will be given to those which have been established to be the most essential, the business-critical activities – those that the Board has agreed must be back up and running within 24 hours, and where resources will be directed first. It is unrealistic to expect the entire service, critical or not, to be recovered immediately. In this case, the essential parts of the service are to be restored followed by the non-essential elements when possible – reasonable and practicable action is taken.

This enables the council to fulfil our duties under the Civil Contingencies Act 2004. Services should have Business Continuity Plans (BCP's) in place and arrangements to align (but not fully comply) with the principles of the International Standard for Business Continuity, ISO22301. All services are to have a plan in place, regardless of whether it the service is deemed critical or not.

For best practice, by the council aligning to the ISO22301 programme, it will help determine the council's critical assets, processes and where to deploy resources in an incident. Central to the work are preparations to mitigate the impact of disruptive events and recover faster from them.

All services and all staff have responsibilities for ensuring the council continues to operate through any crisis. The BCM Strategy and Policy sets the framework for our BCM programme. **Below is an overview of LCC's BCM arrangements:**

- A high level Business Continuity Strategic Plan is collectively created – the Corporate BCP, which is revised and maintained annually. Each senior manager will contribute to an annual review of the Corporate BCP with the assistance of the Manager, Risk Management;
- Business Continuity Planning will be based upon the ISO22301 BCM Standards;
- The council is committed to ensuring robust and effective BCM as a key mechanism to restore and deliver continuity of key services in the event of a disruption or emergency;
- Business critical services are to be agreed by the Corporate Management Team and kept under regular review;
- A response team to be nominated and all staff must be made aware of the plans that affect their service delivery areas and their role following invocation;
- Each service delivery manager is required to have a BCP to meet a minimum acceptable standard of service delivery for critical processes which can be referred to post incident/occurrence for implementation;
- Training provided to staff on BCM and Planning;
- The council will implement a programme of BCP testing exercises and learning is reflected in plans.

Andy Keeling
Chief Operating Officer

Sir Peter Soulsby
City Mayor

Business Continuity Management Strategy

1. DEFINITION

Business Continuity Management (BCM) can be defined as:

'A holistic management process that identifies potential threats to an organisation and the impacts to business operations that those threats, if realised, might cause, and which provides a framework for building organisational resilience with the capability for an effective response that safeguards the interests of its key stakeholders, reputation, brand and value creating activities.'

ISO 22301 Societal security – Business continuity management systems - Requirements

BCM is about the council preparing for a disaster, incident or event that could affect the delivery of services. The aim being that at all times key elements of a service are maintained at an emergency level and brought back up to an acceptable level as soon as possible. Although the immediate response to a disruption is a key component, business continuity is also concerned with maintenance and recovery of business functions following such a disruption.

BCM is not simply about writing a plan, or even a set of plans. It is a comprehensive management process that systematically analyses the organisation, determines criticality of services, identifies threats, and builds capabilities to respond to them. It should become our 'culture - the way we do things'.

2. SCOPE

BCM is a cross-functional, organisation-wide activity; consequently, the arrangements in this strategy apply to all parts of the council as all service areas play a key role in maintaining service delivery. Importantly, the requirement to plan applies to all services, resources and business processes, particularly those identified as critical through the council's business continuity methodology as agreed by the Corporate Management Team.

Business Continuity should apply to outsourced contracts and services as well as suppliers, service partners and other relevant stakeholders. This is covered in more detail in section 12. The aim is to ensure that business continuity standards are in place so that the service provider is able to deliver acceptable standards of service following a disruption to the organisation or the supplying company.

3. REQUIREMENTS AND STANDARDS

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

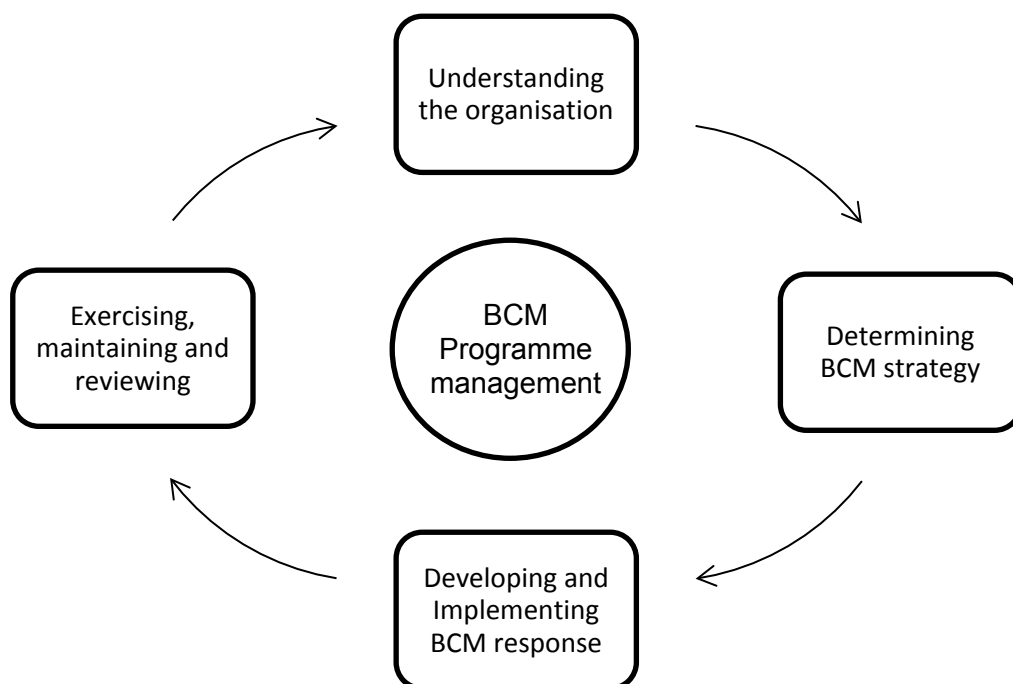
- Maintain plans to ensure that it can continue to exercise its functions in the event of an emergency so far as is reasonably practicable;
- Assess both internal and external risks – achieved through compliant risk assessment in line with the Risk Management Strategy and Policy;
- Have a clear procedure for invoking BCP's;
- Exercise plans and arrange training to those who implement them;
- Review plans and keep them up to date;
- Ensure arrangements to warn, inform and advise the public relating to an emergency are in place;
- Co-operate with other Category 1 responders during and after incident;
- To advise and assist local businesses and organisations with their BCM arrangements.

BCM arrangements are effective only if specifically built for the organisation. The council's programme is aligned with the principles of ISO22301, the International Standard, and to BS11200 Crisis Management Guidance and Good Practice, a recent standard for Crisis Management which is reinforced by reference to the Business Continuity Institute's Good Practice Guidelines.

4. METHODOLOGY

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

Embedding BCM in the organisation's culture



BCM programme management involves:

- Assigning responsibilities for implementing and maintaining the BCM programme within the council;
- Implementing business continuity in the council – including the design, build and implementation of the programme;
- The ongoing management of business continuity – including regular review and updates of business continuity arrangements and plans.

Understanding our organisation:

This stage involves the use of business impact analysis and risk assessments to identify critical deliverables, evaluate priorities and assess risks to service delivery (see below). This step involves intelligent, in-depth information-gathering.

- **Business Impact Analysis (BIA)** – identifying the critical processes and functions and assessing the impacts on the council if these were disrupted or lost. BIA is the crucial first stage in implementing BCM, and helps measure the impact of disruptions on the organisation;
- **Risk assessment** – once those critical processes and functions have been identified, a risk assessment can be conducted to identify the potential threats to these processes.

Determining an appropriate Business Continuity Strategy:

Making decisions based on analysis of data gathered. Setting recovery time objectives for services and determining resources required. The identification of alternative strategies to mitigate loss, and assessment of their potential effectiveness in maintaining the council's ability to deliver critical service functions.

The council’s approach to determining BCM Strategies will involve:

- Implementing appropriate measures to reduce the likelihood of incidents occurring and/or reduce the potential effects of those incidents;

City Mayor / Executive	<ul style="list-style-type: none"> • Approve the council’s Business Continuity Strategy and Policy Statement annually.
Audit and Risk Committee	<ul style="list-style-type: none"> • Ensure that the Business Continuity Strategy is produced, approved by the Executive and updated regularly; • Monitor effectiveness of Business Continuity Management (BCM) arrangements via reports from the Manager, Risk Management
Chief Operating Officer / BCM Champion	<ul style="list-style-type: none"> • During an incident, lead the Council’s ‘Strategic’ (Gold) Incident response.
Strategic and Operational Directors	<ul style="list-style-type: none"> • Ensure the BCM policy, strategy and development plan is enforced and resourced appropriately; • Participate as required in management teams within the Corporate Business Continuity Plan (CBCP); • Ensure appropriate levels of staff sit on the ‘Strategic’ (Gold) and ‘Tactical’ (Silver) Recovery teams within the CBCP; • Ensure each of their Service Areas has an effective and current

- Taking account of mitigation measures in place;
- Providing continuity for critical services during/following an incident;
- Taking account of services that have not been identified as critical.

Developing and implementing a BCM response:

The Corporate Business Continuity Plan (CBCP) and service areas BCPs pulls together the organisation’s response to a disruption and enables resumption of business units according to agreed corporate priorities and provides strategies for use by response teams. The BCP ensures that following actions are considered for:

- The immediate response to the incident;
- The interim solutions or maintaining an emergency level of service;
- Reinstating full services.

Exercising, maintaining and reviewing:

- Testing plans helps to ensure they are keeping pace with organisational change and can be audited against defined standards. Ensuring that the business continuity plan is fit for purpose, kept up to date and quality assured. **An exercise programme will enable the council to:**
 - Demonstrate the extent to which strategies and plans are complete, current and accurate; and
 - Identify opportunities for involvement/improvement
- **Lessons Learnt** - It is imperative that a debrief is held after an incident with the involvement of relevant parties, be it internal or external for example, it should include those who are involved in the planning of how to deal with an incident affecting that service area and in the recovery from the incident. Lessons learnt should be taken on board and relevant actions taken by the assignee and reflected in their service area BCP’s, as well as relevant procedures and guidance.

	<p>BCP in place which is reviewed each year;</p> <ul style="list-style-type: none"> • Annually self-certify that effective plans exist for all their services, that these plans remain current and 'fit for purpose'; and that any testing of those plans has been carried out (with the assistance and support of RMS, if required); • Identify staff for training; • Embed BCM culture into the ethos of operational management
Corporate Management Team	<ul style="list-style-type: none"> • Approve the BC Strategy and Policy annually and ensure implementation
Manager, Risk Management / Business Continuity & Risk Officer	<ul style="list-style-type: none"> • Overall responsibility for co-ordinating the BCM programme; • During an incident, co-ordinate the council's BCM incident response(s), supporting the COO as 'Strategic' lead; • Following an incident, facilitate the 'lessons learned' session(s); • Produce the Corporate BCM framework and key strategies; • Make available best practice tools (e.g. templates); • Identify training needs and arrange delivery; • Support and advise service areas; • Facilitate the self cert process • Facilitate testing and exercising of the council's BCPs when requested by Directors/their teams; • Quality control – review BCM arrangements for services; • Lead on the council's statutory duty to promote BCM in the community.
All Heads of Service / Managers	<ul style="list-style-type: none"> • Lead Business Continuity arrangements within their area; • Attend training commensurate with their role; • Identify staff from their teams that have a role to play in any recovery for suitable training; • Prepare a recovery plan covering all service delivery functions (priority for critical functions), update at least annually; and, • Implement the agreed arrangements in the event of a disruption.
All Staff	<ul style="list-style-type: none"> • Familiarisation with business continuity arrangements within their area; • Attend training commensurate with their role; • Engage with testing and exercising; • Respond positively during a crisis situation.

5. ROLES AND RESPONSIBILITIES

The table below details the roles and responsibilities of those involved in BCM, it's planning and implementation.

6. INVOKING THE CORPORATE BUSINESS CONTINUITY PLAN (CBCP)

The CBCP is a high-level strategic response plan which is accessible to all 'on call senior officers'. This plan will not allow recovery of individual services but guides them to allow for the recovery of affected services, with the use of the service area's own plans. The CBCP may be invoked by any member of the council's Corporate Incident Response Team (CIRT) as defined within the plan itself. Effectively, the CBCP covers the Council's 'Strategic' (Gold) and 'Tactical' (Silver) level responses with individual service area plans covering the 'Operational' (Bronze) level.

The CBCP is triggered by serious situations such as:

- Serious danger to lives and/or the welfare of council staff, Members, visitors or service users;

- Major disruption of council services or interruption of any of its business-critical activities (as listed in the CBCP);
- Serious loss or damage to key assets;
- Serious impact on the council's financial status or political stability; or
- Emergency situations in Leicester, or the wider Local Resilience Forum area (Leicester, Leicestershire and Rutland).

7. CORPORATE INCIDENT RESPONSE TEAM

The council has put in place a 3-tier incident management structure: - the Strategic (Gold) and Tactical (Silver) teams have control of the situation and are authorised to take all decisions necessary. The Strategic (Gold) Team have overall control by overseeing, directing and authorising the work of the Tactical (Silver) Team who are managing the response and deciding, and monitoring, the actions for the Operational (Bronze) team(s) to implement.

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

Incident Response Team:

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

Recovery Teams:

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

8. MAINTENANCE OF THE CBCP

Ensuring that the plan reflects ongoing changes within the business is crucial. This involves revising the document and amending to reflect updates, testing the updated plan, informing and updating the on call team/authorised personnel. The Manager, Risk Management/Business Continuity & Risk Officer are responsible for this maintenance task and annually they ensure that the CBCP undergoes a formal/complete review which may lead to major revisions and to confirm the incorporation of changes required via the on-call team/directors.

9. BUSINESS CRITICAL SERVICES

Annually, Risk, Emergency and Business Resilience (REBR) circulates a reminder to business-critical services plan owners requesting a thorough update of the plan and resubmission. The Business Continuity & Risk Officer facilitates this process. In addition, changes should be made to BCP's as and when new staff join or leave, to reflect office moves, procedures change, and a thorough review is expected annually, usually by the financial year end.

Each department is responsible for keeping its contact lists up to date and issuing off site documentation to new members of staff in their service areas BCPs'. These revisions will need to then be distributed to all authorised personnel, who exchange their old plans for the newly revised plans.

10. LOCATING BCP'S

BCP's should be saved electronically and onto a memory stick (ensuring that the memory stick is an encrypted one). Holding paper copies is acceptable however this needs to be managed carefully given that the plan will contain confidential information. Ensure staff within teams are aware of who has access to their service area BCP as this will ensure smoother and faster recovery from an incident.

11. BUSINESS CONTINUITY SELF CERTIFICATION

Annually, all Directors will self-certify that BCP's are in place for all their services and the Manager, Risk Manager, REBR will facilitate this process and reports to Corporate Management Team.

12. BUSINESS CONTINUITY AND PROCUREMENT

Contracts for goods and/or services deemed critical to business continuity should include a requirement for each nominated supplier to give an assurance and evidence that robust BCP arrangements are in place covering the goods and/or services provided. When procuring critical goods and/or services, the need for further business continuity requirements in the specification and/or evaluation criteria must be considered.

13. BCM IN THE COMMUNITY

The council will participate in appropriate practitioner groups and work with partner agencies and schools to promote BCM in the community and will advise and assist local organisations with their BCM arrangements.

14. MULTI-AGENCY BUSINESS CONTINUITY GROUP

The Manager, Risk Management, REBR will continue to chair this group which involves partner agencies such as emergency services, utilities, voluntary organisations. These meetings highlight how partner agencies respond to an incident and its business continuity implications.

15. VALUE OF BCM

The wider value of BCM is acknowledged as being 'no longer for high impact, low probability physical events' and is 'becoming an essential enabler of organisational resilience as part of business as usual' (**BCI Good Practice Guidelines 2018**). Effective BCM delivers a number of tangible and intangible benefits to individual services and to the council as a whole, including:

- Develops a clearer understanding of how the council operates in a disruptive situation;
- Meeting stakeholder needs. Having arrangements in place to fulfil your obligations and being more confident about the decisions you make in a crisis;
- Protects the council, ensuring that it can help others in an emergency (facilitated by the BCP)
- Keep businesses trading when they would otherwise have probably failed due to an incident. This shows customers and suppliers you are serious about the resilience of the business, helping to significantly reduce the impact and cost of disruptions.
- Providing assurance and protection to your staff.
- Company's reputation increases, having competitive advantage.
- Insurance premium discounts, reduced excesses and opening doors to new insurance markets. Allowing what otherwise would be unacceptable risks to be insured.



WARDS AFFECTED: ALL

Audit and Risk Committee

06 March 2019

**Regulation of Investigatory Powers Act 2000
Bi-Annual Performance Report July 2018 – December 2018**

Report of the City Barrister and Head of Standards

1. Purpose of the Report

The report advises on the performance of The Council in authorising Regulatory Investigation Powers Act (RIPA) applications, from 1st July 2018 to 31st December 2018.

2. Summary

2.1 The Council applied for 2 Directed Surveillance Authorisations and 0 Communications Data Authorisations in the period above.

3. Recommendations

The Committee is recommended to:

3.1 Receive the Report and note its contents.

3.2 Make any recommendations or comments it sees fit either to the Executive or to the City Barrister and Head of Standards.

4 Report

4.1 The Council has applied for 2 Directed Surveillance Authorisations and 0 Communications Data Authorisations in the first half of 2018.

4.2 The first authorisation (28061028) was undertaken by Corporate Investigations under The Fraud Act 2006 and The Prevention of Social Housing Fraud Act 2013, relating to the fraudulent sub-letting of a residential council property.

4.3 Evidence has been successfully collected. No further details can be given at present so as not to prejudice any proposed criminal prosecution.

4.4 The authorisation (29267330) was undertaken by Corporate Investigations under The Fraud Act 2006 and relates to the fraudulent use of a blue badge.

4.5 Evidence is still being collected and the case is still live. No further details can be given at present so as not to prejudice the investigation.

5. Financial, Legal Implications

5.1 Financial Implications

There are no financial implications arising directly from this report, although the Council could incur legal costs should procedures not be correctly followed – Colin Sharpe (Head of Finance) ext. 37 4081.

5.2 Legal Implications

There are no legal implications arising directly from this report, although the Council could incur legal costs should procedures not be correctly followed – Kamal Adatia (City Barrister and Head of Standards) ext. 37 1402.

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	Yes	HRA Article 8 must be considered for all applications
Elderly/People on Low Income	No	
Risk Management	No	

7. Report Author / Officer to contact:

Lynn Wyeth, Head of Information Governance & Risk, Legal Services
- Ext 37 1291

30th January 2019

Outcome of Test of Assurance - Briefing

LMT/Strategic Director Social Care & Education	4 January 2019
LMB (Children's)	7 January 2019
LMB (Adults)	16 January 2019
Executive	21 February 2019
CYP & Schools Scrutiny	7 March 2019
Adult Social Care Scrutiny	19 March 2019
Audit and Risk Committee	6 March 2019

Useful information

- Ward(s) affected: All
- Report author: Jane Pierce, Snr Project Manager
- Author contact details: 0116 454 6123
- Report version number plus Code No from Report Tracking Database:

1. Purpose

This report summarises the process and outcome of the Local Authority Test of Assurance undertaken by the Local Government Association (LGA) in November 2018.

2. Background

In June 2018, adults social care and children's services combined to form a new Social Care and Education Department, under the operational leadership of the Strategic Director Steven Forbes. Lead Member portfolios for Children's and Young Peoples and Adult Social Care remained unchanged.

The Strategic Director role for the new department holds responsibility for both the statutory Director of Children's Services (DCS) and the statutory Director of Adult Social Services (DASS). The remit and responsibilities for both these statutory posts are set out in guidance by Government and summarised in Appendix A attached.

Where a local authority has combined the DCS functions with other officer responsibilities, government guidance states that in such circumstances:

'local authorities should undertake a local test of assurance so that the focus on outcomes for children and young people will not be weakened or diluted as a result of adding other such responsibilities'.

The Test of Assurance is generally undertaken some months after the combining of the two functions to be assured of the local authority and leadership's capacity to support the combined adults and children's social care responsibilities. The test checks that:

- the combined departmental structure works well,
- statutory duties are met relating to the roles of the Director of Children's Services (DCS) and the Director of Adult's Social Services (DASS),
- leadership and partnerships are operating well,
- effective governance arrangements and delivery mechanisms are in place
- staff have a shared and common purpose

Leicester City Council requested the Local Government Association to undertake this Test of Assurance. Two LGA advisors were appointed to undertake the Test of Assurance. They were Edwina Grant OBE (Senior Children's Improvement Adviser) and Sandie Keene, CBE (Consultant on Adult Services). Both are experienced leaders within children's and adults social care.

Prior to their 2-day visit, two advisors from the LGA reviewed the key documents submitted (see Appendix B). During the 2-day visit, they met with key professionals and practitioners (see Appendix C) in Leicester City.

Their areas of focus were:

- Leadership and Governance
- Performance and Outcomes
- Commissioning and quality
- National priorities and partnerships
- Resource and workforce management
- Culture and Change

3. Outcome

The LGA review team provided a feedback session on the last day where they described a positive outcome. They were clear that the Test of Assurance was met. Both Advisors commented positively on the morale of staff that they had met across the department and of a positive, delivery focused culture. Appendix D contains a copy of the confirmation letter from LGA.

As can be seen from the PowerPoint slide in Appendix E, the LGA review team identified several strengths and some areas for development.

The LGA review team concluded that the integration of Adults and Childrens Services was being approached in a measured and systematic way to give a good foundation for further development. The LGA also observed that the service is rapidly developing, and arrangements would need to be kept under regular review.

The areas for development were highlighted by LGA as:

- Resolve the future shape of Adults and Childrens Safeguarding Boards
- Further develop existing strategies for SEND and Transitions
- Continue to integrate case management systems to improve efficiency
- Build on existing cross council preventative approaches e.g. housing, transport, social value and community engagement
- Develop a deeper understanding of future demand and contingencies for market failure

4. Next steps

Leadership will continue to build on the good foundation created and act across the Council with respect to the areas for development identified by the LGA. It is not intended to create a separate action plan to follow-up on sustaining any of the strengths or areas for development identified through this Test of Assurance process. Any recommendations will be adopted within the existing departmental improvement and action planning processes. These will be predominately:

- The Departmental Annual Operating Plan for 2019/20
- Children's Services Improvement Plan (relating to last Ofsted inspection of 2017)
- Departmental and divisional quality audit systems and reporting formats (through to respective Lead Members and Scrutiny Commissions)
- Service level improvement plans

Consideration will be given by the two Lead Members and the Departmental Leadership Team to undertaking an internal review of the areas undertaken by the Test of Assurance in the quarter after the full year of departmental operating – i.e. around September 2019.

5. Recommendations

5.1. To note the outcome of the Test of Assurance

Appendix A

Statutory Responsibilities of the DASS and DCS

Local authorities are bound by over 299 statutory duties which cover or have an impact on vulnerable children young people and adults, adults social care, education, safeguarding and children's services.

Statutory guidance on the role of the Director of Adult Social Services (DASS) was issued in 2006. The guidance covers responsibilities in relation to: -

- a. Accountability for assessing local needs and ensuring availability and delivery of a full range of adult social services
- b. Professional leadership, including workforce planning;
- c. Leading the implementation of standards
- d. Managing cultural change
- e. Promoting local access and ownership and driving partnership working;
- f. Delivering an integrated whole systems approach to supporting communities
- g. Promoting social inclusion and wellbeing

Statutory guidance on the role of the Director of Children's Services (DCS) was issued in 2013. The guidance covers responsibilities and over 200 statutory duties in relation to the DCS and Lead member of Children's Services (LMCS).

The guidance covers, for example, responsibilities in relation to:

- a. Work together to provide strong strategic local leadership and development of the education and children's services sector and support a smooth transition from children's to adults' services.
- b. Provide a clear and unambiguous line of local accountability
- c. Discharge and are responsible for the education and children's social services functions of the LA.
- d. Have responsibility for children and young people receiving education or social care services in their area and all children looked after by the local authority or in custody wherever placed.
- e. Ensure that the safety, educational, social and emotional needs of children and young people are central to the local vision.

The DCS has professional and operational responsibility. The LMCS has political responsibility

The following legislation shapes the role of the DCS and the DASS:

DCS:	DASS:
<ul style="list-style-type: none">• Children Act 1989; 2004• Children & Social Work Act 2017• Responsibilities for DCS and LMCS 2013• Extending Personal Adviser support to all care leavers to age 25 (2018)• Statutory Framework for Early Years foundation stage (2018 update)• Schools: Statutory guidance (2017 update)• Working Together to safeguard children 2018• Equality Act 2010	<ul style="list-style-type: none">• The Care Act 2014• The Mental Capacity Act (2005) and Deprivation of Liberty Safeguards• The Mental Health Act 2007• The Human Rights Act 1998• The Domestic Violence, Crime and Victims Act 2004 and subsequent legislation relating to Domestic Violence Protection Notices and Orders, the criminal offence of Coercive and Controlling Behaviour, Modern Slavery and Forced Marriages.

Appendix B

Documents provided to LGA

Documents are coded: S –Social Care & Education/corporate/partnership/ C - Children’s / A – Adults

Item/Area	Document description/Reference&Name/Comment
Local Account	A1- ASC Local Account 2016-17 C1 - Self Evaluation 2018 Leicester City 18April 2018 vf
Market position	A2 - ASC Market Position Statement 2017-18
Health and Wellbeing Strategy	S1 - Leicester City Joint Health and Wellbeing Strategy 2018-23 Link to Leicester Health and wellbeing surveys S2 - JICB-HWBsurvey2018 3.0 (Draft H&WB survey not for wider circulation) C20- Healthy Workplace survey for adults and children’s social care & early help
Integration plans	A5 - BCT Next Steps A19 - BCF_Plan_Refresh_18_19_Narrative – final A20 - Leicester City Better Care Fund 2017-19
M/T Financial plan	S3 LCC Budget 2018-19 - 2020-21
External reviews	A8 - Domiciliary Care Service CQC Report A9 - Integrated Crisis Response Service CQC Report A11 - Integrating Health and Social Services A13 - Leicester EM ADASS Peer Review Feedback - April 2018 A14 - Leicester SAB Peer Review Feedback A16 - LLR TCP Peer Review Feedback A18 - Shared Lives Service CQC Report C2 - Leicester City Challenge KLOES and Record of Challenge Conversation - Feb 2018 C3 - Leicester SC Annual Conversation Letter 220618 C4 - Local Area Review outcome letter C5 - Leicester Written Statement of Action - Final Version C10 - LSCB YOS HIMP Training Inspection Feedback 200918 C11 - SC038961- Childrens home inspection C12 - SC039001- Childrens home inspection C13 - SC039025 - Childrens home inspection C14 - SC039038- Childrens home inspection C15 - SC039056- Childrens home inspection
Risk Register	A6- LCC Risk Register ASCC A7 - LCC Risk Register ASC&S C6 - CSC Early Help - Caroline Tote C7 - RiskRegisterLearning&Inclusion0918
Safeguarding Board Annual reports	A17 - LSAB Annual Report 2017-18 C17 - Draft LSCB Annual Report 2017-2018 v0.8
Housing strategies	Link to Leicester City’s Homelessness Strategy A15 - LLR TCP Accommodation Strategy
Workforce plan	S5 - July 16 Leicester City Council Workforce Strategy A4 - ASC Workforce Action Plan 2016-19 Update C16 - Education and Childrens Services Workforce Strategy 2017 - 2020
Prevention planning/strategies	C9 - Leicester’s-early-help-strategy 2016-19 A21 - Independent Living Strategy A22 - Carers Strategy A23 - Dementia Strategy C19 – Draft Transitions Strategy and Delivery Plan
Other	S4 - Social Care and Education Governance flowchart S6 - Structure charts for SCE, Childrens and Adults services A3 - ASC Monthly Activity and Business Processes Tracking Report A10 - Integrated Performance Report - Q1 2018-19 C8 - 1808 Childrens Services Performance Book v05 C18 - Q1 QA Quarterly report – children’s S7 – Coproduction briefing July 18 S8 – Embedding coproduction in Commissioning

Appendix C**Professionals interviewed by the LGA**

Title	Name
City Mayor	Sir Peter Soulsby
Chief Operating Officer	Andy Keeling
Deputy City Mayor and Lead Member Children, young people and education	Cllr Sarah Russell
Assistant City Mayor and Lead Member for Adult Social Care & Wellbeing	Cllr Vi Dempster
Scrutiny Commission Chair	Cllr Virginia Cleaver
Strategic Director Social Care and Education	Steven Forbes
Director Adults Social Care and Safeguarding	Ruth Lake
Director Adults Social Care and Commissioning	Tracie Rees
Director Children Social Care & Early Help	Caroline Tote
Director of Nursing and Quality (Leicester City CCG)	Chris West
T/Detective Superintendent – Serious Crime Head of Public Protection	Matt Ditcher
Director of Commissioning (CCG)	Mel Thwaites
Director of Finance	Alison Greenhill
Principal Social Workers Principal Occupational Therapist	Kate Wells (Children) Jo Dyke (Adults) Miral Joshi (OT)
Chair of Leicester Safeguarding Children Board	Jenny Myers
Chair of Leicester Safeguarding Adults Board	Robert Lake
Head of Adults	Ranjan Ravat
Head of SEND	Joe Dawson
Head of Looked After Children	David Thrussell
Group of ASYEs and Frontline practitioners	Bhavini Pankhania; Leona Robinson; Poonam Jansari; Shazia Akram; Melissa Potts; Nyasha Motiwa; Claire Wiltshire; Inderjit Kullar; Chris Ball
Group of Managers for Commissioning, market management and provider quality	Tracie Rees; Kate Galoppi; Sue Welford; Mark Pierce (CCG);
Director of Public Health Consultant in Public Health	Ruth Tennant Ivan Browne
Social Work Team Manager Group	Gemma Euden; Phil Hazledine; Zarirun Asan; Gina Needham; Luke Dickinson; James Tingley; Leanda Cank



Sir Peter Soulsby
City Mayor Leicester City Council
By e mail

2 November 2018

Dear Sir Peter

Letter Following Test of Assurance

We are writing following the test of assurance conducted by the Local Government Association on 24 October and 1 November 2018.

The test of assurance, conducted by peers, follows the decision of Leicester City Council to bring together services for adults and children and is designed to test that there is sufficiency in capacity to deliver services.

The assurance test took place over two days and reviewed management arrangements, supporting resources, operational arrangements and took account of the views of some key partners. Staff consultation took place at a number of levels and leading politicians took part in the discussions. 50 written documents were reviewed and we conducted 20 on site meetings.

The test of assurance conclusion is that *on the basis of submitted documentation, interviews and reflections on interviews, the Local Government Association review team considers that the assurance test is met.*

Leicester City Council have approached the integration of Adults and Children's Services with a measured and systematic approach which has given a good foundation for further development. This is a rapidly developing service and its arrangements will need to be kept under regular review.

In the course of our discussions we also identified a number of strengths and areas of development that we shared with you in our final feedback. We hope you found those suggestions useful.

Thank you for the efficient way in which you organised the arrangements for the test of assurance. We wish you well in your future development.

Yours sincerely

Sandie Keene CBE Consultant on Adult Services to the Local Government Association.

Edwina Grant OBE Senior Children's Services Adviser Local Government Association.



Leicester City Childrens and Adults Social Care Test of Assurance

Edwina Grant
Sandie Keene

24 Oct /1 Nov 2018

www.local.gov.uk



Test of Assurance areas of search and process

- Management arrangements
 - Discharge of Adult and Childrens functions
 - The development of efficient and sustainable social care system and market with effective financial performance
 - Trend analysis and future resource planning
 - Safeguarding and Mental Capacity Act decision making
 - Breadth of responsibilities to individuals
 - Involvement and experience of people in receipt of services
 - Safeguarding systems, leadership and practice challenge with early help
 - Adequacy of partnerships
-
- submission of 50 documents
 - 20 on site meetings - partners and staff, excellent support and hospitality

Test of Assurance - conclusion

On the basis of submitted documentation, interviews and reflections on interviews, the Local Government Association review team considers that the assurance test is met.

Leicester City Council have approached the integration of Adults and Childrens Services with a measured and systematic approach which has given a good foundation for further development. This is a rapidly developing service and its arrangements will need to be kept under regular review.

Quotes

- 'Morale is higher than its been for years'
 - 'The guiding principles are a golden thread which unite us to perform with a purpose'
 - 'I feel safe and secure at work'
 - 'This is the happiest period of my working life' (a partner)
 - 'Savings targets are equally horrible for everyone'
 - 'I feel listened to and held to account'
 - 'We can cope but we are at our limits'
-

Leadership and Governance- strengths

- Strong and engaged Political leadership
 - Effective, visible, credible leadership from Steven
 - Clear vision and direction of travel
 - Measured approach to integration and change
 - Clear governance framework
 - Unifying principles widely owned and supported
 - Area of strength in management teams
 - Assurance processes adopted by Ofsted well understood
 - Good use of regional support network
-

Finance and resources- strengths

- Clear approach to financial planning and delivery
 - Adult services delivery of savings and redesign of services
 - Stable resourcing in Childrens services through Ofsted journey
 - Growing understanding of pressures and profiling of future need
 - Staff ownership of the financial position and their role
-

Commissioning- strengths

- Positive joint learning and initiatives between Adults and Childrens services
 - Increasing focus on commissioning for outcomes and review
 - Excellent integrated approaches with Clinical Commissioning Group and Health partners achieving good outcomes
 - Good provider and market awareness
 - Effective reprovision of services and use of Better Care Fund
 - Management grip on current operational issues
-

Practice - strengths

- Good performance and quality audit arrangements
 - Practice standards and governance Boards are evident
 - Good partnership work at various levels
 - Staffing stability, workforce planning and high morale
 - Numerous positive examples of alignments and opportunities of service integration
 - Staff responding to reduced resources in teams in creative ways
 - Growing narrative about 'the way we do things round here'
 - Positive workforce development/apprenticeships
-

Culture- strengths

- Strong commitment to the Council and City
 - Learning and development culture
 - The senior management models integration of teams to the staff
 - Member presence is welcomed and understood
 - Staff are aware of the drive towards stability
 - Increasingly outward looking to partners and the region
 - Understanding of diversity and inclusion
-

Big Picture - Areas for development

- The future shape of Adults and Childrens Safeguarding Boards needs to be resolved
 - Existing strategies for SEND and Transitions need further development
 - Continue to integrate case management systems to improve efficiency
 - Build on existing cross council preventative approaches eg housing, transport, social value and community engagement
 - Develop a deeper understanding of future demand and contingencies for market failure
-

Day to day- future work

- Understanding of the impact of poverty in the community and impact on staff
 - Ensure equity in supervision management and safe working practices
 - Maximising effectiveness with good access to IT equipment and phones
 - Extending opportunities for integration throughout the whole service (front line staff)
-
-

Audit & Risk Committee Report

PROCUREMENT PLAN 2019/20

Date: 6 March 2019

Lead director: Kamal Adatia



City Mayor

Useful information

- Ward(s) affected: **All**
- Report author: **Neil Bayliss**
- Author contact details: **Tel: 37 4021 Email: neil.bayliss@leicester.gov.uk**
- Report version number: **004**
- Date of report: **6 March 2019**

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 to be advertised in the coming year. This requirement aligns with the government's requirements of local authorities under the Transparency agenda.
- 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 obtain approval to the 2019/20 Procurement Plan and to inform the Executive 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 Committee is recommended to:
 - i) Note the attached Procurement Plan and delegate the letting of contracts to Divisional Directors in consultation with the Head of Procurement and City Barrister;
 - ii) 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/Heads of Service 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 Plan (attached at Appendix A) includes details of expected procurement processes for contracts valued at over the relevant EU threshold. These thresholds were updated in December 2017 to come into force on 1 January 2018 for the next two years:
- Social & Other Specific Services £615,278
 - All Other Goods & Services £181,302
 - Works £4,551,413
- 3.6 Entries on 2018/19 Procurement Plan have not been included again on the 2019/20 Plan if they have already been advertised/commenced in 2018/19.
- 3.7 The Contract Procedure Rules also require a "Procurement Pipeline" to be produced which includes details of expected procurement processes for Intermediate and Large Contracts (Goods/Services contracts over £10,000 and Works contracts over £25,000 but below the relevant EU threshold). However, this information is subject to change, with new requirements often identified at short notice. This will be published on the Council's website for potential suppliers to gain advance notice of the Council's intentions and to comply with transparency requirements.

- 3.8 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).

Procurement Strategy

- 3.9 The Council recently adopted a new Social Value Charter following work by the Economic Development, Tourism, and Transport Scrutiny Commission and implementation by the Assistant Mayor (Policy Development) and the Head of Procurement. This constitutes the Council's Procurement Strategy and will be the foundation for the development of clearer performance indicators and targets and which will form the basis for future reporting.

Achieving Social Value and the Living Wage

- 3.10 To accompany the Social Value Charter a new guide has been produced for suppliers and contractors which will be issued as part of procurement processes to direct suppliers as to the type of social value Leicester wants and needs and to make it easy for them to offer this.
- 3.11 The guide introduces the concept of delivery partners – organisations we will be working with to assist our suppliers in creating social value for Leicester and, in particular, targeting it at those most in need. The Delivery Partners, such as the Employment Hub and Leicestershire Cares, will account as a broker between suppliers and the recipients of social value, e.g., local people, voluntary groups, schools etc. In carrying out this role they will be able to record and report back to the Council on the social value that our suppliers actually deliver.
- 3.12 Since the introduction of the Public Services (Social Value) Act in 2013, social value has been incorporated into procurement processes following consideration from procurement and commissioning officers but without any clear strategy or mandate to ensure consistency of approach. Nevertheless, a significant amount of social value has been created, including a number of the case studies included in the guide.
- 3.13 Until now, there has been no collation of social value indicators across the council's contract and procurement activity and the responsibility for ensuring delivery of this has been the responsibility of individual contract managers.
- 3.14 The Council 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 all of its new 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. This commitment is a key element of the Social Value Charter.

3.15 Internal audit has been asked to conduct a review of compliance with this policy to confirm that all qualifying contracts have the appropriate clauses inserted in them when being re-procured.

Contract Procedure Rules

3.16 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 2019. This will include changes to help the Rules align with the Concession Contracts Regulations 2016 as well as any changes that may support the development of the Council’s new finance system. It will also allow them to be updated to reflect any legislative changes following the UK’s departure from the EU.

Waivers

3.17 The Contract Procedure Rules require the Head of Procurement to report a summary of waivers of the Rules and some contract extensions to Executive. The tables below show an analysis of the waivers approved during the current and last financial years. This is shown by both department and a broad categorisation of the reason for the waiver.

Reason for Waiver	2017/18		2018/19 (to 31 January 2019)	
	Qty	Value	Qty	Value
Continuity of Provision	16	£1,008,973	35	£2,199,709
Limited Supply Market	18	£388,559	12	£737,281
Urgency	11	£767,972	34	£1,877,124
Other	13	£416,101	10	£6,674,000
	58	£2,581,605	91	£11,488,114

Department	2017/18		2018/19 (to 31 January 2019)	
	Qty	Value	Qty	Value
Adult Social Care (ASC)	5	£100,240	7	£513,040
City Development & Neighbourhoods (CDN)	32	£1,122,384	55	£7,232,969
Corporate Resources & Support (CRS)	17	£1,172,731	18	£371,424
Education & Children’s Services (ECS)	2	£177,500	5	£167,700
Public Health (PH)	2	£8,750	6	£3,202,981
	58	£2,581,605	91	£11,488,114

Contract Extensions

3.18 The Contract Procedure Rules also require 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 during the current and last financial years. (Note: Contract values given below include the full contract value from the original start date to the end of the extension period.)

	2017/18				2018/19 (to 31 January 2019)			
	Large		EU		Large		EU	
Department	Qty	Value	Qty	Value	Qty	Value	Qty	Value
ASC	1	£184,800	3	£100,392,652	0	£0	0	£0
CDN	8	£10,159,883	7	£16,225,589	8	£6,711,942	2	£683,555
CRS	1	£160,743	2	£469,511	2	£389,363	2	£11,000,200
ECS	1	£135,000	2	£1,157,586	0	£0	0	£0
PH	1	£750,000	0	£0	0	£0	0	£0
	12	£11,390,426	14	£118,245,337	10	£7,101,305	4	£11,683,755

4. Details of Scrutiny

- 4.1 As required by the Contract Procedure Rules, the Procurement Plan will be reported to the Audit & Risk Committee on 6 March 2019. Scrutiny Committees are invited to use the Procurement Plan to identify any entries they wish to review at Scrutiny.

5. Financial, legal and other implications

Financial implications

- 5.1 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

Legal implications

- 5.2 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.
- 5.3 Each procurement process will need to follow due process in accordance with internal and legislative requirements, with advice from Procurement Services and Legal Services.

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

Climate Change and Carbon Reduction implications

- 5.4 The provisions of the council's Social Value Charter and sustainable procurement guidelines should be applied to procurement activities to ensure that procurement decisions support the achievement of the council's climate change related targets.

Aidan Davis
Sustainability Officer
Ext 37 2284

Equality Impact Assessment

- 5.5 Under the Equality Act 2010, public authorities have a continuing Public Sector Equality Duty (PSED) which means that, in carrying out their activities (including decision making and procurement), they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.
- 5.6 Protected characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.
- 5.7 There are no equalities implications arising directly from the recommendations of the report. The plan is a high-level statement of intent and, at this stage, it is not possible to undertake meaningful assessment of the equalities implications, however the implications of individual procurements will need to be considered in more detail at an early stage of each process where appropriate. The introduction of a Social Value Charter and Guide is likely to contribute to positive equalities outcomes for people across a range of protected characteristics.

Hannah Watkins
Equalities Manager
Ext. 37 5811

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

- 5.6 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 2019/20.

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 2019-2020

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	Department	Division	Service Area
Cleaning Supplies	To be confirmed	To be confirmed	4 Years	City Development and Neighbourhoods	Estates & Building Services	Building Services
Construction Professional Services Framework - Consultancy, Feasibility Studies, Fire Risk Assessments, Condition Surveys, Structural Inspection	£30,000,000	09/05/2020	4 Years	City Development and Neighbourhoods	Estates & Building Services	Building Services
Drainage Clearance and CCTV Inspection	£388,000	17/03/2020	2 Years (1+1)	City Development and Neighbourhoods	Estates & Building Services	Building Services
Franking Machines Lease, Maintenance and Post	£1,350,000	To be confirmed	4 Years	City Development and Neighbourhoods	Estates & Building Services	Building Services
Furniture	£660,000	01/02/2020	18 Months	City Development and Neighbourhoods	Estates & Building Services	Building Services
Hard FM Contracts (Repairs, Servicing and Maintenance)	To be confirmed	30/09/2019	4 Years	City Development and Neighbourhoods	Estates & Building Services	Building Services
Passenger Lift Service and Maintenance	£1,500,000	01/09/2020	3 Years	City Development and Neighbourhoods	Estates & Building Services	Building Services
Portable Appliance Testing (PAT)	£300,000	To be confirmed	4 Years	City Development and Neighbourhoods	Estates & Building Services	Building Services
Servicing & Maintenance of Fire Extinguishers / Equipment	£260,000	To be confirmed	4 Years (3+1)	City Development and Neighbourhoods	Estates & Building Services	Building Services
Electricity Supply and Account Management	£13,000,000	01/10/2020	4 Years	City Development and Neighbourhoods	Estates & Building Services	Energy Services
Gas Supply and Account Management	£12,000,000	01/04/2019	4 Years	City Development and Neighbourhoods	Estates & Building Services	Energy Services
Home Energy Heating - Private Sector Homes	£900,000	To be confirmed	3 Years	City Development and Neighbourhoods	Estates & Building Services	Energy Services
LED Lighting	£500,000	01/11/2019	To be confirmed	City Development and Neighbourhoods	Estates & Building Services	Energy Services
Solar Panels	To be confirmed	To be confirmed	To be confirmed	City Development and Neighbourhoods	Estates & Building Services	Energy Services
Water Supply	£2,800,000	To be confirmed	4 Years	City Development and Neighbourhoods	Estates & Building Services	Energy Services
Premises Security Services	£2,000,000	To be confirmed	4 Years	City Development and Neighbourhoods	Estates & Building Services	Property
Property Maintenance (New Installation and Improvement Works)	£10,000,000	To be confirmed	4 Years	City Development and Neighbourhoods	Estates & Building Services	Property
Servicing and Remedial Works of Automatic Doors	£264,000	To be confirmed	4 Years	City Development and Neighbourhoods	Estates & Building Services	Property
Specialist Cleaning Services (inc. Ad-Hoc, Reactive, Poolside, Windows, Gutters, Facades, Extractions and Kitchens)	£2,500,000	To be confirmed	5 Years	City Development and Neighbourhoods	Estates & Building Services	Property
Central Heating Boiler Replacements and Associated Works	£25,000,000	To be confirmed	5 Years (3+2)	City Development and Neighbourhoods	Housing	Capital Investment
Chimney Demolition	£500,000	01/07/2019	1 Year	City Development and Neighbourhoods	Housing	Capital Investment
District Heating Building Energy Management System (BEMS - Upgrade of the Existing Plantroom's Associated Interface Systems)	£400,000	To be confirmed	2 Years (1+1)	City Development and Neighbourhoods	Housing	Capital Investment
District Heating Heat Metering	£10,000,000	To be confirmed	To be confirmed	City Development and Neighbourhoods	Housing	Capital Investment
District Heating Repairs - Maintenance & Upgrades	£4,500,000	01/04/2019	4 Years (2+2)	City Development and Neighbourhoods	Housing	Capital Investment
Electrical Upgrades and Rewiring of Domestic Dwellings	£10,000,000	To be confirmed - Anticipated April	5 Years (3+2)	City Development and Neighbourhoods	Housing	Capital Investment
Fire Containment & Passive Fire Protection Works	£10,000,000	To be confirmed - Anticipated	5 Years (3+2)	City Development and Neighbourhoods	Housing	Capital Investment
Structural Repairs & Misc Building Works (Council Houses)	£2,000,000	03/04/2019	4 Years (2+2)	City Development and Neighbourhoods	Housing	Capital Investment

Procurement Plan 2019-2020

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	Department	Division	Service Area
Van Racking	£150,000	To be confirmed	3 Years (2+1)	City Development and Neighbourhoods	Housing	Capital Investment
Decorating Allowance Card Scheme	£1,000,000	01/04/2020	5 Years (2+3)	City Development and Neighbourhoods	Housing	Housing
Electronic Door Entry System - Service / Maintenance and Upgrades / Refurbishments / New Installations	£4,000,000	Autumn / Winter 2019	5 Years (2+3)	City Development and Neighbourhoods	Housing	Housing
Housing Management System Replacement	To be confirmed	To be confirmed	To be confirmed	City Development and Neighbourhoods	Housing	Housing
Housing-Related Support Contracts (Homelessness Services)	£5,000,000	To be confirmed (estimated 2019)	5 Years (3+2)	City Development and Neighbourhoods	Housing	Housing
Stores Management / Supply of Building & Construction Materials	£45,000,000	01/10/2020	10 Years	City Development and Neighbourhoods	Housing	Housing
Taxi Framework	£22,500,000	Summer 2019	4 Years (2+2)	City Development and Neighbourhoods	Housing	Housing
Tower Block Demolition	£3,000,000	To be confirmed	To be confirmed	City Development and Neighbourhoods	Housing	Housing
Fleet Replacement Programme	£1,910,000	Ongoing	To be confirmed	City Development and Neighbourhoods	Housing	Passenger & Fleet Services
Vehicle Trackers	£356,000	30/10/2019	To be confirmed	City Development and Neighbourhoods	Housing	Passenger & Fleet Services
General Adaptations Works (for Adults with Disabilities)	£3,200,000	14/11/2019	4 Years (2+2)	City Development and Neighbourhoods	Housing (Adult Social Care & Commissioning)	Housing
Scale UP	£240,000	01/07/2019	4 Years (2+2)	City Development and Neighbourhoods	LLEP	LLEP
Domestic Abuse & Sexual Violence	£748,000	01/07/2020	5 Years (3+2)	City Development and Neighbourhoods	Neighbourhood & Environmental Services	Community Safety & Protection
Library Self-Service System Replacement	To be confirmed	01/05/2020	5 Years	City Development and Neighbourhoods	Neighbourhood & Environmental Services	Neighbourhood Services
Library Stock	£250,000 per year	01/04/2020	To be confirmed	City Development and Neighbourhoods	Neighbourhood & Environmental Services	Neighbourhood Services
Cremator Servicing and Maintenance	£350,000	01/07/2020	5 Years	City Development and Neighbourhoods	Neighbourhood & Environmental Services	Parks & Open Spaces
Grounds Maintenance Machinery	To be confirmed	To be confirmed	To be confirmed	City Development and Neighbourhoods	Neighbourhood & Environmental Services	Parks & Open Spaces
Grounds Maintenance Machinery Service & Maintenance	£800,000	01/09/2019	5 Years (3+2)	City Development and Neighbourhoods	Neighbourhood & Environmental Services	Parks & Open Spaces
Out of Hours Burial Service	£200,000	To be confirmed	5 Years	City Development and Neighbourhoods	Neighbourhood & Environmental Services	Parks & Open Spaces
Dog Collection and Kennelling for Stray Dogs	£250,000	01/06/2019	5 Years (3+2)	City Development and Neighbourhoods	Neighbourhood & Environmental Services	Regulatory & Community Safety Service
Regulatory & Community Safety Services IT system	£300,000	To be confirmed	10 Years	City Development and Neighbourhoods	Neighbourhood & Environmental Services	Regulatory & Community Safety Services
Highway Maintenance, Construction and Civil Engineering	£16,000,000	To be confirmed	4 Years (3+1)	City Development and Neighbourhoods	Planning, Development & Transportation	Highways
Hire of Plant (With Operator)	£2,000,000	To be confirmed	5 Years (1+4)	City Development and Neighbourhoods	Planning, Development & Transportation	Highways
Hire of Plant (Without Operator)	£4,000,000	To be confirmed	5 Years (1+4)	City Development and Neighbourhoods	Planning, Development & Transportation	Highways
Parking System and Associated Services	£400,000	To be confirmed	10 Years (2+8)	City Development and Neighbourhoods	Planning, Development & Transportation	Highways
Paving Blocks	£240,000	To be confirmed	1 Year	City Development and Neighbourhoods	Planning, Development & Transportation	Highways
Public Lighting	£5,000,000	01/10/2020	4-6 Years	City Development and Neighbourhoods	Planning, Development & Transportation	Highways

Procurement Plan 2019-2020

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	Department	Division	Service Area
Resin Bound / Bonded Surfacing	£400,000	To be confirmed	4 Years (3+1)	City Development and Neighbourhoods	Planning, Development & Transportation	Highways
Traffic Signal Systems and Associated Network Services	To be confirmed	01/07/2020	10 Years	City Development and Neighbourhoods	Planning, Development & Transportation	Highways
Bike Share	£600,000	To be confirmed	To be confirmed	City Development and Neighbourhoods	Planning, Development & Transportation	Transport Strategy
Contactless Smart Payment Systems	£2,200,000	To be confirmed	1 Year	City Development and Neighbourhoods	Planning, Development & Transportation	Transport Strategy
Design Consultancy Support	£350,000	To be confirmed	18 Months	City Development and Neighbourhoods	Planning, Development & Transportation	Transport Strategy
Electric Vehicle Charging Points	£500,000	To be confirmed	5 Years	City Development and Neighbourhoods	Planning, Development & Transportation	Transport Strategy
Electrification of Birstall Park & Ride Bus Service	£1,990,000	To be confirmed	1 Year	City Development and Neighbourhoods	Planning, Development & Transportation	Transport Strategy
Personalised Travel Planning	£215,000	To be confirmed	2 Years	City Development and Neighbourhoods	Planning, Development & Transportation	Transport Strategy
Secure Bike Storage	£500,000	To be confirmed	To be confirmed	City Development and Neighbourhoods	Planning, Development & Transportation	Transport Strategy
Ice Rink	£1,100,000	23/11/2019	4 Years (1+3)	City Development and Neighbourhoods	Tourism, Culture & Inward Investment	Arts & Museums
Graphic Design Services	£175,000	01/01/2020	4 Years (2+2)	Corporate Resources and Support	Delivery, Communications and Political Governance	Communications and Marketing
Operational Health	£1,500,000	01/06/2019	5 Years (2+3)	Corporate Resources and Support	Delivery, Communications and Political Governance	Health and Safety
Paper Supplies	£315,000	To be confirmed	5 Years (3+2)	Corporate Resources and Support	Finance	Corporate
Cash Income System	£3,300,000	03/06/2019	10 Years (5+5)	Corporate Resources and Support	Finance	Finance
Legal Representation on Insurance Claims	£400,000	To be confirmed	5 Years (3+2)	Corporate Resources and Support	Finance	Finance
CDI Replacement (Customer Data Integration Solution)	£250,000	01/09/2019	5 Years	Corporate Resources and Support	Finance	Information Services
Document Storage and Bulk Scanning Facilities	£250,000	01/09/2019	5 Years	Corporate Resources and Support	Finance	Information Services
Hybrid Mail	£750,000	01/04/2019	5 Years	Corporate Resources and Support	Finance	Information Services
Increase of VDI Solution & Associated Services	£175,000	01/09/2019	5 Years	Corporate Resources and Support	Finance	Information Services
PC & Laptops, Screen & Associated Items (Peripherals)	£500,000	Call off purchases	1 Year	Corporate Resources and Support	Finance	Information Services
Server Replacement	£200,000	Ongoing	4 Years	Corporate Resources and Support	Finance	Information Services
Smartphone Replacement	£200,000	Call off purchases	1 Year	Corporate Resources and Support	Finance	Information Services
Telephony Migration	£350,000	01/09/2019	5 Years	Corporate Resources and Support	Finance	Information Services
Email Filtering Solution	£400,000	01/11/2019	5 Years	Corporate Resources and Support	Finance	Information Services (Data Networks)
Integrated Healthy Child Programme (0 to 19 Years)	£55,055,000	01/07/2021	7 Years (5+2)	Public Health	Public Health	Public Health
Leisure Centre Equipment	£514,000	To be confirmed	To be confirmed	Public Health	Public Health	Public Health
Dementia Support Services (including Leicester Advocacy Services)	£760,000	02/10/2019	5 Years (3+2)	Social Care & Education	Adult Social Care & Commissioning	Strategic Commissioning

Procurement Plan 2019-2020

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	Department	Division	Service Area
Extra Care Developments	£6,700,000	To be confirmed	To be confirmed	Social Care & Education	Adult Social Care & Commissioning	Strategic Commissioning
Independent Living Support - Supported Housing	£1,858,000	01/04/2020	5 Years (3+2)	Social Care & Education	Adult Social Care & Commissioning	Strategic Commissioning
Integrated Community Equipment Loans Service	£38,500,000	01/04/2021	7 Years (5+2)	Social Care & Education	Adult Social Care & Commissioning	Strategic Commissioning
Integrated Substance Misuse Treatment Services	£25,000,000	01/07/2020	5 Years (3+2)	Social Care & Education	Adult Social Care & Commissioning	Strategic Commissioning
Lifts and Hoists (for Adults with Disabilities)	£1,600,000	27/06/2020	4 Years	Social Care & Education	Adult Social Care & Commissioning	Strategic Commissioning
Mental Health Wellbeing and Recovery Services	£2,220,555	01/10/2020	5 Years (3+2)	Social Care & Education	Adult Social Care & Commissioning	Strategic Commissioning
Short-Term Residential Care Beds	£1,900,000	03/07/2020	5 Years (3+2)	Social Care & Education	Adult Social Care & Commissioning	Strategic Commissioning
Substance Misuse Housing Related Support	£1,025,000	01/10/2019	5 Years (3+2)	Social Care & Education	Adult Social Care & Commissioning	Strategic Commissioning
Supported Living Accommodation	To be confirmed	21/11/2020	4 Years	Social Care & Education	Adult Social Care & Commissioning	Strategic Commissioning
Supported Living Services and Flexible Short Break Services	£61,813,600	21/11/2020	4 Years	Social Care & Education	Adult Social Care & Commissioning	Strategic Commissioning
Children's Commissioning Placements	£27,500,000	To be confirmed	4 Years	Social Care & Education	Children's Social Care & Early Help	Looked After Children
Meat, Meat Products and Poultry	£750,000	01/08/2019	4 Years	Social Care & Education	Learning & Inclusion	Catering
Multi-Temperature Food, Provisions and Non-Food	£8,548,465	05/08/2019	4 Years (2+2)	Social Care & Education	Learning & Inclusion	Catering
MUSIC / Arts Activities for Looked After Children	£450,000	30/08/2019	5 Years (3+2)	Social Care & Education	Learning & Inclusion	Looked After Children
Special Educational Needs and Disability Information, Advice Support Service (SENDIASS) and Choice Advice Service	£800,000	01/10/2019	5 Years (3+2)	Social Care & Education	Learning & Inclusion	SEN & Disabilities

External Audit Plan

Year ending 31 March 2019

Leicester City Council
6 March 2019



Contents



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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Authority or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Introduction & headlines

Purpose

This document provides an overview of the planned scope and timing of the statutory audit of Leicester City Council ('the Authority') for those charged with governance.

Respective responsibilities

The National Audit Office ('the NAO') has issued a document entitled Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of Leicester City Council. We draw your attention to both of these documents on the [PSAA website](#).

Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the:

- Authority's financial statements that have been prepared by management with the oversight of those charged with governance (the Audit and Risk Committee); and
- Value for Money arrangements in place at the Authority for securing economy, efficiency and effectiveness in your use of resources.

The audit of the financial statements does not relieve management or the Audit and Risk Committee of their responsibilities. It is the responsibility of the Authority to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Authority is fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the Authority's business and is risk based.

Public Interest Entity (PIE)	This plan has been produced on the basis that the Council has repaid debt listed on the London Stock Exchange and it is therefore no longer classified as a PIE.
Significant risks	<p>Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:</p> <ul style="list-style-type: none">• Management override of controls• Valuation of land and buildings• Valuation of the pension fund net pension liability <p>We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.</p>
Materiality	We have determined planning materiality to be £17.2m (PY £12m) for Authority, which equates to approximately 1.5% of your prior year gross expenditure for the year. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. Clearly trivial has been set at £0.860m (PY £0.600m).
Value for Money arrangements	<p>Our risk assessment regarding your arrangements to secure value for money have identified the following VFM significant risks:</p> <ul style="list-style-type: none">• Financial resilience• OFSTED Inspection of Local Authority Children's Services (ILACS)
Audit logistics	<p>We will undertake a split interim visit, which will take place throughout January to March and our final visit will take place in June and July. Our key deliverables are this Audit Plan and our Audit Findings Report. Our overall audit approach is detailed in Appendix A.</p> <p>Our fee for the audit will be £112,884 (PY: £146,603) for the Authority, subject to the Authority meeting our requirements set out on page 12.</p>
Independence	We have complied with the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements..

Key matters impacting our audit

External Factors

The wider economy and political uncertainty

At a national level, the government continues its negotiation with the EU over Brexit, and future arrangements remain clouded in uncertainty. The Audit & Risk Committee has considered the potential impact in some areas but the Authority will need to ensure that it is prepared for all outcomes, including any impact on contracts, on service delivery and on its support for local people and businesses.

Local Government funding continues to be stretched with increasing cost pressures and demand from residents. For the City Council, in common with other authorities, pressures on demand led services, continue to put pressure on finances. Budgets for the period 2013/14 to 2015/16 contributed £42m to reserves, in order to buy time, which the Council has referred to as the "managed reserves strategy". Because of the spending review approach, the Council has been able to balance the budget in 2018/19. However, it noted in its General Fund Revenue Budget report taken to Council in February 2018 that the outlook beyond 2018/19 is extremely difficult with a forecast gap of over £26m for 2019/20 and the estimate of reserves to bridge this at the time being less than £10m. Since then the draft General Fund Revenue Budget 2019/20 to 2021/22, has been presented to Overview Committee, which confirms that the budget for has been balanced using reserves to address the underlying gap in resources of £9.6m for the 2019/20 financial year.

Changes to the CIPFA 2018/19 Accounting Code

The most significant changes relate to the adoption of:

- IFRS 9 Financial Instruments which impacts on the classification and measurement of financial assets and introduces a new impairment model.
- IFRS 15 Revenue from Contracts with Customers which introduces a five step approach to revenue recognition.

Internal Factors

Payroll

The Authority introduced a new payroll system from 1 June 2017. We are aware from review of the predecessor auditor's ISA260 report that problems were experienced with the audit of this system.

Treasury Management

During 2018/19 you have:

- Repaid debt listed on the London Stock Exchange.
- Repaid a number of LOBO loans
- Determined to utilise MRP voluntarily overpaid in previous years to meet this year's requirement.

Our response

- We note that the Authority have rated the overall risk associated with the draft budget and medium term financial strategy for 2018-19 to 2019-2020 as red, due to the uncertainty being faced over the medium term.
- We will consider your arrangements for managing and reporting your financial resources as part of our work in reaching our Value for Money conclusion.
- Your current Performance Reports show the Council is on track to meet the majority of its stated strategic objectives for 2018/19. We will continue to monitor the position as the year progresses.
- We will consider whether your financial position leads to material uncertainty about the going concern assumption and will review related disclosures in the financial statements.

- We will keep you informed of changes to the financial reporting requirements for 2018/19 through on-going discussions and invitations to our technical update workshops.
- As part of our opinion on your financial statements, we will consider whether your financial statements reflect the financial reporting changes in the 2018/19 CIPFA Code.

- For the purposes of our audit plan while we have not designated payroll to be a significant risk, we will assess during our forthcoming interim visit whether extended testing will be required.
- We will review the Treasury Management transactions as part of our audit work to determine they have been accounted for in line with the Code and relevant MHCLG guidance.

Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
The revenue cycle includes fraudulent transactions (rebutted)	Authority	<p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p>This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p>	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Authority, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition • opportunities to manipulate revenue recognition are very limited • the culture and ethical frameworks of local authorities, including Leicester City Council, mean that all forms of fraud are seen as unacceptable <p>Therefore we do not consider this to be a significant risk for Leicester City Council.</p> <p>Specific response not required as risk rebutted.</p>
Management over-ride of controls	Authority	<p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. The Authority faces external scrutiny of its spending and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate the design effectiveness of management controls over journals • analyse the journals listing and determine the criteria for selecting high risk unusual journals • test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration • gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence • evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.

Significant risks identified

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of land and buildings	Authority	<p>The Authority's accounting policy is to revalue all assets on a rolling basis in order to ensure that all assets are revalued at least every five years, thereby meeting the Code requirements.</p> <p>In previous years valuations have been as at 1 April. To ensure that the carrying value is not materially different from the current value at the financial statements date the Authority has therefore had to demonstrate that:</p> <ul style="list-style-type: none"> • for the year revalued there were no material movements between the 1 April and 31 March; and, • for the four years not subject to revaluation demonstrate that the carrying value of those assets is not materially different from their current value. <p>For 2018-19 management have engaged the services of a valuer to estimate the current value as at 31 March 2019. This is therefore a change in practice for the Council for the 2018-19 financial statements as valuations previously were done as at 1 April, i.e, the start of the financial year. We have discussed this with the finance team. This is considered a change in estimation technique to improve accuracy and not a change in accounting policy. We are not minded to challenge this approach subject to the Council, along with its valuers, being able to demonstrate that the total carrying value as at the balance sheet date of its land and buildings is not materially different from the current value..</p> <p>These valuations represents a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions.</p> <p>We therefore identified the valuation of land and buildings as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • document and evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuation experts and the scope of their work • evaluate the competence, capabilities and objectivity of the valuation expert • write to the valuer, with follow up discussions as necessary, to confirm the basis on which the valuations were carried out • challenge the information and assumptions used by the valuer to assess completeness and consistency with our understanding • test, on a sample basis, revaluations made during the year to ensure they have are consistent with the valuer's report and have been input correctly into the Authority's asset register • evaluate the assumptions made by management for any assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value.

Significant risks identified

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of the pension fund net liability	Authority	<p>The Authority's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements and group accounts.</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£634.0 million as at 31 March 2018) and the sensitivity of the estimate to changes in key assumptions.</p> <p>We therefore identified valuation of the pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • update our understanding of the processes and controls put in place by management to ensure that the Authority's pension fund net liability is not materially misstated and evaluate the design of the associated controls; • evaluate the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work; • assess the competence, capabilities and objectivity of the actuary who carried out the Authority's pension fund valuation; • assess the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability; • test the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary; • undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; and • obtain assurances from the auditor of Leicestershire County Council Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.

Other matters

ISA 510 (Initial Audit Engagements – Opening Balances)

ISA 510 (UK) requires that in conducting an initial audit engagement we should obtain sufficient appropriate audit evidence about whether:

- a) Opening balances contain misstatements that materially affect the current period's financial statements; and
- b) Appropriate accounting policies reflected in the opening balances have been consistently applied in the current period's financial statements

We have reviewed the work of the predecessor auditor and concluded that we can place reliance upon it except for the following areas where we will need to undertake additional audit procedures:

- Confirm opening balances of long-term market loans, Leicester Fire Service borrowing, the bond issue and transferred debt liability to council records.
- When we review the Council's PFI models we will agree opening balances as well as closing balances and confirm the rationale for the accounting treatment.
- Undertake substantive testing on the opening debtors and creditors balances.

Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Report and Annual Governance Statement and any other information published alongside your financial statements to check that they are consistent with the financial statements on which we give an opinion and consistent with our knowledge of the Authority.
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with the guidance issued by CIPFA.
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.

- We consider our other duties under legislation and the Code, as and when required, including:
 - Giving electors the opportunity to raise questions about your 2018/19 financial statements, consider and decide upon any objections received in relation to the 2018/19 financial statements;
 - issue of a report in the public interest or written recommendations to the Authority under section 24 of the Act, copied to the Secretary of State.
 - Application to the court for a declaration that an item of account is contrary to law under Section 28 or for a judicial review under Section 31 of the Act; or
 - Issuing an advisory notice under Section 29 of the Act.
- We certify completion of our audit.

Other material balances and transactions

Under International Standards on Auditing, "irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure". All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

Going concern

As auditors, we are required to "obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the Authority's ability to continue as a going concern" (ISA (UK) 570). We will review management's assessment of the going concern assumption and evaluate the disclosures in the financial statements.

Materiality

The concept of materiality

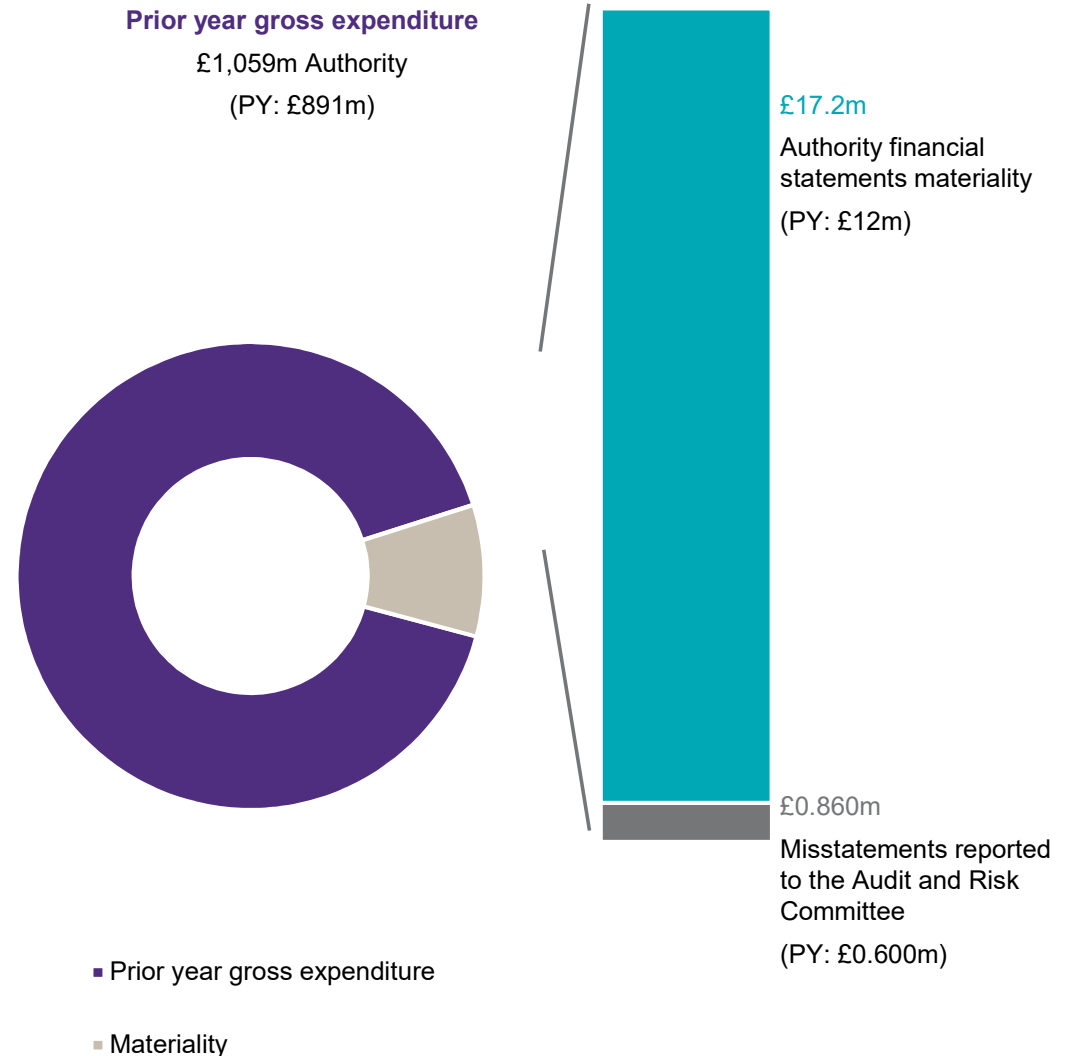
The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality for planning purposes

We have determined financial statement materiality based on a proportion of the gross expenditure of the Authority for the financial year. In the prior year we used the same benchmark. We have determined materiality at the planning stage of our audit to be £17.2m (PY £12m) for the Authority, which equates to 1.5% of your prior year gross expenditure for the year. We design our procedures to detect errors in specific accounts at a lower level of precision which we have determined to be £25,000 for senior officer's remuneration as we believe these disclosures are of specific interest to the reader of the accounts. We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality. We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.

Matters we will report to the Audit and Risk Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit and Risk Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria. In the context of the Authority, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £0.860m (PY £0.600m). If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Audit and Risk Committee to assist it in fulfilling its governance responsibilities.



Value for Money arrangements

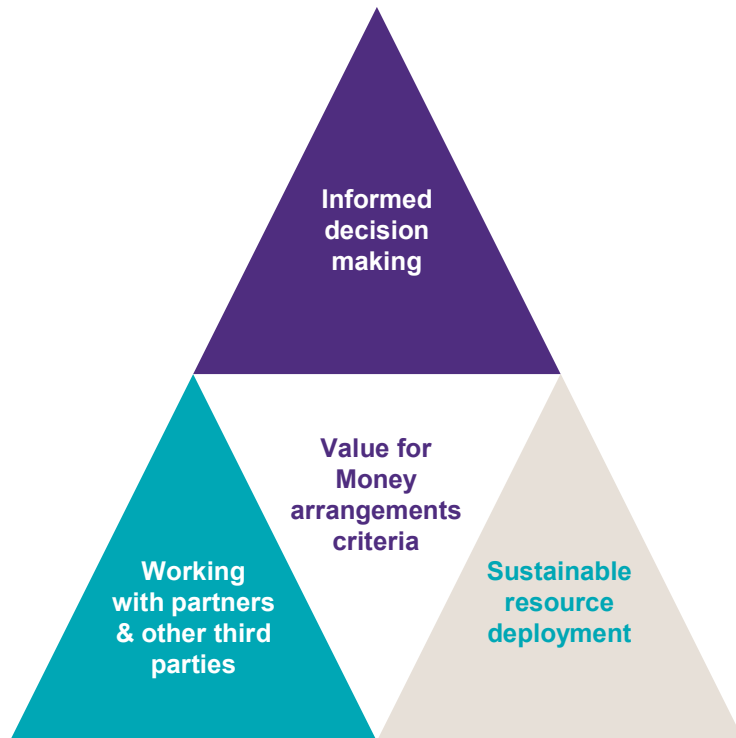
Background to our VFM approach

The NAO issued its guidance for auditors on Value for Money work in November 2017. The guidance states that for Local Government bodies, auditors are required to give a conclusion on whether the Authority has proper arrangements in place to secure value for money.

The guidance identifies one single criterion for auditors to evaluate:

“In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.”

This is supported by three sub-criteria, as set out below:



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Significant VFM risks

Those risks requiring audit consideration and procedures to address the likelihood that proper arrangements are not in place at the Authority to deliver value for money.



Financial resilience

The Authority has historically managed its finances well, achieving financial targets: however, the scale and pace of change for local government will affect future projections and it is important the Authority is on track to identify and produce savings required to deliver balanced budgets in the future.

The General Fund Revenue Budget considered by Council on 21 February 2018 identified that the budget for 2018-19 was in balance following the application of the managed reserves strategy.

However it also noted that the Authority would be faced with finding further budget reduction and income generation proposals of over £26 million in 2019/20 with reserves only estimated to be able to meet £10m of this. There is therefore still a gap to address in terms of future funding and savings solutions. Since then the draft General Fund Revenue Budget 2019/20 to 2021/22, has been presented to Overview Committee, which confirms that the budget for has been balanced using reserves to address the underlying gap in resources of £9.6m for the 2019/20 financial year.

We will review the Council's Medium Term Financial Strategy and financial monitoring reports and assess the assumptions used and savings being achieved.



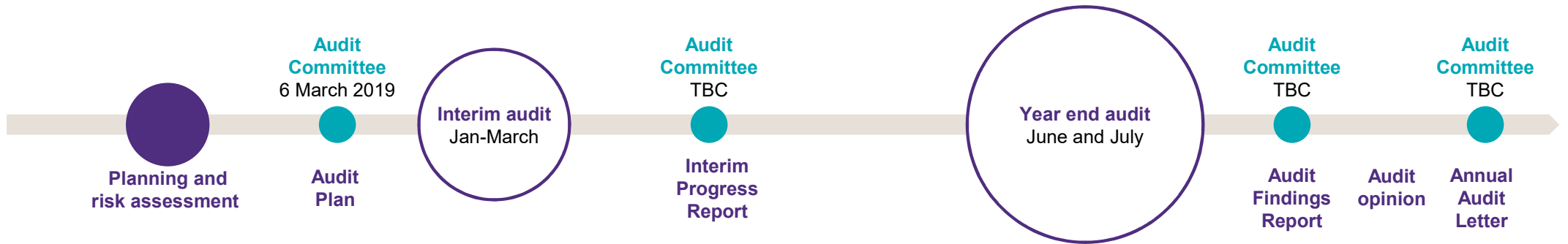
OFSTED

There was a joint local review by CQC and OFSTED of the Council and CCG's SEND services. This review led to a letter being issued in June 2018 noting that a written statement of action was required because of significant weaknesses identified in the local area's practice.

We will obtain the statement of action submitted to OFSTED and review how the Council is ensuring that these actions are undertaken and progress against the plan monitored.

We have also been advised that the Authority has been notified of the start of the ILACS Focussed Visit of their children's services. The planned publication date for the report is 14 February 2019. We will await the outcome of this report and consider it as part our 2018-19 VFM arrangements conclusion.

Audit logistics, team & fees



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Grant Patterson, Engagement Lead

As your engagement lead, Grant will have the ultimate responsibility for the delivery of your audit service. He will lead our relationship with the Authority and take overall responsibility for delivering a high quality audit, which meets the highest professional standards while adding value.



Nicola Coombe, Audit Manager

As the engagement manager, Nic is responsible for overseeing the delivery of our service and managing the audit process. She will work with officers and our on-site team to ensure the smooth planning and delivery of the audit. She will oversee the on-site team and discuss any issues with you during the audit process as well as any questions you may have throughout the year.

Audit fees

The planned audit fees are £112,884 (PY: £146,603) for the financial statements audit completed under the Code, which are inline with the scale fee published by PSAA. In setting your fee, we have assumed that the scope of the audit, and the Authority and its activities, do not significantly change.

Where further audit work is required to address additional risks identified, we will consider the need to charge fees in addition to the audit fee on a case by case basis. Any additional fees will be discussed and agreed with management, and require PSAA approval.

In addition to this the Authority has requested that we perform non-audit work. The work conducted to date, and planned for the future, is set out overleaf.

Our requirements

To ensure the audit is delivered on time and to avoid any additional fees, we have detailed our expectations and requirements in the following section 'Early Close'. If the requirements detailed overleaf are not met, we reserve the right to postpone our audit visit and charge fees to reimburse us for any additional costs incurred.

Early close

Meeting the 31 July audit timeframe

In the prior year, the statutory date for publication of audited local government accounts was brought forward to 31 July, across the whole sector. This was a significant challenge for local authorities and auditors alike. For authorities, the time available to prepare the accounts was curtailed, while, as auditors we had a shorter period to complete our work and faced an even more significant peak in our workload than previously.

We have carefully planned how we can make the best use of the resources available to us during the final accounts period. As well as increasing the overall level of resources available to deliver audits, we have focused on:

- bringing forward as much work as possible to interim audits
- starting work on final accounts audits as early as possible, by agreeing which authorities will have accounts prepared significantly before the end of May

200 seeking further efficiencies in the way we carry out our audits
working with you to agree detailed plans to make the audits run smoothly, including early agreement of audit dates, working paper and data requirements and early discussions on potentially contentious items.

We are satisfied that, if all these plans are implemented, we will be able to complete your audit and those of our other local government clients in sufficient time to meet the earlier deadline.

Client responsibilities

Where individual clients do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other clients. We will therefore conduct audits in line with the timetable set out in audit plans (as detailed on page 11). Where the elapsed time to complete an audit exceeds that agreed due to a client not meeting its obligations we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to a client not meeting their obligations we are not able to guarantee the delivery of the audit by the statutory deadline. Such audits are unlikely to be re-started until very close to, or after the statutory deadline. In addition, it is highly likely that these audits will incur additional audit fees.

Our requirements

To minimise the risk of a delayed audit or additional audit fees being incurred, you need to ensure that you:

- produce draft financial statements of good quality by the deadline you have agreed with us, including all notes, the narrative report and the Annual Governance Statement
- ensure that good quality working papers are available at the start of the audit, in accordance with the working paper requirements schedule that we have shared with you
- ensure that the agreed data reports are available to us at the start of the audit and are reconciled to the values in the accounts, in order to facilitate our selection of samples
- ensure that all appropriate staff are available on site throughout (or as otherwise agreed) the planned period of the audit
- respond promptly and adequately to audit queries.

In return, we will ensure that:

- the audit runs smoothly with the minimum disruption to your staff
- you are kept informed of progress through the use of an issues tracker and weekly meetings during the audit
- we are available to discuss issues with you prior to and during your preparation of the financial statements.

Independence & non-audit services

Auditor independence

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make additional significant judgements surrounding independence matters.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Other services provided by Grant Thornton

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Authority. The following other services were identified.

Service	£	Threats	Safeguards
Audit related			
Certification of Housing capital receipts grant 2017-18	5,000	Self-Interest (because this is a recurring fee)	The level of these recurring fees taken on their own is not considered a significant threat to independence when compared to the total fee for the audit of £112,884 and in particular relative to Grant Thornton UK LLP's turnover overall.
Grant certification of Housing Benefit Subsidy Claim 2018-19	53,000	Self-Interest (because this is a recurring fee)	Further, they are fixed fees and there is no contingent element to them. These factors all mitigate the perceived self-interest threat to an acceptable level.
Certification of Teachers Pension Return 2018-19	TBC	Self-Interest (because this is a recurring fee)	
Non-audit related			
None	-	-	-

The amounts detailed are fees agreed to-date for audit related and non-audit services to be undertaken by Grant Thornton UK LLP in the current financial year. These services are consistent with the Authority's policy on the allotment of non-audit work to your auditors. All services have been reported to the Audit and Risk Committee. Any changes and full details of all fees charged for audit related and non-audit related services by Grant Thornton UK LLP and by Grant Thornton International Limited network member Firms will be included in our Audit Findings report at the conclusion of the audit.

None of the services provided are subject to contingent fees.

Independence & non-audit services

Non-audit services provided prior to appointment

Ethical Standards require us to draw your attention to relevant information on recent non-audit / additional services before we were appointed as auditor. In the table below we have set out the previous services we have provided to the Authority.

Service	Date of service	Fees £	Would the service have been prohibited if we had been auditor?	Has the outcome of the service been audited or reviewed by another firm?	Commentary
None identified	N/A	N/A	N/A	N/A	N/A

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We do not believe that the previous services detailed above will impact our independence as auditors.

Appendices

A. Audit Approach

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Audit approach

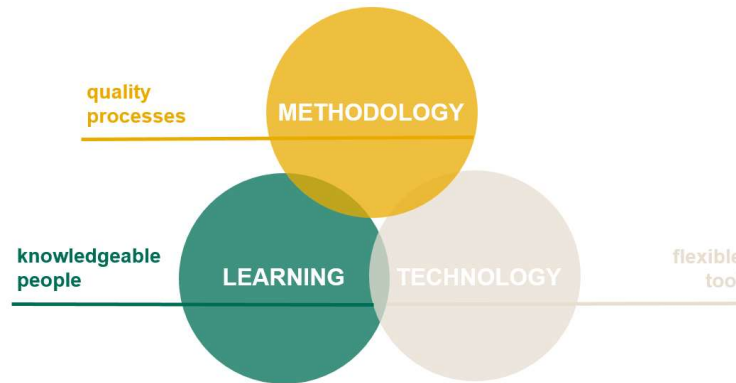
Use of audit, data interrogation and analytics software

LEAP



Audit software

- A globally developed ISA-aligned methodology and software tool that aims to re-engineer our audit approach to fundamentally improve quality and efficiency
- LEAP empowers our engagement teams to deliver even higher quality audits, enables our teams to perform cost effective audits which are scalable to any client, enhances the work experience for our people and develops further insights into our clients' businesses
- A cloud-based industry-leading audit tool developed in partnership with Microsoft



Info



Cloud based software which uses data analytics to identify trends and high risk transactions, generating insights to focus audit work and share with clients.



REQUEST & SHARE

- Communicate & transfer documents securely
- Extract data directly from client systems
- Work flow assignment & progress monitoring



ASSESS & SCOPE

- Compare balances & visualise trends
- Understand trends and perform more granular risk assessment



VERIFY & REVIEW

- Automate sampling requests
- Download automated work papers



INTERROGATE & EVALUATE

- Analyse 100% of transactions quickly & easily
- Identify high risk transactions for investigation & testing
- Provide client reports & relevant benchmarking KPIs



FOCUS & ASSURE

- Visualise relationships impacting core business cycles
- Analyse 100% of transactions to focus audit on unusual items
- Combine business process analytics with related testing to provide greater audit and process assurance



INSIGHTS

- Detailed visualisations to add value to meetings and reports
- Demonstrates own performance and benchmark comparisons

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IDEA



- We use one of the world's leading data interrogation software tools, called 'IDEA' which integrates the latest data analytics techniques into our audit approach
- We have used IDEA since its inception in the 1980's and we were part of the original development team. We still have heavy involvement in both its development and delivery which is further enforced through our chairmanship of the UK IDEA User Group
- In addition to IDEA, we also other tools like ACL and Microsoft SQL server
- Analysing large volumes of data very quickly and easily enables us to identify exceptions which potentially highlight business controls that are not operating effectively

Appian



Business process management

- Clear timeline for account review:
 - disclosure dealing
 - analytical review
- Simple version control
- Allow content team to identify potential risk areas for auditors to focus on



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Informing the audit risk assessment for Leicester City Council

2017
Year Ended 31 March 2019

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Purpose

The purpose of this report is to contribute towards the effective two-way communication between those charged with governance for Leicester City Council (“Council”), and Grant Thornton as your external auditor. The report covers some important areas of the auditor risk assessment where we are required to make inquiries to the Council under auditing standards.

Background Under International Standards on Auditing (UK and Ireland) (ISA(UK&I)) auditors have specific responsibilities to communicate with the Audit and Risk Committee. ISA(UK&I) emphasise the importance of two-way communication between the auditor and the Council and also specify matters that should be communicated.

209 This two-way communication assists both the auditor and the Audit and Risk Committee in understanding matters relating to the audit and developing a constructive working relationship. It also enables the auditor to obtain information relevant to the audit from the Council and supports the Audit and Risk Committee in fulfilling its responsibilities in relation to the financial reporting process.

Communication as part of our risk assessment procedures we are required to obtain an understanding of the Council management processes and the Audit and Risk Committee's oversight of the following areas:

- fraud,
- laws and regulations,
- going concern,
- related parties,
- accounting estimates.

This report includes a series of questions on each of these areas and the response we have received from the Council’s management. These responses have been reviewed and agreed by the relevant heads of departments. The Committee should consider whether these responses are consistent with its understanding and whether there are any further comments it wishes to make.

Fraud

Matters in relation to fraud

ISA(UK&I)240 covers auditors responsibilities relating to fraud in an audit of financial statements.

The primary responsibility to prevent and detect fraud rests with both the Audit and Risk Committee and the Council management. Management, with the oversight of the Audit and Risk Committee, needs to ensure a strong emphasis on fraud prevention and deterrence and encourage a culture of honest and ethical behaviour. As part of its oversight, the Audit and Risk Committee should consider the potential for override of controls and inappropriate influence over the financial reporting process.

210 As the Council's external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. We are required to maintain professional scepticism throughout the audit, considering the potential for management override of controls.

As part of our audit risk assessment procedures we are required to consider risks of fraud. This includes considering the arrangements management has put in place with regard to fraud risks including:

- assessment that the financial statements could be materially misstated due to fraud
- process for identifying and responding to risks of fraud, including any identified specific risks
- communication with the Audit and Risk Committee regarding its processes for identifying and responding to risks of fraud
- communication to employees regarding business practices and ethical behaviour

We need to understand how the Audit and Risk Committee oversees the above processes. We are also required to make inquiries of both the Council management and the Audit and Risk Committee as to their knowledge of any actual, suspected or alleged fraud. These areas have been set out in the fraud risk assessment questions below together with responses from the Council's management.

Fraud risk assessment

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Question	Management response
<p>Has the Council assessed the risk of material misstatement in the financial statements due to fraud or error?</p> <p>Is this consistent with the feedback from your risk management processes?</p>	<p>Through independent challenge of the figures within the accounts and gaining assurance over controls from internal audit.</p>
<p>Are you aware of any instances of fraud, either within the Council as a whole or within specific departments since 01 April 2018?</p> <p>If so how does the Audit and Risk Committee respond to these?</p>	<p>The Council has a counter fraud team who are responsible for investigating instances of fraud.</p> <p>The team report to Audit & Risk Committee periodically, to provide an update on any instances of fraud and actions taken.</p>
<p>Do you suspect fraud may be occurring, either within the Council or within specific departments?</p> <ul style="list-style-type: none"> • Have you identified any specific fraud risks? • Do you have any concerns there are areas that are at risk of fraud? <p>Are there particular locations within the Council where fraud is more likely to occur?</p>	<p>The Council is at particular risk of fraud in the usual higher risk areas e.g repairs and maintenance, procurement and contract management. The Council has the relevant controls in place to try and prevent fraud. This is further supported by the reports of internal audit.</p>

Fraud risk assessment (continued)

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Question	Management response
<p>Are you satisfied that the overall control environment is robust, including:</p> <ul style="list-style-type: none"> the process for reviewing the system of internal control; internal controls, including segregation of duties; exist and work effectively? <p>If not where are the risk areas?</p> <p>What other controls are in place to help prevent, deter or detect fraud?</p> <p>Are there any areas where there is a potential for override of controls or inappropriate influence over the financial reporting process (for example because of undue pressure to achieve financial targets)?</p>	<p>The Council has a clear governance framework summarised below;</p> <ul style="list-style-type: none"> Mayor, Executive & Council Decision Making Risk Management Scrutiny & Review Corporate Management Team <p>Further to the Council has various codes and rules, including Financial Procedure Rules, Codes of Conducts, Anti-Fraud, Bribery & Corruption Policy.</p> <p>Further to this the Council participates in the National Fraud Initiative.</p> <p>The Council outsources it's internal audit function to Leicestershire County Council to ensure regular review of it's control environment. The outcomes of audit reports are regularly reported, to Senior management and the Audit & Risk Committee.</p>

Fraud risk assessment (continued)

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Question	Management response
<p>How do you encourage, and communicate to, employees about your views on business practices and ethical behaviour?</p> <p>How do you encourage staff to report their concerns about fraud? What concerns are staff expected to report about fraud?</p>	<p>The Council uses various options to communicate with employees including;</p> <ul style="list-style-type: none">• Staff intranet, established internal communication channels• Organisational development team, delivering staff training• Information assurance team to support data policies <p>The Council encourages staff to report their concerns regarding fraud through the following policies;</p> <ul style="list-style-type: none">• Anti-fraud, Bribery & Corruption Policy• Whistleblowing Policy

Fraud risk assessment (continued)

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Question	Management response
<p>From a fraud and corruption perspective, what are considered to be high-risk posts?</p> <p>How are the risks relating to these posts identified, assessed and managed?</p>	<p>Director of Finance Treasury Manager</p> <p>Risks associated by the above posts are managed through having appropriate controls in place.</p> <p>LCC undertake ID checks on applicants and also fully participate in the NFI project. This provides further assurance as this allows the payroll file to be cross matched against the directorships of companies with whom the council do business.</p> <p>Work is ongoing to centralise the conflict of interest file and this will be checked against all new procurement exercises.</p>
<p>Are you aware of any related party relationships or transactions that could give rise to instances of fraud?</p> <p>How do you mitigate the risks associated with fraud related to related party relationships and transactions?</p>	<p>The Council is unaware of any related party relationships that could give rise to instances of fraud. The Council maintains information on any related parties to ensure any risks can be mitigated and appropriate controls are in place.</p>
<p>What arrangements are in place to report fraud issues to Audit and Risk Committee?</p> <p>How does the Audit and Risk Committee exercise oversight over management's processes for identifying and responding to risks of fraud and breaches of internal control?</p>	<p>Two reports are submitted to the Audit & Risk Committee annually to report on fraud issues. Along with this internal audit also report to committee on outcomes from internal audits.</p>

Fraud risk assessment (continued)

Question	Management response
Are you aware of any whistle-blower reports under the Bribery Act since 01 April 2018? If so how does the Audit and Risk Committee respond to these?	No

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Laws and regulations

Matters in relation to laws and regulations

ISA(UK&I)250 requires us to consider the impact of laws and regulations in an audit of the financial statements.

Management, with the oversight of the Council, is responsible for ensuring that the Council's operations are conducted in accordance with laws and regulations including those that determine amounts in the financial statements.

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As auditor, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, taking into account the appropriate legal and regulatory framework. As part of our risk assessment procedures we are required to make inquiries of management and the Council as to whether the entity is in compliance with laws and regulations. Where we become aware of information of non-compliance or suspected non-compliance we need to gain an understanding of the non-compliance and the possible effect on the financial statements.

Risk assessment questions have been set out below together with responses from management.

Impact of laws and regulations

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Question	Management response
<p>How does management gain assurance that all relevant laws and regulations have been complied with?</p> <p>What arrangements does the Council have in place to prevent and detect non-compliance with laws and regulations?</p>	<p>The Council employ legal professionals to ensure it remains compliant with all relevant laws and regulations.</p> <p>Legal implications are included on all decision-making reports, scrutiny reports and a number of internal briefing reports. On a case-by-case basis lawyers are embedded into the operational decision-making structures within client areas (child protection, adults safeguarding, HR etc)</p> <p>A Quarterly Governance Panel comprising the Chief Operating Officer and the two Statutory Officers has been set up to provide an additional layer of scrutiny to what are regarded as the Council's high-risk activities/schemes.</p>
<p>How is the Audit and Risk Committee provided with assurance that all relevant laws and regulations have been complied with?</p>	<p>Legal implications are included on all reports taken to Committee, including to the Audit and Risk Committee.</p>
<p>Have there been any instances of non-compliance with law and regulation since 01 April 2018 with on-going impact on the 2018/19 financial statements?</p>	<p>There have been no known instances of significant non-compliance with law and regulation.</p>

Impact of laws and regulations (continued)

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Question	Management response
Is there any actual or potential litigation or claims that would affect the 2018/19 financial statements?	No
What arrangements does the Council have in place to identify, evaluate and account for litigation or claims?	All legal work is undertaken on a single specialist case management software system. In individual client areas (e.g. debt recovery, care proceedings, employment law etc) regular client liaison meetings occur or data is shared. Elevation mechanisms within Legal ensure that high-profile cases are referenced with senior management. Our insurance arrangements are closely managed to ensure that insurable claims are efficiently handled. All Judicial Review claims are brought to the attention of the City Barrister.
Have there been any reports from other regulatory bodies, such as HM Revenues and Customs which indicate non-compliance?	No

Going Concern

Matters in relation to going concern

ISA(UK&I)570 covers auditor responsibilities in the audit of financial statements relating to management's use of the going concern assumption in the financial statements.

The going concern assumption is a fundamental principle in the preparation of financial statements. Under this assumption entities are viewed as continuing in business for the foreseeable future. Assets and liabilities are recorded on the basis that the entity will be able to realise its assets and discharge its liabilities in the normal course of business.

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Going concern considerations have been set out below and management has provided its response.

Going concern considerations

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Question	Management response
<p>Has a report been received from management forming a view on going concern?</p>	<p>The Council does not formally complete a report on Going Concern. However the Council completes an Annual Budget report each year that goes to the Overview Select Committee (and other scrutiny committees) for scrutiny and then to Full Council for approval. This includes medium term forecasts and risks to those forecasts, as well as future action required to remain a going concern.</p>
<p>Are the financial assumptions in that report (e.g., future levels of income and expenditure) consistent with the Council Business Plan and the financial information provided to the Council Authority throughout the year?</p>	<p>The financial assumptions in the budget report are consistent with the financial information reported throughout the year. Nonetheless, the information also has to respond to changes (e.g. the recent business rates pilot announcement).</p>
<p>Are the implications of statutory or policy changes appropriately reflected in the Business Plan, financial forecasts and report on going concern?</p>	<p>Any changes in statutory or policy changes with a financial impact are reflected and reported in the financial forecasts of the Council.</p>
<p>Have there been any significant issues raised with the Audit and Risk Committee during the year which could cast doubts on the assumptions made? (Examples include adverse comments raised by internal and external audit regarding financial performance or significant weaknesses in systems of financial control).</p>	<p>No</p>

Going concern considerations (continued)

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Question	Management response
<p>Does a review of available financial information identify any adverse financial indicators including negative cash flow or poor or deteriorating performance against the better payment practice code? If so, what action is being taken to improve financial performance?</p>	<p>No. Cash balances are buoyant.</p>
<p>Does the Council have sufficient staff in post, with the appropriate skills and experience, particularly at senior manager level, to ensure the delivery of the Council's objectives? If not, what action is being taken to obtain those skills?</p>	<p>Yes</p>
<p>Does the Council have procedures in place to assess the Council ability to continue as a going concern?</p>	<p>The Council annually completes the Budget Setting process, and through this a forecast is done of the financial position. In the report assumptions and areas of risk are highlighted. The financial position is routinely monitored during the year, as is income collection.</p>
<p>Is management aware of the existence of events or conditions that may cast doubt on the Council ability to continue as a going concern?</p>	<p>Like all authorities, the Council has been severely affected by funding cuts. We have always managed to balance budgets, avoiding crisis cuts, and 19/20 is no exception. The medium term looks difficult, but we have a track record of managing cuts if more are required.</p>
<p>Are arrangements in place to report the going concern assessment to the Audit and Risk Committee?</p>	<p>A Going Concern is not formally reported to Committee. But all elected members are on Full Council and vote on the budget report which highlight the Councils financial position.</p>

Related Parties

Matters in relation to Related Parties

Local Government bodies are required to comply with IAS 24 and disclose transactions with entities/individuals that would be classed as related parties. These may include:

- entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the Council (i.e. subsidiaries);
- associates;
- joint ventures;
- an entity that has an interest in the Council that gives it significant influence over the Council;
- key management personnel, and close members of the family of key management personnel, and
- post-employment benefit plans (pension fund) for the benefit of employees of the Council, or of any entity that is a related party of the Council.

A disclosure is required if a transaction (or series of transactions) is material on either side, i.e. if a transaction is immaterial from the Council's perspective but material from a related party viewpoint then the Council must disclose it.

ISA (UK&I) 550 requires us to review your procedures for identifying related party transactions and obtain an understanding of the controls that you have established to identify such transactions. We will also carry out testing to ensure the related party transaction disclosures you make in the financial statements are complete and accurate.

Related Parties considerations

Question	Management response
Who have the Council identified as related parties?	Currently no further related parties have been identified from the 2017/18 accounts. The full process to review will happen during February and March.
What are the controls in place to identify, account for, and disclose, related party transactions and relationships?	Members & Directors are asked to complete an annual declaration. The Council also takes part in the National Fraud Initiative.

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Accounting estimates

Matters in relation to accounting estimates

Local government bodies apply appropriate estimates in the preparation of their financial statements. ISA (UK&I) 540 sets out requirements for auditing accounting estimates. The objective is to gain evidence that the accounting estimates are reasonable and the related disclosures are adequate.

224 Under this standard we have to identify and assess the risks of material misstatement for accounting estimates by understanding how the Council identifies the transactions, events and conditions that may give rise to the need for an accounting estimate.

Accounting estimates are used when it is not possible to measure precisely a figure in the accounts. We need to be aware of all estimates that the Council is using as part of its accounts preparation; these are detailed in Appendix A to this report. The audit procedures we conduct on the accounting estimate will demonstrate that:

- the estimate is reasonable; and
- estimates have been calculated consistently with other accounting estimates within the financial statements.

We would ask the Council to satisfy itself that the arrangements for accounting estimates are adequate.

Accounting estimates considerations

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Question	Management response
Are management aware of transactions, events and conditions (or changes in these) that may give rise to recognition or disclosure of significant accounting estimates that require significant judgement?	Yes
Are the management arrangements for the accounting estimates, as detailed in Appendix A, reasonable?	Yes
How is the Audit and Risk Committee provided with assurance that the arrangements for accounting estimates are adequate?	The material estimates are reported in the Statement of Accounts. Further to this briefing & training sessions are completed with the Audit & Risk Committee to ensure they understand the arrangements used for completion including estimates. The Committee is encouraged to ask questions to gain assurance that officers are able to provide robust answers.

Appendix A – Accounting Estimates

Appendix A - Accounting estimates

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Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether Management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Depreciation of PPE	<p>Assets are depreciated over their useful lives, with remaining useful life being updated as and when assets are revalued.</p> <p>A spreadsheet based asset register is maintained that holds all variables required for depreciation calculation on an asset-by-asset basis.</p> <p>All depreciable assets are depreciated on a straight line basis.</p>	Any changes in useful lives are reviewed by Finance to ensure any material movements are understood.	RICS valuers are appointed to undertake the annual valuations and update their useful life.	<p>It is assumed that the remaining useful life of assets reflect the level of repairs and maintenance that will be made.</p> <p>All depreciable assets are depreciated assuming no residual value.</p>	No

Appendix A - Accounting estimates

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Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether Management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Revaluation & Impairment of PPE	<p>Non-dwelling property valuations are planned at the beginning of each financial year by Estates & Building Services. The Valuer is asked to provide estimated property values as at the end of the financial year using forecast valuation indices.</p> <p>Programme of planned valuations maintained by Estates & Building Services to ensure that all land and buildings are regularly revalued.</p> <p>Forward indices published by the Building Cost Information Service are used to forecast property values at the Balance Sheet date.</p>	The Valuer reviews valuations at the Balance Sheet date to ascertain appropriateness of estimated valuations and therefore any material under- or over-statement.	RICS valuers are appointed to undertake the annual valuations.	Actual indices will not vary greatly from forecast indices.	Yes, the revaluation date of non-dwellings and properties has been moved from the 1 st April to 31 st March.
Bad Debt Provision	<p>A bad debt provision is calculated based on the age & total of outstanding debt at the balance sheet date.</p> <p>Standard percentages and knowledge of individual circumstances are used.</p>	Reviewed to ensure significant movements are understood and are prudent.	No	No policy or legal change affects the collection of this debt.	No but this is currently being reviewed to ensure it is in line with IFRS9

Appendix A - Accounting estimates (continued)

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether Management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Insurance Claims	This is estimated based on the claims received and which are expected to be settled.	Insurance company's, claims database is used, providing the estimate. Actuaries have been used during 2018 to review the reasonableness of the estimates.	Insurance Company & Actuaries	The status of the Claim has been maintained.	No
Business Rates	Business Rates appeals- Judgement is applied based on data from the Valuation Office Agency regarding outstanding appeals and the likelihood of success. The amount of the reduction and the backdating of the appeal have been based upon averages of historic settled appeals data and any other known information	Different averages are calculated for the different types of appeals and property types.	Revenues Manager	The calculation is based on a range of sources including professional advice. If the volume and outcome of appeals differs significantly from the assumptions then this will impact on the level of provision	No

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Appendix A - Accounting estimates (continued)

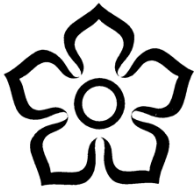
Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether Management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Liabilities under PFI Schemes	<p>Total payments due under existing PFI schemes are split between payments for services, reimbursement of capital expenditure, interest and lifecycle costs. The split being derived from detailed cash flow models provided at the commencement of each scheme. PFI liabilities are reduced by payments made during the year.</p> <p>Financial model detailing cash flows of schemes provided by KPMG.</p>	Changes to outstanding liabilities are measured against the financial model and split between current and non-current accordingly.	No	<p>It is assumed that the PFI schemes will progress as planned with specifications remaining unchanged.</p> <p>PFI unitary payments are being made as per the financial model.</p>	NO

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Appendix A - Accounting estimates (continued)

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether Management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Pension Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets.	Checks to the reasonableness of assumptions in the actuaries report are made	Yes (actuary for LGPS administered by Leicestershire County Council)	The effects of the net pension liability of changes in individual assumptions can change the liability significantly. Eg an 0.5% decrease in the Real Discount rate would mean a 10% increase to the employers liability of approximately £200m	

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Leicester
City Council

WARDS AFFECTED
All

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Audit & Risk Committee

6th March 2019

Annual review of the Council's Local Code of Corporate Governance and the Committee's Terms of Reference

Report of the Director of Finance and the City Barrister & Head of Standards

1. Purpose of Report

- 1.1. To present to the Audit & Risk Committee for approval updates to the assurance and corporate governance processes at the City Council and to approve the Local Code of Corporate Governance.

2. Recommendations

- 2.1. The Committee is recommended to:
 - a) Approve the **Local Code of Corporate Governance** (Appendix 1)

3. Summary

- 3.1. In the interests of good governance and compliance with law and regulation, the Council has in place a Local Code of Corporate Governance and a formally constituted Audit & Risk Committee. The Committee has prescribed terms of reference that form part of the Council's constitution and are designed to enable the Committee to discharge its functions both as 'those charged with governance' generally and as 'the Board' under the Public Sector Internal Audit Standards.
- 3.2. There are clear linkages between these components in making up the Council's overall system of corporate governance. In order that they remain relevant and fit for purpose, each of these documents are subject to regular review.
- 3.3. Reporting on actual compliance (i.e. what we have achieved as an organisation in this regard) will be reported in due course through the Annual Governance Statement.

3.4. Local Code of Corporate Governance

- 3.4.1. A central component of the Council's system of governance is its Local Code of Corporate Governance. This reflects the main components set out in the CIPFA and SOLACE guidance *Delivering Good Governance in Local Government: Framework*. The Local Code is a public statement of the arrangements the Council has in place to ensure it conducts its business in a way that upholds the highest standards.
- 3.4.2. The Local Code of Corporate Governance is therefore an important part of the Council's public accountability. It is important it remains fit for purpose, as each year the Council conducts a review of compliance with the Code. The results of this feed into the annual review of the effectiveness of the Council's system of internal control, thereby contributing to the Annual Governance Statement.
- 3.4.3. The Code has been refreshed for 2019/20 to ensure it sets out the Council's objectives and reflects the controls currently in place. Along with setting out how the annual review will be completed.
- 3.4.4. The Local Code of Corporate Governance is given at **Appendix 1**.

3.5. Audit & Risk Committee Terms of Reference

- 3.5.1. As a formally constituted Committee of the Council, the Audit & Risk Committee is governed by formal terms of reference. These are subject to annual review.
- 3.5.2. It was previously proposed to review the Terms of Reference following the publication of The CIPFA revised guidance on Audit Committees. However, to allow full consideration to be given to the new guidance and the settling in of the new internal audit arrangements, this has been further delayed and will be completed during 2019/20.

4. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

4.1. Financial Implications

Adequate and effective systems of corporate governance and assurance and an effective Audit & Risk Committee are all central components in the processes intended to help ensure that the Council operates efficiently, cost effectively and with integrity. Such arrangements will support the processes of audit and internal control that will help the Council as it faces financially challenging times.

Amy Oliver, Chief Accountant, x37 5667

4.2. Legal Implications

Part 2 of the Accounts and Audit (England) Regulations 2015 obliges the Council to ensure that the financial management of the Council is adequate and effective and that the Council has a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk. The Council must conduct a review at least once in a year of the effectiveness of its

system of internal control and following the review, must approve an annual governance statement.

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

5. Other Implications

Other Implications	Yes/No	Paragraph or references within the report
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Climate Change	No	
Crime and Disorder	Yes	This report is concerned with effective systems of governance and control, which are an important safeguard against the risks of theft, fraud and corruption.
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 governance and assurance processes, a main purpose of which is to give assurance to Directors, the Council and this Committee that risks are being managed appropriately by the business.

6. Report Author

Amy Oliver, Chief Accountant x37 5667

Local Code of Corporate Governance 2019/20

INTRODUCTION

The Council's Code of Corporate Governance is based on the CIPFA/SOLACE publication "Delivering Good Governance in Local Government Framework 2016"

The International Framework defines Governance as arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. The framework goes on to state to deliver good governance in the public sector both governing bodies and individuals working for them must aim to achieve their entity's objectives while acting in the public interest at all times.

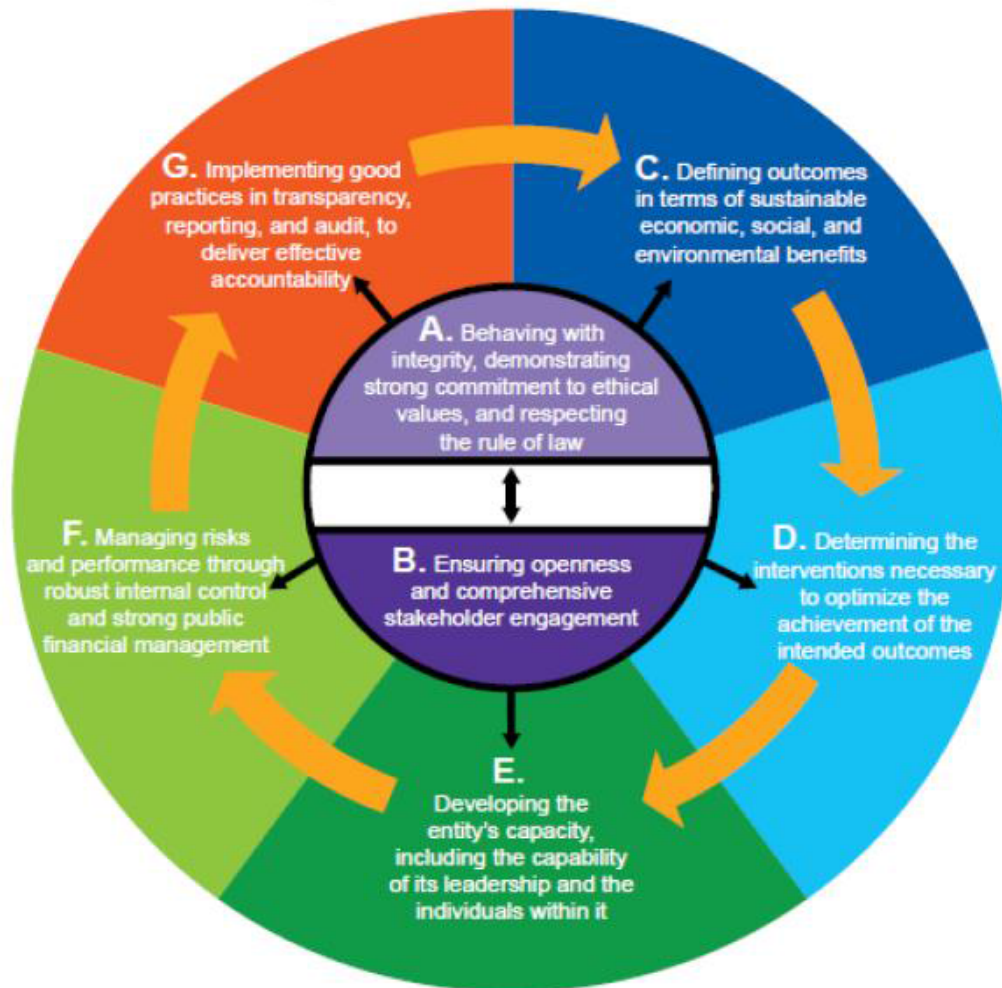
Leicester City Council is committed to the principles of good corporate governance as identified in the CIPFA/SOLACE guidance. Its commitment is confirmed through the adoption of its Local Code of Corporate Governance and its publication of the Annual Governance Statement.

This document sets out Leicester City Council's *Local Code of Corporate Governance for 2019/20* and the processes for monitoring its effectiveness. The Code provides the framework for the Council to achieve its aims and objectives.

CORE PRINCIPLES

The Council's Code of Corporate Governance is based on the seven core principles. The illustration below shows the principles of good governance in the public sector and how they relate to each other.

Achieving the Intended Outcomes While Acting in the Public Interest at all Times



HOW THE COUNCIL ENSURES GOOD GOVERNANCE

The following details how the Council ensures good governance and complies with the CIPFA/SOLACE “Delivering Good Governance Framework” (2016)

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Principle	Examples of the Council’s commitment to achieving good governance in practice is demonstrated below
<p>Behaving with Integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.</p>	<p>We have the following codes and rules which are followed:</p>
	<ul style="list-style-type: none"> • Constitution
	<ul style="list-style-type: none"> • Financial Procedure Rules
	<ul style="list-style-type: none"> • Code of Conduct for Members
	<ul style="list-style-type: none"> • Code of Conduct for Employees
	<ul style="list-style-type: none"> • Anti-fraud, Bribery & Corruption Policy
	<ul style="list-style-type: none"> • Whistleblowing Policy
	<ul style="list-style-type: none"> • Information Governance & Risk Policy

Principle	Examples of the Council’s commitment to achieving good governance in practice is demonstrated below
<p>Ensuring openness and comprehensive stakeholder engagement.</p>	<p>We show openness and engagement through the following:</p>
	<ul style="list-style-type: none"> • Open Council & committee meetings with published minutes
	<ul style="list-style-type: none"> • Published Executive Decisions
	<ul style="list-style-type: none"> • Scrutiny of Executive projects through commissions
	<ul style="list-style-type: none"> • Call in periods for Executive decisions
	<ul style="list-style-type: none"> • Public engagement through consultation, representations and petitions
	<ul style="list-style-type: none"> • Use of social media engagement on key projects and partnership working
	<ul style="list-style-type: none"> • Publication of Freedom of Information Act responses and transparency data
<p>Defining outcomes in terms of sustainable economic, social and environmental benefits</p>	<p>The City Mayor has set out a strategic vision in terms of a number of key pledges which relate to:</p>
	<ul style="list-style-type: none"> • Connecting Leicester
	<ul style="list-style-type: none"> • Quality public transport
	<ul style="list-style-type: none"> • Transforming the Waterside
	<ul style="list-style-type: none"> • Increasing school places • Attracting investment, jobs and skills

Principle	Examples of the Council’s commitment to achieving good governance in practice is demonstrated below
<p>Determining the interventions necessary to optimise the achievement of the intended outcomes</p>	<p>The key pledges are supported by the following key plans:</p>
	<ul style="list-style-type: none"> • Economic Action Plan
	<ul style="list-style-type: none"> • Local Transport Plan
	<ul style="list-style-type: none"> • Health & Wellbeing Plan
	<ul style="list-style-type: none"> • Sustainability Action Plan
	<ul style="list-style-type: none"> • Children’s Improvement Plan
	<ul style="list-style-type: none"> • Heritage Action Plan
	<ul style="list-style-type: none"> • Homelessness Strategy
	<ul style="list-style-type: none"> • Air Quality Action Plan
	<ul style="list-style-type: none"> • Flood Risk Management Strategy
	<ul style="list-style-type: none"> • Departmental performance targets
	<ul style="list-style-type: none"> • Budget Strategy
	<ul style="list-style-type: none"> • Corporate Risk Management Strategy

Principle	Examples of the Council’s commitment to achieving good governance in practice is demonstrated below
<p>Developing the entity’s capacity, including the capability of its leadership and the individuals within it</p>	<p>The Council is supported by:</p>
	<ul style="list-style-type: none"> • Democratic services including Member and Civic Support Services, who also support member development
	<ul style="list-style-type: none"> • An Organisational Development Team, who ensure effective development of employees
	<ul style="list-style-type: none"> • A communications functions which includes PR, Media and Digital Media Teams
	<ul style="list-style-type: none"> • A staff intranet and established internal communication channels, which provide guidance to staff
	<ul style="list-style-type: none"> • Partnership working on key priorities
	<ul style="list-style-type: none"> • An Information Assurance Team to support our data policies
	<ul style="list-style-type: none"> • Specialist teams offering professional advice, for example Legal, Procurement, IT and Finance
<p>Managing risks and performance through robust internal control and strong public financial management</p>	<p>We review processes and delivery throughout the year supported by:</p>
	<ul style="list-style-type: none"> • Internal Audit
	<ul style="list-style-type: none"> • External Audit
	<ul style="list-style-type: none"> • Information Governance
	<ul style="list-style-type: none"> • Audit and Risk Committee
	<ul style="list-style-type: none"> • Regular reporting of Capital and Revenue spend during a year
	<ul style="list-style-type: none"> • Annual review of the Local Code of Corporate Governance
	<ul style="list-style-type: none"> • Annual review of the Assurance Framework

Principle	Examples of the Council’s commitment to achieving good governance in practice is demonstrated below
Implementing good practices in transparency, reporting, and audit to deliver effective accountability	How the Council demonstrates good practice and ensures accountability:
	<ul style="list-style-type: none"> • External Audit
	<ul style="list-style-type: none"> • Annual Financial Statements
	<ul style="list-style-type: none"> • Annual Governance Statement
	<ul style="list-style-type: none"> • Open Council & committee meetings with published minutes
	<ul style="list-style-type: none"> • Compliance with CIPFA codes of Practices
	<ul style="list-style-type: none"> • Scrutiny Committees

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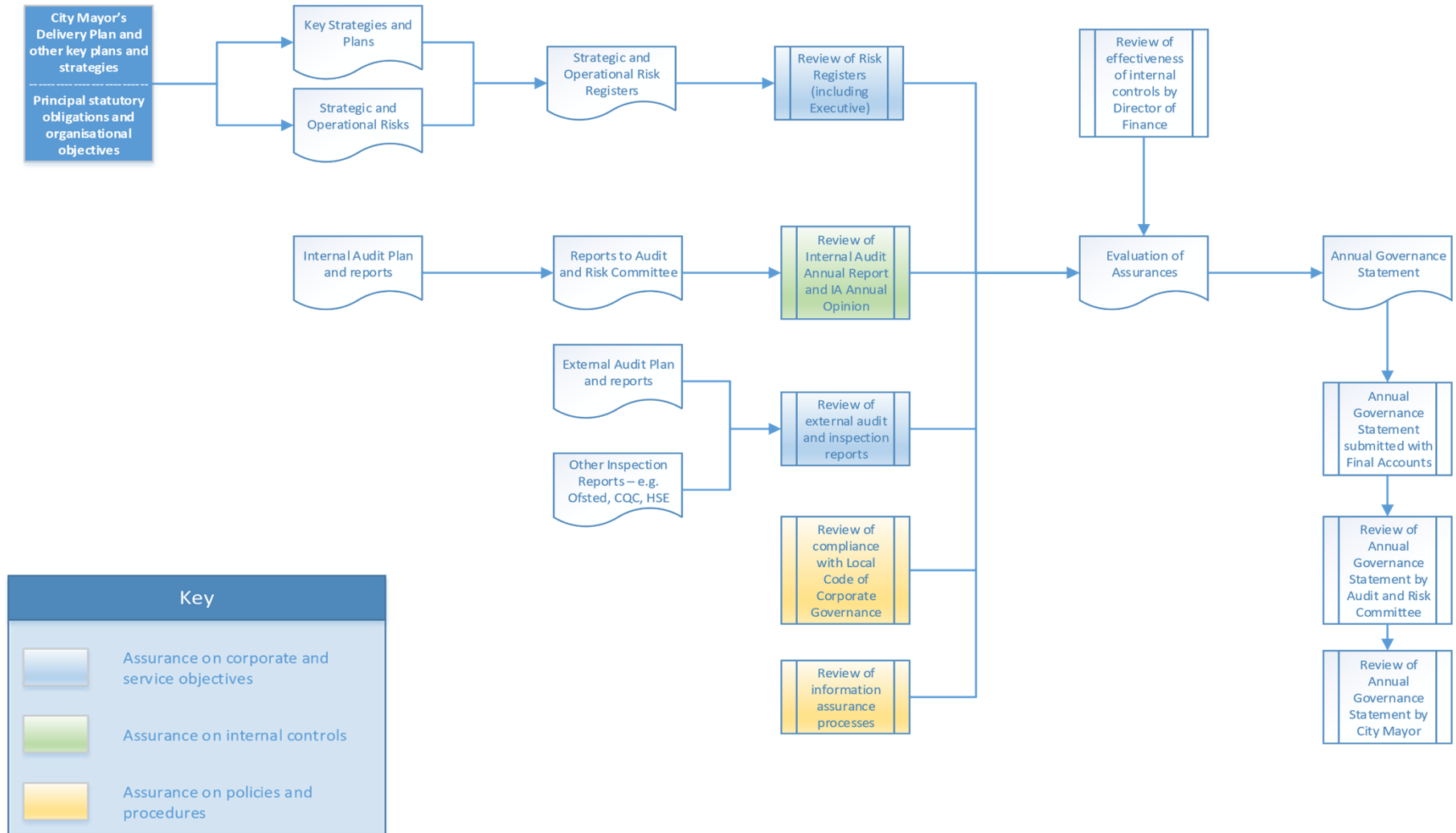
Additional information on many of the areas detailed above can be found on the Council’s website;

<https://www.leicester.gov.uk>

ANNUAL REVIEW OF GOOD GOVERNANCE

The Council is annually required to assess how effective it's governance arrangements are and report this through the Annual Governance Statement. The assessment of the Council's effectiveness is completed by following the framework below;

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Appendix L

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

Document is Restricted

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