

Leicester
City Council

MEETING OF THE AUDIT AND RISK COMMITTEE

DATE: WEDNESDAY, 18 SEPTEMBER 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 Pantling (Chair)
Councillor O'Donnell (Vice-Chair)
Councillors Bajaj, Joshi, Kaur Saini, Dr. Moore and Rahman

One Non-Group vacancy (to be notified)

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

for Monitoring Officer

Officer contact: Jason Tyler
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- ✓ where filming, to only focus on those people actively participating in the meeting;
- ✓ 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: Jason Tyler, Democratic Support on (0116) 454 6359 or email Jason.Tyler@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
(Pages 1 - 8)

The Minutes of the previous meeting of the Audit and Risk Committee held on 24 July 2019 are attached and Members will be asked to confirm them as a correct record.

4. DRAFT OF THE COMMITTEE'S ANNUAL REPORT TO COUNCIL 2018-19

Appendix B
(Pages 9 - 14)

The Director of Finance submits a report, which will be presented to Council as an annual report of the Committee, setting out the achievements over the municipal year 2018-19.

5. ANNUAL AUDIT LETTER

Appendix C
(Pages 15 - 28)

The External Auditor (Grant Thornton) submits the Annual Audit Letter, which summarises the key findings arising from the work carried out at the Council for the year ended 31 March 2019.

6. ANNUAL REPORT ON THE NATIONAL FRAUD INITIATIVE **Appendix D**
(Pages 29 - 32)

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

7. REVIEW OF THE ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY AND STRATEGY **Appendix E**
(Pages 33 - 50)

The Director of Finance submits a report, which requests the Committee to review and approve the Council's Anti-Fraud, Bribery and Corruption Policy.

8. CORPORATE COMPLAINTS (NON STATUTORY) 2018/19 **Appendix F**
(Pages 51 - 58)

The Director of Finance submits a report, which provides an update on corporate non-statutory complaints in 2018/19.

9. RISK MANAGEMENT UPDATE REPORT **Appendix G**
(Pages 59 - 128)

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

10. PRIVATE SESSION

Members of the Public to Note

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

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

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

Paragraph 3

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

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

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

Item 11

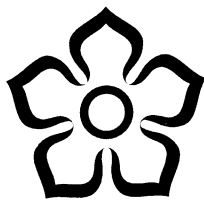
INTERNAL AUDIT – PROGRESS REPORT

11. INTERNAL AUDIT UPDATE REPORT

Appendix H
(Pages 129 - 140)

The Internal Auditor submits a report, which to provides a summary of progress against the 2018-19 and 2019-20 Internal Audit Plans, including information on resources used to progress the plans and a summary on high importance recommendations and progress with implementing them.

12. ANY OTHER URGENT BUSINESS



Leicester
City Council

Appendix A

Minutes of the Meeting of the AUDIT AND RISK COMMITTEE

Held: WEDNESDAY, 24 JULY 2019 at 5:30 pm

P R E S E N T :

Councillor Pantling (Chair)

Councillor Bajaj
Councillor Joshi

Councillor Kaur Saini
Councillor Dr Moore

Councillor Rahman

* * * * *

17. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor O'Donnell (Vice-Chair).

18. DECLARATIONS OF INTEREST

There were no Declarations of Interest.

19. MINUTES OF THE PREVIOUS MEETING

RESOLVED:

That the Minutes of the meeting held on 25 June 2019 be agreed as a correct record.

20. ANNUAL GOVERNANCE REPORT

Grant Patterson (Grant Thornton) submitted the External Auditor's Annual Governance Report, which summarised the key findings and other matters arising from the statutory audit and the preparation of the financial statements for the year ended 31 March 2019.

In terms of the Financial Statements it was reported that the external auditor was required to report whether, in their opinion, the Council's financial statements gave a true and fair view of the financial position of the Council and its income and expenditure for the year and had been properly prepared.

It was also reported that there was a requirement to report whether other information published together with the audited financial statements was materially inconsistent with the financial statements or materially misstated.

It was confirmed that the audit work was completed on site during June and July 2019 and the summary of findings identified four adjustments to the financial statements, none of which had resulted in an impact on the Council's net reported surplus for the year.

It was therefore concluded that the anticipated audit report opinion would be unqualified.

In submitting the detailed information from the findings, it was reported that with regard to 'Value for Money' a risk based review of the Council's arrangements had been undertaken. It was concluded that the Council had proper arrangements to secure economy, efficiency and effectiveness in its use of resources. An unqualified value for money conclusion was anticipated. With regard to 'Statutory Duties' it was confirmed that no additional statutory powers or duties had been applied.

In concluding the summary of the Annual Governance Report, it was clarified that the majority of work had been completed but the completion certificate could not be issued at this stage, as the Whole of Government Accounts work was yet to be concluded

The audit approach was explained and it was noted that this was based on a thorough understanding of the Council's business and is risk based. In particular the evaluation of the Council's internal controls environment, including IT systems; and substantive testing on significant transactions and material account balances.

It was confirmed that audit plan, as communicated to on 6 March 2019 had not been altered.

The audit was substantially complete and there were no matters which required modification of the audit opinion or material changes to the financial statements, subject to the satisfactory resolution of some outstanding matters, as outlined within the report. It was confirmed most had now been covered since submitting the report.

The Committee was also informed that the Council had repaid debt listed on the London Stock Exchange in January 2019. As a result the Council is no longer classified as a "Public Interest Entity" and an Extended Auditor's Report, as provided by the predecessor auditor, was no longer required.

In terms of significant risks during the course of the audit, the Council had sought a revised report to account for the impact of the recent 'McCloud' judgement. It was reported that in January 2017, the Employment Tribunal ruled that transitional provisions in the New Judicial Pension Scheme (NJPS) were unlawfully age discriminatory because they were not objectively justified.

It was confirmed assurances had been sought from the auditor of the Leicestershire County Council Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data by the pension fund. Subject to satisfactory receipt of this assurance an impact upon the audit opinion was not envisaged.

The Chair thanked the external auditor for submitting the Annual Governance Report and summarising the work undertaken.

The Committee considered the report and its findings in detail and sought assurances in particular concerning the adjustments to the accounts relating to pension contributions, arising from the 'McCloud' judgement. It was noted that the pension fund net liability, reflected in the balance sheet, represented a significant estimate in the financial statements due to the size of the numbers involved and the sensitivity.

It was therefore acknowledged that the valuation of the pension fund net liability had been identified as a significant risk.

In terms of the outstanding matters assessed as 'amber', assurances were also sought concerning the Council's PFI model for schemes in accordance with Building Schools for the Future.

Committee members also raised the issue of the recent joint local review by CQC and OFSTED of the Council and CCG's SEND services. It was reported that this review led to the requirement for a written statement of action because of significant weaknesses.

The external auditor had sought assurance from senior officers of how the Council was ensuring that the outstanding actions were being undertaken and how they were progressing against the plan.

An assurance was provided that regular reporting processes were adequate, and it was confirmed that progress had been recognised. The question of the Council's apparent 'self-review' was raised and in reply it was reported that the LGA had also undertaken a separate independent review which had concluded that satisfactory arrangements were in place.

The external auditor also explained that such arrangements were positive, allowing the Council to examine its own process and procedures. It was accepted that the performance of the service was appropriately monitored.

RESOLVED:

That the External Auditor's Annual Governance Report be received and noted.

21. THE COUNCIL'S ANNUAL GOVERNANCE STATEMENT 2018-19

The Director of Finance submitted a report, which sought approval for the Council's Annual Governance Statement 2018 – 2019.

RESOLVED:

That the Annual Governance Statement 2018 - 2019 be approved.

22. THE STATEMENT OF ACCOUNTS AND LETTER OF REPRESENTATION 2018/19

The Director of Finance submitted a report, which advised of the requirement for the Council to present its audited Statement of Accounts for 2018/19 by the 31st July 2019.

It was reported that regulations also required those charged with governance to approve a letter of management representation. It was noted that the external auditor had presented details, known as the ISA 260 report, with the conclusions of the audit work in a previous agenda item (minute 22 refers).

RESOLVED:

- 1) To note the auditor's ISA 260 Report to those charged with Governance and the recommendations contained within it;
- 2) To adopt the audited accounts for the year ended 31st March 2019; and
- 3) To approve the letter of representation submitted by the Director of Finance.

23. REGULATION OF INVESTIGATORY POWERS ACT 2000

The City Barrister and Head of Standards submitted a report, which advised on the performance of the Council in authorising Regulatory Investigation Powers Act (RIPA) applications, from 1st January 2019 to 30th June 2019.

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

It was noted that the Investigatory Powers Commissioner inspected the Council in March 2019 and the Council was found to demonstrate compliance. The findings were appended to the report.

Committee members welcomed the report and its findings, and it was suggested that RIPA be identified as a topic for a future Members Training session.

RESOLVED:

- 1) To receive and note the report;
- 2) To adopt the revised Surveillance Policy; and
- 3) To identify the Regulatory Investigation Powers Act (RIPA) as a topic for a future Members Training session.

24. COUNTER FRAUD ANNUAL REPORT 2018/19

The Director of Finance submitted a report, which provided information on counter-fraud activities during 2018-19 and is confined to the City Council's Corporate Investigations Team within Financial Services.

In discussing the report, the Committee sought further information on actions taken to prevent and enforce the sub-letting of Council property. The nationally recognised problem of businesses folding and re-starting under a different identity was also noted.

The working relationships and liaison with colleagues in the Housing Directorate and Revenues (Business Rates) Team were explained and noted.

RESOLVED:

That the report be received and noted.

25. ANNUAL INSURANCE REPORT

The Director of Finance submitted a report, which presented an overview of the Council's internal and external insurance arrangements; and provided information on the claims received in recent years, and the results of the claims handling process.

In respect of highways claims, the increased activity during 2017/18 due to bad weather was highlighted. It was reported that an increase in the highways defensibility rate had been experienced nationally. It was further reported that the Council had a good record in successfully defending a significant number of highways claims, due to sound risk assessments undertaken by highways officers.

In terms of motor insurance claims, it was clarified that the data related to accidents and incidents involving the Council's vehicles.

RESOLVED:

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

26. ANY OTHER URGENT BUSINESS

The Chair advised that the following item had been accepted as a Matter of Urgency for the following reason:

A Local Government Ombudsman (LGO) final report had been published on 18th July 2019 in relation to a complaint received against Leicester City Council.

The report included the following statement from the LGO:

“The Council must consider the report and confirm within three months the action it has taken or proposes to take. The Council should consider the report at its full Council, Cabinet or other appropriately delegated committee of elected members and we will require evidence of this. (Local Government Act 1974, section 31(2), as amended)”.

The Audit and Risk Committee was considered to be the appropriately delegated Committee to consider the report.

27. LOCAL GOVERNMENT OMBUDSMAN JUDGEMENT IN RELATION TO ELECTIVE HOME EDUCATION CASE AT LEICESTER CITY COUNCIL

The Director of Learning & Inclusion submitted a report, which advised the Committee of a Local Government Ombudsman (LGO) final report published on 18th July 2019 in relation to a complaint received against Leicester City Council.

It was reported that the complaint related to an investigation by the Council's Elective Home Education service. The findings of the LGO in respect of the complaint were appended to the report. It was confirmed that as the LGO upheld the complaint, the Council was required to comply with the recommendations within the LGO report.

The Director of Learning & Inclusion then reported on the background to the case and clarified that the remedies as recommended by the LGO were being fully implemented. In response to a question, it was confirmed that an apology had been made to the complainant. It was also confirmed that a press release had been issued in response to the recommendations, the details of which were noted by the Committee.

Members of the Committee expressed concern at the LGO's findings and supported the actions of the Learning and Inclusion Service. The Committee accepted that the actions had been taken with the best interests of the child in mind at the time.

In respect of the number of children home schooled in the city, and in reply to a question, it was reported that there had been a significant increase in the six months since December 2018. Revised guidance was expected on this issue and it was expected that the Council's legal powers would be strengthened.

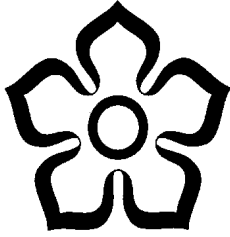
Members of the Committee considered that the general question of how home schooling should be overseen should be referred to the Children, Young People and Schools Scrutiny Commission for their consideration and comment, once the revised guidance had been received.

RESOLVED:

- 1) That the recommendations of the Local Government Ombudsman in respect of the complaint be accepted;
- 2) That the actions and remedies taken and being taken to fully comply with the recommendations within the LGO report be noted;
- 3) That following confirmation of revised statutory guidance, the matter of the increased numbers of home schooled children be referred to the Children, Young People and Schools Scrutiny Commission for consideration and comment; and
- 4) That the Local Government Ombudsman be informed of the Council's response accordingly.

28. CLOSE OF MEETING

The meeting closed at 7.00pm.



Leicester
City Council

WARDS AFFECTED:
ALL

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Audit and Risk Committee
Council

18th September 2019
3rd October 2019

Annual Report of the Audit and Risk Committee to Council
covering the municipal year 2018-19

Report of the Director of Finance

1 PURPOSE OF REPORT

- 1.1 To present to the Council the annual report of the Audit and Risk Committee setting out the Committee's achievements over the municipal year 2018-19.
- 1.2 This report was presented to the Committee for approval at its meeting on 18th September 2019.

2 RECOMMENDATIONS

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

3 SUMMARY

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

4 REPORT

- 4.1 The Committee's terms of reference are regularly reviewed. They formally confer upon it the role of 'the board' for the purposes of the *Public Sector Internal Audit Standards*, (the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework, interpreted and adopted for local government by CIPFA) as the recognised professional standards for local authority internal audit.
- 4.2 During the municipal year 2018/19, the Committee met on five occasions. All meetings were properly constituted and quorate. The Committee's terms of reference require it to meet at least three times a year. The Head of Finance and Leicestershire County Council's Head of Internal Audit and Assurance Service attended meetings of the Committee. In addition, and in the interests of providing the full range of legal, constitutional and financial advice and expertise, the Committee was supported by the Director of Finance and the City Barrister & Head of Standards or their representatives.
- 4.3 CIPFA has a publication *Audit Committees – Practical Guidance for Local Authorities*, providing guidance on function and operation of audit committees. The position statement within the guidance, notes "*audit committees are a key component of an authority's governance framework. Their function is to provide an independent and high-level resource to support good governance and strong public financial management.*"
- 4.4 Further to this it notes the purpose of the governance committee is to provide those charged with governance independent assurance of the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance processes.
- 4.5 It is considered that Audit and Risk Committee met the requirements for an effective Audit Committee. In summary the reasons for this are:
- The Committee meets regularly, and its chair and membership are sufficiently independent of other functions in the Council. Meetings are conducted constructively and are free and open and are not subject to political influences;
 - The Committee's terms of reference provide a sufficient spread of responsibilities covering internal and external audit, risk management and governance;
 - The Committee plays a sufficient role in the management of Internal Audit, including approval of the audit plan, review of Internal Audit's performance and the outcomes of audit work and management's response to that; and
 - The Committee received reports from KPMG as the Council's external auditor and maintains an overview of the external audit process including the fees charged.
- 4.6 However, it is acknowledged that Committee members need suitable training. Arrangements continue to be made to provide training on a relevant topic immediately before meetings of the Committee. The Committee is subject, of

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

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

4.8.1. Internal Audit

- The Committee considered the Internal Audit annual plan and monitored its delivery and outcomes during the year. The Committee also received the Internal Audit annual report and opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control.
- The Committee reserves the right to summon relevant officers to attend its meetings to discuss in more depth specific issues raised by Internal Audit reports. This has helped to maintain the profile of the Committee and its role in promoting adherence to procedures and improved internal control.
- The Committee received a report informing them of an independent peer review completed on the internal audit function provided by Leicestershire County Council. This noted the service 'Generally conforms' to standards being the top rating.

4.8.2 Counter-Fraud

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

4.8.3 External Audit

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

- There was a delay in the completion of the 2017/18 external audit work. The External Auditor attended the December 2018 meeting and explained the reasons for the delay and apologised. We have new external auditors from 2018/19, as the external auditor changes every 5 years.

4.8.4 Risk Management

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

4.8.5 Corporate Governance

- The Committee fulfilled the responsibilities of 'the board' for the purposes of the City Council's conformance to the *Public Sector Internal Audit Standards* in terms of overseeing the Council's arrangements for audit, the management of risk and the corporate governance assurance framework.
- The Committee maintained its oversight of the Council's corporate governance arrangements. The Council's updated assurance framework, which maps out the process for collating the various sources of assurance and preparing the Council's statutory Annual Governance Statement, was reviewed and approved by the Committee.
- The Committee approved the Annual Governance Statement for 2017/18.
- This annual report to Council is part of the governance arrangements, through giving a summary of the Committee's work and contribution to the good governance of the City Council and demonstrating the associated accountability.

4.8.6 Financial reporting

- The Committee received and approved the Council's statutory Statement of Accounts for 2017/18 and associated external audit reports. It approved the Council's letter of representation, by means of which the City Council gives assurance to the external auditor; there were no significant items that were not reflected in the Council's accounting statements.
- The external auditor's Annual Governance Report was issued to the Committee as 'those charged with governance' and considered accordingly. In this report, the auditor confirmed that his audit opinion on the Council's financial statements would be 'unqualified'.

4.8.7 Other Work

- During the year the Committee also received updates and reports on the following areas:
 - The preparations and potential impacts of an EU Exit.

- Housing Benefits Subsidy arrangements
- Corporate complaints
- Social Value
- The DFE and LGA Test of Assurance (regards the leadership of adult and children's social care).

5. Conclusions

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

6. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

6.1 Financial Implications

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

Colin Sharpe, Head of Finance, ext. 37 4081

6.2 Legal Implications

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

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

7. Other Implications

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

8. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

Agendas and Minutes of the Audit & Risk Committee meetings

REPORT AUTHOR

Amy Oliver, Chief Accountant

The Annual Audit Letter for Leicester City Council

 Year ended 31 March 2019

9 September 2019



Appendix C

Contents



**Your key Grant Thornton
team members are:**

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Appendices

- A Reports issued and fees

Executive Summary

Purpose

Our Annual Audit Letter (Letter) summarises the key findings arising from the work that we have carried out at of Leicester City Council ('the Council') for the year ended 31 March 2019.

This Letter is intended to provide a commentary on the results of our work to the Council and external stakeholders, and to highlight issues that we wish to draw to the attention of the public. In preparing this Letter, we have followed the National Audit Office (NAO)'s Code of Audit Practice and Auditor Guidance Note (AGN) 07 – 'Auditor Reporting'. We reported the detailed findings from our audit work to the Council's Audit Committee as those charged with governance in our Audit Findings Report on 24/07/2019.

Our work

Materiality

We determined materiality for the audit of the Council's financial statements to be £17.2m, which is 1.5% of the Council's gross operating expenses.

Financial Statements opinion

We gave an unqualified opinion on the Council's financial statements on 30 July 2019.

Whole of Government Accounts (WGA)

We completed our work on the Council's consolidation return following guidance issued by the NAO. We issued an assurance statement which did not identify any issues for the NAO, as the group auditor, to consider on 9 September 2019.

Use of statutory powers

We did not identify any matters which required us to exercise our additional statutory powers.

Value for Money arrangements

We were satisfied that the Council put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources. We reflected this in our audit report to the Council on 30 July 2019.

Certification of Grants

We completed work on the Council's 2017-18 Council's 2017-18 Pooling of Housing Capital Receipts return as an audit related non-audit service. There were no matters we were required to report (page 8).

We have not yet started work on the 2018-19 pooled capital receipts return which has a 31 January 2020 deadline. We also carry out work to certify the Council's 2018-19 Housing Benefit subsidy claim on behalf of the Department for Work and Pensions and the 2018-19 Teachers' Pension return. Our work on these claims is not yet complete and will be finalised by 30 November 2019. We will report the results of this work to the Audit and Risk Committee separately.

Certificate

Following completion of our work on the Council's WGA return we certified that we have completed the audit of the financial statements of Leicester City Council in accordance with the requirements of the Code of Audit Practice on 9 September 2019.

Respective responsibilities

We have carried out our audit in accordance with the NAO's Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014 (the Act). Our key responsibilities are to:

- give an opinion on the Council's financial statements (section two)
- assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion) (section three).

In our audit of the Council's financial statements, we comply with International Standards on Auditing (UK) (ISAs) and other guidance issued by the NAO.

Executive Summary

Working with the Council

During the year we have delivered a number of successful outcomes with you:

- An efficient audit – we delivered an efficient audit with you in July, delivering the financial statements by the deadline, releasing your finance team for other work.
- Understanding your operational health – through the value for money conclusion we provided you with assurance on your operational effectiveness.
- Sharing our insight – we provided regular audit committee updates covering best practice.
- Providing training – we provided your teams with training on financial statements and annual reporting
- Supporting development – we provided training for the Audit and Risk Committee in respect of the work of external audit. We also provided an aide memoire document to assist members in their review of the Council's financial statements

We would like to record our appreciation for the assistance and co-operation provided to us during our audit by the Council's staff.

Grant Thornton UK LLP
August 2019

Audit of the Financial Statements

Our audit approach

Materiality

In our audit of the Council's financial statements, we use the concept of materiality to determine the nature, timing and extent of our work, and in evaluating the results of our work. We define materiality as the size of the misstatement in the financial statements that would lead a reasonably knowledgeable person to change or influence their economic decisions.

We determined materiality for the audit of the Council's financial statements to be £17.2m, which is 1.5% of the group's gross operating expenses. We used this benchmark as, in our view, users of Council's financial statements are most interested in where the Council has spent its revenue in the year.

We set a lower threshold of £860,000, above which we reported errors to the Audit and Risk Committee in our Audit Findings Report.

We also set a lower level of specific materiality for specific transactions, balances or disclosures. We set a lower threshold of £25,000 to disclosures of senior manager's remuneration to be sensitive as we believe these disclosures are of specific interest to the reader of the accounts.

The scope of our audit

Our audit involves obtaining sufficient evidence about the amounts and disclosures in the financial statements to give reasonable assurance that they are free from material misstatement, whether caused by fraud or error. This includes assessing whether:

- the accounting policies are appropriate, have been consistently applied and adequately disclosed;
- the significant accounting estimates made by management are reasonable; and
- the overall presentation of the financial statements gives a true and fair view.

We also read the remainder of the financial statements, and the Narrative Report and Annual Governance Statement, to check it is consistent with our understanding of the Council and with the financial statements included in the Annual Accounts 2018/19 on which we gave our opinion.

We carry out our audit in accordance with ISAs (UK) and the NAO Code of Audit Practice. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

We identified key risks and set out overleaf the work we performed in response to these risks and the results of this work.

Audit of the Financial Statements

Significant Audit Risks

These are the significant risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>1. The revenue cycle includes fraudulent transactions (rebutted)</p> <p>Under ISA (UK) 240 – <i>the Auditor's Responsibility to Consider Fraud in an Audit of Financial Statements</i> - 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 Council, we have determined as part of our planning procedures 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>We have not altered our assessment as reported in the audit plan and, whilst not a significant risk, as part of our audit work we did undertake work on material revenue items. Our work did not identify any matters that would indicate our rebuttal was incorrect. We therefore have no issues to report in this regard.</p>
<p>2. Management override of controls</p> <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. .</p> <p>The Council 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 one of the most significant assessed risks of material misstatement for the Council.</p>	<p>We have:</p> <ul style="list-style-type: none"> • gained an understanding of the accounting estimates, judgements applied and decisions made by management and consider their reasonableness • obtained a full listing of journal entries, identify and tested unusual journal entries for appropriateness • evaluated the rationale for any changes in accounting policies or significant unusual transactions. 	<p>Our audit work at the Council has not identified any issues in respect of management override of controls.</p>

Audit of the Financial Statements

Significant Audit Risks - continued

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>3. Valuation of land and buildings</p> <p>The Council'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 Council 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>This valuation of property, plant and equipment (PPE) represents a significant estimate by management in the financial statements due to the size of the numbers involved (£2,466m) 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 have:</p> <ul style="list-style-type: none"> documented and evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuation experts and the scope of their work evaluated the competence, capabilities and objectivity of the valuation expert written to the valuer, with follow up discussions as necessary, to confirm the basis on which the valuations were carried out challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding tested, on a sample basis, revaluations made during the year to ensure they are consistent with the valuer's report and have been input correctly into the Authority's asset register evaluated and challenged the assumptions made by management for those assets not revalued during the year and how management have satisfied themselves that these are not materially different to current value. 	<p>The Council owns 20,759 dwellings and is required to revalue these properties in accordance with MHCLG's Stock Valuation for Resource Accounting guidance. The guidance requires the use of beacon methodology, in which a detailed valuation of representative property types is then applied to similar properties. The Council engaged an external valuer to complete the valuation of these properties. The year end valuation of Council Housing was £950m, a net increase of £40m from 2017/18 (£910m).</p> <p>Other land and buildings (OLB) comprises specialised assets such as schools and libraries, which are required to be valued at depreciated replacement cost (DRC) at year end, reflecting the cost of a modern equivalent asset necessary to deliver the same service provision. The remainder of other land and buildings are not specialised in nature and are required to be valued at existing use in value (EUV) at year end.</p> <p>The Council has engaged its own internal valuer to complete the valuation of properties as at 31 March 2019 on a five yearly cyclical basis. 72% of total assets were revalued during 2018/19. The year end valuation of OLB was £1,189m, a net increase of £171m from 2017/18 (£1,018m).</p> <p>We identified from our review of the Council's draft financial statements that £13.2m of surplus assets (year end total £76m) were valued at historic cost, when the Code requires them to be valued at fair value, i.e. the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. All except £275k of this value relates to land at Waterside. The fair value for this land has subsequently been determined to be £11.1m. The Council amended for this adjustment by decreasing the value of the asset by £1.9m, with an equal and opposite amount to the revaluation reserve.</p> <p>The remaining assets of £251m (PY £253m) are either valued at historic cost or use historic cost as a proxy for current value (vehicles and plant).</p> <p>From the procedures carried out we are satisfied that the valuation of land and building in the financial statements is not materially misstated. We have no other points to report in relation to the valuation of Property, Plant and Equipment.</p>

Audit of the Financial Statements

Significant Audit Risks - continued

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>4. Valuation of the pension fund net liability</p> <p>The Council'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 (£811m as at 31 March 2019, PY £634 million) 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 have:</p> <ul style="list-style-type: none"> updated our understanding of the processes and controls put in place by management to ensure that the Council's net pension fund liability is not materially misstated and evaluate the design of the associated controls; evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work; assessed the competence, capabilities and objectivity of the actuary who carried out the Council's pension fund valuation; assessed the accuracy and completeness of the information provided by the Council to the actuary to estimate the liability; tested 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; undertaken 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 sought assurances from the auditor of the Leicestershire 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. 	<p>Our audit identified one issue in relation to accounting for the impact of the McCloud Court of Appeal judgement. The Court of Appeal has ruled that there was age discrimination in the judges and firefighters pension schemes where transitional protections were given to scheme members. The legal ruling has implications not just for pension funds, but also for other pension schemes where they have implemented transitional arrangements on changing benefits, such as the Local Government Pension Scheme (LGPS). Our Grant Thornton view was that the McCloud judgement gave rise to a past service cost and liability which should be recognised as the ruling created a new obligation.</p> <p>As a result of the ruling we have worked with the Council to consider the implications of the judgement. As a result, during the course of the audit the Council sought a revised report from the actuary in order to account for the impact of the recent "McCloud" judgement.</p> <p>This was provided in July and the accounts updated accordingly. It has led to an increase in the defined gross pension liability by £17.635m. The fair value of plan assets has also been updated to reflect the actual rather than estimated position at 31 March, a decrease of £28.11m. The net pension liability on the balance sheet has therefore moved from £766m in the draft accounts to £811m.</p> <p>We are satisfied that these adjustments have been reflected in the revised financial statements and confirmed that the pension liability is not materially misstated in the financial statements after these adjustments</p>

Audit of the Financial Statements

Audit opinion

We gave an unqualified opinion on the Council's financial statements on 30 July 2019.

Preparation of the financial statements

The Council presented us with draft financial statements in accordance with the national deadline, and provided a good set of working papers to support them. The finance team responded promptly and efficiently to our queries during the course of the audit.

Issues arising from the audit of the financial statements

We reported the key issues from our audit to the Council's Audit Committee on 24 July 2019.

Opening balances

ISA 510 (UK) requires that in conducting an initial audit engagement we should obtain sufficient appropriate audit evidence about whether opening balances contain misstatements that materially affect the current period's financial statements; and appropriate accounting policies reflected in the opening balances have been consistently applied in the current period's financial statements. We reviewed the work of the predecessor auditor and concluded that we can place reliance upon it except for the following areas where we undertook 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.

Through our testing, the Council identified that two prior period adjustments were required:

1. Grants were treated incorrectly in the prior year financial statements. They had been held on the balance sheet as creditors/receipts in advance, which for these particular grants was incorrect, as they must be recognised immediately as income, unless any conditions have not been met.
2. In supplying evidence for the sample testing of the grants, the corporate finance team identified that were elements of schools grants income that had been erroneously double counted; once by the Council, and again by the school.

These adjustments have both been made. There were no unadjusted misstatements.

Annual Governance Statement and Narrative Report

We are required to review the Council's Annual Governance Statement and Narrative Report. It published them on its website in the Statement of Accounts in line with the national deadlines.

Both documents were prepared in line with the CIPFA Code and relevant supporting guidance. We confirmed that both documents were consistent with the financial statements prepared by the Council and with our knowledge of the Council.

Whole of Government Accounts (WGA)

We are required to carry out work on the Council's Data Collection Tool in line with instructions provided by the NAO. We issued an assurance statement which did not identify any issues for the group auditor to consider on 9 September 2019.

Other statutory powers

We also have additional powers and duties under the Act, including powers to issue a public interest report, make written recommendations, apply to the Court for a declaration that an item of account is contrary to law, and to give electors the opportunity to raise questions about the Council's accounts and to raise objections received in relation to the accounts.

Certification of Grants

This is our first Annual Audit Letter to the Council. We have certified the Council's prior year (2017-18) Pooling of housing Capital receipts return. There were no exceptions we were required to report to the Ministry of Housing, Communities and Local Government (MHCLG) in our agreed upon procedures report dated 31 January 2019.

We also carry our work to certify the Council's 2018-19 Housing Benefit Subsidy claim on behalf of the Department for Work and pensions (DWP), the 2018-19 Pooling of housing Capital receipts return for MHCLG and 2018-19 Teachers' Pension return for Teachers' Pensions. Our work on these claims is either not yet started or complete. We will report the results of this work to the Audit and Risk Committee.

Certificate of closure of the audit

We certified that we have completed the audit of the financial statements of Leicester City Council in accordance with the requirements of the Code of Audit Practice on 9 September 2019.

Value for Money conclusion

Background

We carried out our review in accordance with the NAO Code of Audit Practice, following the guidance issued by the NAO in November 2017 which specified the 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.

Key findings

Our first step in carrying out our work was to perform a risk assessment and identify the risks where we concentrated our work.

The risks we identified and the work we performed are set out overleaf.

Overall Value for Money conclusion

We are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2019.

Value for Money conclusion

Value for Money Risks

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions (see Audit Findings Report for detailed findings)
<p>Financial resilience</p> <p>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.</p>	<p>As part of our work we have:</p> <ul style="list-style-type: none"> Undertaken a review of the Council's Medium Term Financial Strategy and financial monitoring reports and assess the assumptions used and savings being achieved. 	<ul style="list-style-type: none"> The way the Council applies its savings requirements is to take the required savings out of each directorate in the budget. Therefore monitoring of savings is through monitoring how it is performing against budget. The positive General Fund outturn position achieved during 2018-2019, and the resulting adjustments to reserves, will therefore help to support the Council's short term financial position. However, it does not address the challenging financial position that the Council finds itself in over the medium term; namely identifying an additional £27.3 million of budget reduction and income generation proposals over the period to 2020-2021. The Council are looking at developing savings schemes to fill gaps in future years. In the <i>General Fund Revenue Budget 2019/20 to 2021/22</i> the section 151 officer noted down her risk assessment and adequacy of estimates in the 2019-20 budget, highlighting the need to achieve budgeted revenues. We therefore reviewed income collection rates achieved in 2018-19 to assess the Council's success in this area.. For business rates, the Council's collection rate is approximately 97% which is not uncommon. Annual collection rate for council tax is 95%, but collection continues after the year in question and eventually a collection rate of 98% is achieved. Again, this is within the normal parameters seen in the sector. Therefore we concluded, that while the s151 officer has highlighted it as a risk, the Council are starting from a positive position of reasonable collection rates. The budgeted position has been met with use of £10.2m of reserves. This was anticipated and is as a result of the Council's managed reserves strategy whereby reserves have been built up over a number of years in order to provide a buffer when needed. We note that the general fund is at £15m even after use of reserves, and the total level of earmarked reserves as at 31 March 2019 stands at £222m. We have conducted a review of reserves, which demonstrates that even without the identification of further savings the Council has sufficiency of reserves for it to continue for the foreseeable future, though the use of General Fund and earmarked reserves. However, this would necessitate a potential reconsideration of the Council's strategic objectives and therefore confirms the need for savings to be identified and delivered. <p>We concluded that the risk was sufficiently mitigated and the Council has proper arrangements in place to ensure it plans finances effectively to support the sustainable delivery of strategic priorities and using appropriate cost and performance information to support informed decision making.</p>

Value for Money conclusion

Value for Money Risks

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions (see Audit Findings Report for detailed findings)
<p>OFSTED</p> <p>There was a joint local review by the Care Quality Commission and OFSTED of the Council and Clinical Commissioning Group's Special Educational Needs and Disability (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.</p>	<p>As part of our work we have:</p> <ul style="list-style-type: none"> • Obtained the statement of action submitted to OFSTED and reviewed how the Council is ensuring that these actions are undertaken and progress against the plan monitored. • Additionally, the Authority has been the subject of a ILACS (Inspection of Local Authority Children's Services) Focussed Visit of their children's services. We have reviewed this report and considered it as part of our VFM arrangements conclusion. 	<ul style="list-style-type: none"> • Subsequent to our initial risk assessment being undertaken we have obtained the statement of action submitted to OFSTED and reviewed how the Council is ensuring that these actions are undertaken and progress against the plan monitored. In the response from OFSTED upon receipt of the written statement of action, it was noted that the actions were required to address the following significant weaknesses: <ul style="list-style-type: none"> • the lack of strategic planning to improve the outcomes for children and young people who have SEN and/or disabilities • the poor quality of the education, health and care (EHC) plans • the assessment of children and young people's social care needs • the lack of joint commissioning of services to support young people's health needs post-19 • the disjointed approach to preparation for adulthood. • The action plan that was discussed at the Special Educational Needs and Disability (SEND) board in October 2018 showed that actions were either completed or not yet due but that work was being done in all areas. • In respect of the focussed visit to Leicester City Council's Children Services, (which involved inspectors looking at the local authority's arrangements for children in need and those subject to a child protection plan, including children receiving help and support from the disabled children's service), there was no overall "rating" assigned. However, while it identified there was still work to do, it also included positive messages in relation to the improvement of the quality of social work practice. <p>From our discussion with key officers and review of the relevant documentation, we can see that the Council are making progress and are monitoring their actions. In addition to the above, the department produce quarterly assurance reports, which are considered by members, and which demonstrate that the Council knows itself well and is continuing to audit itself to identify where further improvements need to be made.</p>

A. Reports issued and fees

We confirm below our final reports issued and fees charged for the audit.

Reports issued

Report	Date issued
Audit Plan	6 March 2019
Audit Findings Report	24 July 2019
Annual Audit Letter	August 2019

Fees

	Planned £	Actual fees £	2017/18 fees £
Statutory audit	112,884	121,884	146,603
Total fees	12,884	112,884	146,603

Fees for non-audit services

Service	Fees £
Audit related services	
• Housing capital receipts	5,000
• Housing Benefit Subsidy Claim	53,000
• Teachers Pension Return	5,500
Non-Audit related services	
- None	Nil

Non- audit services

- For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council. The table above summarises all non-audit services which were identified.
- We have considered whether non-audit services might be perceived as a threat to our independence as the Council's auditor and have ensured that appropriate safeguards are put in place.

The above non-audit services are consistent with the Council's policy on the allotment of non-audit work to your auditor.

Audit fee variation

As outlined in our audit plan, the 2018-19 scale fee published by PSAA of £112,884 assumes that the scope of the audit does not significantly change. There are a number of areas where the scope of the audit has changed, which has led to additional work. These are set out in the following table.

Area	Reason	Fee proposed
Assessing the impact of the McCloud ruling	The Government's transitional arrangements for pensions were ruled discriminatory by the Court of Appeal last December. The Supreme Court refused the Government's application for permission to appeal this ruling. As part of our audit we have reviewed the revised actuarial assessment of the impact on the financial statements along with any audit reporting requirements.	£3,000
Pensions – IAS 19	The Financial Reporting Council has highlighted that the quality of work by audit firms in respect of IAS 19 needs to improve across local government audits. Accordingly, we have increased the level of scope and coverage in respect of IAS 19 this year to reflect this.	£3,000
PPE Valuation – work of experts	As above, the Financial Reporting Council has highlighted that auditors need to improve the quality of work on PPE valuations across the sector. We have increased the volume and scope of our audit work to reflect this.	£3,000
Total		£9,000

The revised fee for the year is subject to approval by Public Sector Appointments Ltd (PSAA). The £112,884 represents a 17% statutory audit fee reduction on the prior year.





Annual Report on the National Fraud Initiative (NFI)

Audit & Risk Committee

Date of committee meeting: 18 September 2019

Lead director: Alison Greenhill

Useful information

- Report author: Stuart Limb (Corporate Investigations Manager)
- Author contact details: 0116 454 2615 / 37 2615 stuart.limb@leicester.gov.uk
- Report version 4

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide information to the Audit and Risk Committee on the National Fraud Initiative (NFI) exercises currently underway.

2. RECOMMENDATIONS

- 2.1 This report is for information only.

3. SUMMARY

- 3.1 There are two separate NFI exercises that the Authority participates in. One involves data matching with external organisations, including other councils and the second involves matching data held within the Council.
- 3.2 Data for the 2018/19 external NFI exercise was submitted to the Cabinet Office in October 2018 and data was available for checking from 24th January 2019.

4. REPORT

- 4.1 The Council has participated in the National Fraud Initiative since it was introduced in 1996. The exercise has evolved over the years and is now web based and managed by the Cabinet Office. The project involves electronically matching data from a number of sources in order to identify possible fraud or irregularity.

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

- 4.2 Examples of the different matches include:

- Housing Benefit Claimants who are not entitled to claim because they are in receipt of Student Loans.
- Housing Benefit Claimants who are tenants at a different address.

- Blue Badge Parking Permits, Concessionary Travel passes and Private Residential Care Home residents where the individual is recorded as deceased on the Disclosure of Death Registration Information (DDRI) or Department for Work and Pensions list of deceased persons
- Duplicate Creditors or duplicate payments to creditors
- Housing Benefit Claimants who also appear on a local authority payroll
- Council Tax Reduction Scheme to Payroll

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

4.4 Work on the 2018/19 matches has continued. Nearly 3,000 matches have been checked to date, with no issues identified following investigation, as summarised in the table:

Matches undertaken by 23rd August 2019

Total Matches	Matches checked	Errors Identified	Frauds Identified	Overpayments Identified
26,769	2,982	Nil	Nil	Nil

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1 Financial Implications

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

Colin Sharpe – Head of Finance

5.2 Legal Implications

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

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

Kamal Adatia, City Barrister & Head of Standards

5.3 Climate Change Implications

This report does not contain any significant climate change implications.

Duncan Bell, Senior Environmental Consultant

6. OTHER IMPLICATIONS

OTHER IMPLICATIONS	YES/NO	Paragraph references within the report
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Crime and Disorder	Yes	Whole report
Human Rights Act	No	
Elderly/People on Low Income	No	
Corporate Parenting	No	
Health Inequalities Impact	No	
Risk Management	Yes	This report is concerned with the prevention, detection and sanctioning of fraud. Fraud is one of the risks faced by the Council

7 BACKGROUND PAPERS

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

8 CONSULTATIONS

None

9 REPORT AUTHOR

Stuart Limb
Corporate Investigations Manager
0116 4542615



Review of the Anti-Fraud, Bribery and Corruption Policy

Audit & Risk Committee

Date of committee meeting: 18 September 2019

Lead director: Alison Greenhill

Useful information

- Report author: Stuart Limb (Corporate Investigations Manager)
- Author contact details: 0116 454 2615 / 37 2615 stuart.limb@leicester.gov.uk
- Report version 3

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to request the Audit and Risk Committee to review and approve the Council's Anti- Fraud, Bribery and Corruption Policy.

2. RECOMMENDATIONS

- 2.1 The Audit and Risk Committee is recommended to:
- a) note and comment on the report; and
 - b) approve the Anti-Fraud, Bribery and Corruption Policy.

3. BACKGROUND

- 3.1 The Council has had an Anti-Fraud, Bribery and Corruption Policy for a number of years which demonstrates its commitment to addressing fraud and corruption. The purpose of the policy is to ensure that members and officers take the necessary steps to prevent, deter, detect and investigate fraud and that the Council has in place proper procedures to prevent corruption including bribery.
- 3.2 The policy was last significantly updated following the introduction of the Bribery Act 2011 in July 2011. No further updates are proposed at this time.
- 3.3 The Anti-Fraud, Bribery and Corruption Policy for approval is included as Appendix 1.

4. REVIEW OF THE CURRENT POLICY

- 4.1 The forthcoming review of the Committee's Terms of Reference is expected to recommend that the Committee formally reviews the policy every two years, rather than annually. This is because a significant revision has not been required for over eight years and the governance of the policy can be as robust over a longer review period. Any relevant legislative changes or circumstances which warrant any earlier review between the formal review periods would mean the policy would return to the Committee for review outside of this timeframe.

5. THE POLICY IN PRACTICE

- 5.1 The policy identifies the need to embed combatting the risk of fraud and corruption, including bribery, into the culture of the organisation. Managers and employees are provided with advice and training to ensure that they consider ways to minimise the risks of fraud, bribery and corruption as part of their day- to-day duties. Guidance on this and further advice for managers is provided in documentation supporting the Policy as well as from the Corporate Investigations Team.
- 5.2 The policy also identifies the need to provide adequate investigative resources to support managers in deterring, detecting and preventing fraud, bribery and corruption. The Corporate Fraud Team is dedicated in proactively placing this policy at the heart of service delivery and enforcing a stance of zero tolerance to such behaviour.
- 5.3 The prevention, detection and investigation of financial irregularities including fraud and corruption (which may involve bribery) are an important activity for local authorities. The Corporate Investigations Team considers cases of suspected fraud and irregularity other than Council Tax and Housing Benefit. There are no direct comparisons with staffing levels of other local authorities.
- 5.4 In addition to undertaking specific investigations, the team co-ordinates the National Fraud Initiative (NFI) data matching exercise and measures and assess the risk of fraud and corruption and exception reporting using council systems, e.g. exception reporting of payroll data may identify individuals who regularly receive amounts more than their contracted salary, indicating potential excessive amounts of overtime. Such reports may also reveal excessive expense claims or processing errors.
- 5.5 The team support managers by providing advice, fraud awareness training and carrying out proactive work. Over the past 12 months we have delivered fraud awareness training to various sections including new starters, Housing staff and the Income Management Team. Work has also been undertaken to proactively check School Admissions, Right to Buy applications and Tenancies to minimise the risk of fraud.
- 5.6 The Corporate Investigations Team has produced an e-learning package which will provide online training to assist staff in understanding the risk of Fraud, Corruption and Bribery. It is awaiting approval from the Head of Revenues & Customer Support before being rolled across the authority in the very near future. The training will be mandatory for all members of staff, both existing and new starters, and will be supported by annual refresher training.

6 Financial, legal and other implications

6.1 Financial implications

There are no direct financial implications arising from this report. However, theft, fraud and corruption, including bribery, are all offences of a financial nature and can cause significant financial loss to the Council.

Colin Sharpe, Head of Finance

6.2 Legal implications

The Bribery Act 2010 applies to the Council and/or senior Council personnel (Officers and/or Members) to the extent that it is covered by the offences of bribing another person, being bribed and bribing a foreign public official. Council Officers could be liable for offences committed with their 'consent or connivance'

In addition, to the extent that it engages in commercial activities, the Council (and any company established by it) is also covered by an offence of failure to prevent bribery (subject to the defence that is available). A defence is available in respect of the offence of failing to prevent bribery if the Council (or company) can show that it had in place adequate procedures designed to prevent persons associated with the Council from undertaking such conduct (bribery).

When reviewing the Policy and the procedures underpinning it, Committee should satisfy itself that the Council is complying with the 6 Key Principles set out in the Policy and that it is doing all it can to prevent persons associated with it from committing acts of fraud, bribery or corruption

The Report recommends undertaking further reviews of the Policy on 2 yearly cycles, however this should be subject to any changes in legislation or guidance. A review may also be appropriate in response to a major incident or an adverse risk assessment.

Kamal Adatia, City Barrister & Head of Standards.

6.3 Climate Change and Carbon Reduction implications

There are no significant climate change implications arising from the attached report.

Aidan Davis, Sustainability Officer

7. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

http://www.legislation.gov.uk/ukpga/1972/70/pdfs/ukpga_19720070_en.pdf

Leicester City Council Anti-Fraud, Bribery and Corruption Policy

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Policy statement

Preventing fraud is an integral part of ensuring that tax-payers money is used to protect resources for our services. The cost of fraud to local government is estimated at £2.2 billion a year. This is money that can be better used to support the delivery of our front-line services and make savings for our tax payers.

Leicester City Council is totally committed to maintaining a zero tolerance towards fraud, bribery and corruption and to the prevention, deterrence, detection and the investigation of all forms of fraud, bribery and corruption affecting its activities.

Aims of the policy

This policy sets the standard and makes clear the council's zero tolerance against fraud, bribery and corruption and that ALL cases will be investigated thoroughly and dealt with in the appropriate manner.

Who this policy applies to

This policy applies equally to the City Mayor, Members and officers, agency staff, consultants, those contracted to deliver services for or on behalf of the Council and agents of the Council as well as to third parties including members of the public and third-party organisations.

Introduction

Leicester City Council has a responsibility for the provision of effective and efficient services to clients and to ensure the protection of the public purse. The Council recognises that failure to implement effective anti-fraud measures can undermine the standards of our public services.

The council does not, and will not, engage indirectly in or otherwise encourage bribery, nor does it wish to be associated with any organisations that does or has done so. This extends to all third parties whether such conduct is associated with business on behalf of the Council or not.

The Council will not commit the offence of failing to prevent bribery, providing that we can show that we have adequate procedures in place to prevent bribery. We provide adequate investigative resources to support managers to deter detect and prevent fraud, bribery and corruption.

In an effort to establish and promote a culture of integrity, openness and honesty in the conduct of the Council's business, thereby reducing levels of fraud, bribery, corruption and financial irregularity, the council follows the key six principles as set out in the Bribery Act 2010.

Proportionality

Adequate bribery prevention procedures are proportionate to the bribery risks that the council faces.

The procedures & policies of the council are put in place to prevent bribery and are designed to mitigate identified risks as well as to prevent deliberate unethical conduct on the part of associated persons.

Top Level Commitment

Continued support from the Senior Managers fosters a culture of integrity where bribery is unacceptable. With this support from members and directors we can promote a zero-tolerance culture and ensure that we make sure that our staff understand that bribery is not tolerated and to take the necessary action to address any risks.

Risk Assessment

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

The council will undertake to: -

1. Identify, manage and act on opportunities as well as risks to enable the council to achieve its objectives and integrate risk management into the culture and day to day working of the council.
2. Manage risks in accordance with best practices and comply with statutory requirements.
3. Ensure that a systematic approach to risk management is adopted as part of Service Planning and Performance Management.
4. Anticipate and respond to changing social, environmental and legislative requirements.
5. Keep up to date and develop our processes for the identification/management of risk.
6. Have in place a defined outline of individual roles and responsibilities.
7. Raise awareness of the need for risk management to those involved in developing the council's policies and delivering services.
8. Demonstrate the benefits of effective risk management by:
 - Cohesive leadership and improved management controls;
 - Improved resource management – people, time, and assets;
 - Improved efficiency and effectiveness in service and project delivery;
 - Better protection of employees, residents and others from harm;
 - Reduction in losses leading to lower insurance premiums; and,
 - Improved reputation for the council;
9. Ensure risk assessments (identification of, and plans to manage, risk) are an integral part of all plans and proposals to the Executive; Corporate Management Board and Strategic Directors.

10. Recognise that it is not always possible, nor desirable, to eliminate risk entirely, and so have a comprehensive insurance programme that protects the council from significant financial loss following damage or loss of its assets.

Due Diligence

We need to know exactly who we deal within the council and to protect our organisation from taking on people who are less trustworthy.

The council conducts Due Diligence on all third parties that they form a partnership with. It is encouraged that if there are any material changes to the business or relationship, Due Diligence is re-evaluated to ascertain if the relationship and its risk level have changed.

Communication (including training)

The council seeks to ensure that its bribery prevention policies and procedures are embedded and understood throughout the organisation through internal, including training, that is proportionate to the risks it faces.

The council will ensure that all levels of employees are aware of this policy via the internal processes.

We ensure that fraud and bribery and awareness training is conducted with new staff, existing and members.

Monitor and Review

We face the risk of the effectiveness of our procedures and these may change over time. We will measure the level of fraud and corruption across the Council and introduce and maintain measures ensuring that policies and procedures are kept up to date with any changes in the bribery risk by utilising the full range of integrated actions available to prevent, detect, sanction and seek redress for fraud, bribery and corruption.

We ensure that policies and procedures designed to prevent and deter fraud; bribery and corruption are adopted and consistently implemented across the Council.

For the purposes of this policy fraud, bribery and corruption are defined as follows:

Fraud – dishonestly making a false representation, failing to disclose information which there is a legal duty to disclose or abuse of position to make a gain for their self or another, or to cause loss to another or to expose another to a risk of loss.

Bribery - giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly or to reward that person for having already done so.

Corruption - Forms of corruption vary, but include bribery, extortion, patronage and embezzlement. By its nature corruption can be difficult to detect as it usually involves two or more people entering into a secret agreement.

The Fraud Act 2006

The act defines fraud as being committed in three main ways:

Fraud by false representation

A person commits an offence when they dishonestly make a false representation and intends by making:

- A gain for himself or another
- Cause loss to another person
- Expose another to a risk

Fraud by failing to disclose information

The offence is committed where a person is dishonestly fails to disclose information where there is a legal duty and intends to do this by making:

- A gain for himself or another person
- To cause a loss or expose another to the risk of a loss

Fraud by abuse of position

This offence is intended to prevent the dishonest abuse of those in a position who are considered being in a role of trust and safeguarding and not acting against the council financial interests and intends to abuse the position by:

- Making a gain for himself or another
- To cause a loss or expose another to the risk of a loss

The following actions could constitute a fraud or corruption may include and is not limited to:

- Forging or altering council documents or accounts
- Forging or altering cheques, bank drafts or any other financial documents
- Misappropriation of funds or other assets
- Receiving a financial gain from releasing inside knowledge or council activities
- Disclosing confidential information to outside parties
- Failure to declare an interest
- Giving and receiving of high-end Gifts and Hospitality during tenders or new business ventures and contracts

The Bribery Act 2010

Criminal

The introduction of this new corporate criminal offence places a burden of proof on companies to show they have adequate procedures in place to prevent bribery. The Bribery Act also provides strict penalties for active and passive bribery by individuals as well as companies.

Individuals found guilty can face an unlimited fine and imprisonment up to ten years. Where Leicester City Council itself is found guilty of any of the key offence then the penalty is an unlimited fine.

An employee of the council who performs the function or activity and is in a position of trust, even if it has no connection with the United Kingdom and is performed in a country or territory outside the United Kingdom can still be prosecuted under this legislation.

Basic Definitions of Bribery:

- To secure or keep a contract
- To secure an order
- Gain an advantage over a competitor
- Giving of facilitation payments to government officials

Section 1 of Bribery Act 2010

General Offence of offering, promising and giving

Section 2 of Bribery Act 2010

Agreeing, Receiving and Accepting

Function or activity to which bribe relates

Any function of a public nature,
Any activity connected with a business,
Any activity performed during a person's employment
Any activity that is expected to perform in good faith.
Performing a function or activity that is expected to perform it impartially.

Section 6 creates an offence relating to the bribery of a *foreign public official*. The definition applies to individuals who hold a position or exercise a public function.

Common examples include:

- Government ministers and civil servants
- Local government members and officials
- Police
- Security agencies such as immigration and border controls

Facilitation Payment

The definition of a facilitation payment is one where a payment is made to a public official intended to secure an official action. These types of payments are a form of bribery that may also be referred to as 'kickbacks' and 'backhanders'

Section 7

This section creates the corporate liability for failing to prevent bribery on behalf of the organisation. The council will be liable to prosecution if a person associated with it bribes another person intending to obtain or retain business or an advantage in the conduct of business for that organisation. The council will have a full defence if it can show that despite a case of bribery it nevertheless had adequate procedures in place to prevent persons associated with it from bribing.

Please note: **The timing of gifts & hospitality is most relevant shortly before, after or during a tendering process and is inappropriate as this can be construed as a bribe, offered with the intention to 'close a deal'. Therefore, staff should not accept any during this process.**

Summary of Gifts & Hospitality

All employees must not receive any reward or fee other than their proper remuneration. As a rule, you should tactfully refuse offers of gifts, hospitality or services from organisations or persons who do, or might, provide work, goods or services to the City Council or who require a decision from the City Council and/or within the tender process.

The full guidance can be found at 7.7 in the Code of Conduct for council employees.

The giving and receiving of cash are prohibited.

It is of vital importance that the possibility of you being deemed by others to have been influenced in making a business decision, because of accepting such hospitality, should be avoided at all costs, for your own protection.

All interests you may have must be declared to your line manager by recording them on MyView. If you are unable to access My View a 'Register of Interests form' can be obtained from your line manager and returned to the Employment Services Centre.

Responsibilities

Human Resources

Whilst most individuals appointed into positions within the council are on their own merit and experience, HR are responsible for ensure that all staff are screened and made aware of their responsibility and contractual obligations in relation to anti-fraud, bribery and corruption policies and procedures.

The council has in place a Contra Indicator Risk Assessment Process – Criminal Record Information policy that must be adhered to.

All applicants are required to complete an application form and must declare any criminal convictions. It is a requirement that the council conducts a police check under the Disclosure and Barring Service (DBS).

Further information can be found on this policy under HR Policies.

All Staff

Failing to prevent bribery is an offence on its own, so ALL staff have a requirement to report any suspicious fraud, theft, bribery or corruption. The penalties for not reporting a bribe are of the same level of receiving and giving of a bribe.

It is important that employees do not try to handle the issue themselves.

Poorly managed investigations or improper interference could potentially disrupt prospective criminal investigations/prosecutions. There are several procedures which must be followed.

The council encourages all staff to report any suspicious activities and will be treated seriously and in confidence and will protect those who have done so (even if the suspicion is unfounded and not made maliciously.) This is set out in the Whistleblowing policy.

Management

Managers are in the best position to promote and encourage the reporting of all suspicious activity and provide support to employees.

Managers are responsible for maintaining their own internal controls and identify risks that are exposed and conduct risk assessments where required and all controls are being complied with.

Internal Audit

The function of Internal Audit has been delegated to Leicestershire County Council and as an independent and objective service is there to help the city council achieve its objectives by providing assurance on the management of its risks.

They see how well the procedures and controls in place within the system or process prevent the risk occurring or lessen its potential impact. They do this by testing to see whether the procedures are operating effectively. They report to managers and Members on whether risks have been identified and whether they are being well managed.

Corporate Investigation Team

The Corporate Investigation Team can and will conduct criminal investigations of any internal and external allegation when it is deemed applicable. This is achieved through criminal and/or civil courts. The council will also look to take the appropriate actions of the retrieval of any goods or money.

Avenues for reporting any suspicious activity.

You can report your concerns in several ways:

- Contacting Corporate Investigations directly by means of email to the Investigation mailbox or contacting us directly on 0116 454 6490
- Using the Whistleblowing line. This procedure is set out in the council policy.
- Reporting to their line manager or the most appropriate employee.

Detecting

The council has in place numerous measures in detecting and preventing fraud, bribery and corruption. The CIT coordinates the National Fraud Initiative (NFI) data matching exercise which is a mandatory exercise as required by the Cabinet Office. The NFI measures and assesses the risk of fraud and corruption using council systems, e.g. exception reporting of payroll data may identify individuals who regularly receive amounts more than their contracted salary, indicating potential excessive amounts of overtime and expenses.

The council is currently leading a group of 10 Local Authorities in a project funded by the Department for Communities and Local Government (DCLG) to identify, isolate multiple potential frauds being committed against members in other Local Authorities by verifying applications and to identify potential irregularities. This project looks to share best practice and create a single intelligence hub which will hold hundreds of thousands of records which can be interrogated.

All other irregularities, including those reported via the Whistleblowing process will be investigated by the Corporate Investigation Team.

Whistleblowing

Leicester City Council is committed to conducting its business with honesty and integrity and it expects all staff to maintain high standards of conduct. All organisations, however, face the risk of things going wrong from time to time, or of unknowingly harbouring illegal or unethical conduct. A culture of openness and accountability is essential to prevent such situations occurring or to address them when they do occur.

The whistleblowing policy sets out the parameters of reporting any illegal and unethical conduct

The staff is encouraged to report suspected wrongdoing as soon as possible, in the knowledge that their concerns will be taken seriously and investigated as appropriate and that their confidentiality will be respected.

Management are to reassure staff that they should be able to raise genuine concerns without fear of reprisals, even if they turn out to be mistaken.

The whistleblowing policy however is NOT to be used to raise concerns with personal circumstances, such as the way staff member is treated at work or if they have a grievance against another member of staff.

If a member of staff prefers not to approach their manager, staff can report their concerns directly with the Monitoring Officer.

- External disclosure – The law recognises that in some circumstances it may be appropriate for you to report your concerns to an external body such as a regulator. It will very rarely if ever appropriate to alert the media.

Courses of Action

Under their work section 7.4 of the City Council's Finance Procedure Rules, the Corporate Investigation Team always have authority and access to:

- Any City Council property
- Access to all data, records, documents and correspondence relating to any financial or any other activity of the City Council.
- Access to any assets of the City Council
- Require from any member, employee, agent, partner, contractor or persons engaged in City Council business any necessary information and explanation.

Disciplinary

The CIT will make recommendations of disciplinary action as and when it is required to do so.

Prosecution

The Corporate Investigation Team can and will conduct criminal investigations of any internal and external allegation when it is deemed applicable. This is achieved through criminal and/or civil courts

Consequences

Failing to comply and prevent under the Bribery Act 2010 could result in an unlimited fine or imprisonment for an individual and for the council, an unlimited fine.

Failure to adhere to the internal policies and procedures may lead to gross misconduct and the dismissal of the employee.

Desired outcomes of the policy

- A high profile and awareness of fraud, bribery and corruption throughout the Council.
- Greater management awareness of the risk of fraud, bribery and corruption.
- Improved management controls arising from better risk assessments.
- Improved compliance with Council policy, procedures and practices, for example Finance Procedure Rules and Contract Procedure Rules as evidenced by on-going management monitoring, Internal Audit reviews and the level identified fraud and irregularity.

Measuring success

The following indicators will be used to monitor the effectiveness of the Anti- Fraud and Corruption Policy and Strategy:

- The number of suspicions of fraud identified by, or referred to, the Corporate Investigations Team.
- The number of cases investigated in which fraud or corruption is proven.

- The value of amounts misappropriated (of all kinds including employee time), both in absolute terms and as a proportion of the Council's annual budget.
- Periodic surveys by the Corporate Investigations Team to ascertain the level of management's awareness of fraud, bribery and corruption.
- The number of employees disciplined for offences involving fraud, bribery or corruption

Review & monitoring of the Policy

The revisions to the anti-fraud, bribery and corruption policy and the guidance on managing this policy are held with the Audit and Risk Committee.

However, the onus lies with Managers to ensure that they have in place processes that place sufficient measures to ensure compliance with the Bribery Act.

Conclusion

The council is committed to the high profile and awareness of fraud, bribery and corruption. Improved compliance within Council policies and practices, for example Finance Procedure Rules and Contract Procedure Rules, as evidenced by on-going management monitoring, Internal Audit reviews and the level of identified fraud and irregularity and promote its zero tolerance on fraud, bribery and corruption.

Appendix 1

Managing the Risk of Fraud and Bribery

Comprehensive advice on managing risk is available on INSITE. This guidance is intended to help Directors and managers manage the risk of fraud and bribery so avoiding the loss of public funds, the risk of prosecution and reputational damage.

1. Identify the risk

- Do you or your team handle cash?
- Do you or your team award contracts, procure goods or services, approve grants, deal with schools' admissions, grant licenses, allocate tenancies, approve planning applications, have access to payroll, Housing Benefit and other payment systems?
- Are there any areas within your work area that may face the risk of bribery?

2. Assess the risk

- What is the likelihood of fraud or bribery occurring?
- What would be the impact if it did happen – what losses would the Authority suffer and what consequences might the Authority face?

3. Manage the risk

There are four options available to you once you have completed the steps above.

- Tolerate the risk, in other words accept it
- Treat the risk, take steps to introduce controls to prevent or deter fraud or bribery, and measures to ensure that any fraud or bribery committed is swiftly identified, including those responsible
- Transfer the risk
- Terminate the risk

4. Monitor the Risk

- Have you implemented the chosen control measures? Are the controls working?
- Are there any new problems?

5. Reviewing and Reporting

- All information relating to the identified risk should be recorded on a risk assessment form or risk register and a named individual should be identified who will be responsible for introducing, implementing and managing the effectiveness of each control measure.

Appendix 2

Gifts and Hospitality

<https://leicestercitycouncil.sharepoint.com/sites/sec003/Shared%20Documents/Conditions/V-%20Code%20of%20Conduct%20for%20Employees.pdf>

Disciplinary

<https://leicestercitycouncil.sharepoint.com/sites/sec003/Shared%20Documents/Conditions/X%20-%20Disciplinary%20Procedure.pdf>



Corporate Complaints (Non-Statutory) 2018/19

Audit & Risk Committee

Date of committee meeting: 18 September 2019

Lead director: Alison Greenhill

Useful information

- Report author: Nilkesh Patel (Service Improvement Manager)
- Author contact details: 0116 454 2505
- Report version number plus Code No from Report Tracking Database: V8

1. Purpose of report

The purpose of this report is to update the Audit and Risk Committee on corporate non-statutory complaints in 2018/19; and for members to note the improvements, comment upon our actions from the lessons learned and planned future changes.

2. Service delivery

2.1 Since April 2016 we have been operating a single stage non-statutory complaints regime, streamlining the process and providing a flexible approach to handling a complaint dependent upon its nature and complexity. The “triage” process determines the route of the complaint and who will need to be involved.

2.2 It should be noted that Statutory complaints relating to Adults and Children are not administered by this team and are investigated through a separate statutory procedure.

2.3 Complaints can be submitted in writing, over the phone, by email and through MyAccount. If the customer presents as vulnerable, for whatever reason, Customer Support Officers will support them to make their complaint.

Summary of the annual complaints for 2018/19

2.4 In 2018/19 the total number of complaints received was 1,408, compared to 1,485 in 2017/18, a reduction of 5.2%.

Of the complaints received, 864 (38%) were “triaged” to the appropriate service to respond as a *request for action* such as provide orange bags or a *service request* usually relating to service delivery.

This meant a total of 544 were investigated compared to 920 the previous year (excluding *requests for action and service*); a reduction of 40%.

Justified complaints

2.5 The team determined that of the 544 complaints independently investigated, 18% were justified, a further 22% were partially justified and 60% were deemed as “not justified” and therefore did not find the authority at fault.

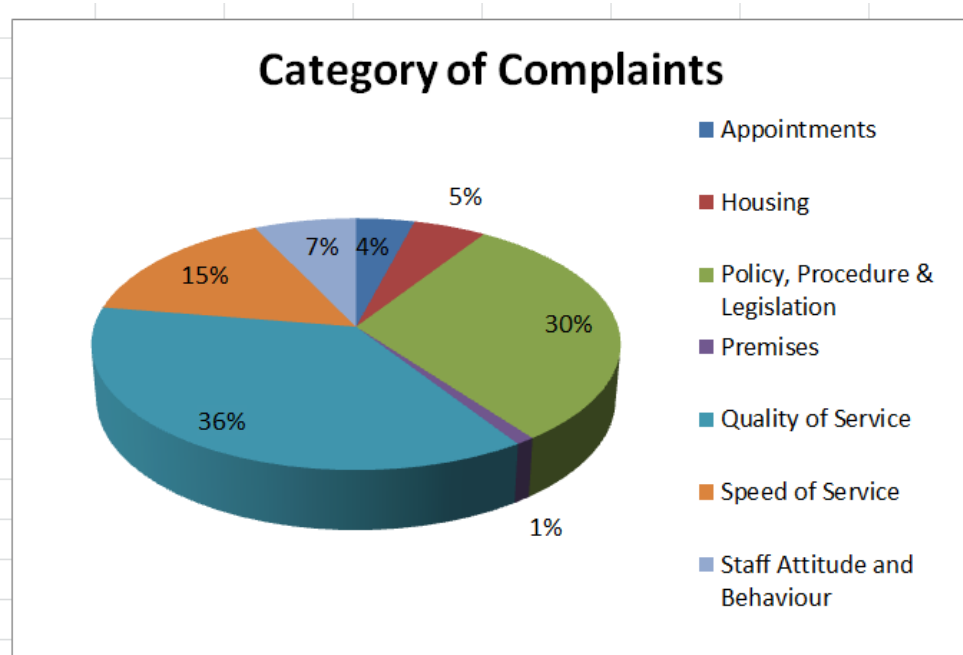
The percentage of complaints found to be justified was lower than the previous year (26%) noting the number of complaints received had nearly halved there may be a correlation.

The service remains confident complaints that are found to be justified through this independent process remain reflective of the service customers receive.

Why customers complain:

2.6 Complaints are categorised into the main reasons for the complaint, within a limited list. We categorise each complaint, which can be multi-faceted, over all the applicable areas that it relates to; therefore, the numbers relating to the reason categorisation will *a/ways* exceed the total number of complaints received. These are as follows:

- Appointment
- Policy, procedure and legislation
- Premises – any complaints relating to leisure centres or premises of LCC
- Quality of Service
- Speed of Service
- Staff attitude and behaviour
- Housing
- Closed Uncategorised – pending agreement with customer
- Open Uncategorised – where the complaint is still open



The top three categories of complaint remain, as previously in 2017/18:

1. Quality of service 196 (36%)
2. Policy, procedure and legislation 162 (30%)
3. Speed of service 79 (15%)

Which services receive these complaints?

2.7 The top 10 service areas for which we receive complaints account for 90% of the total 544 complaints investigated. They are listed below. The top 6 areas for complaints relate to Housing Services and Revenues & Customer Support. This is

unsurprising as they interact with the greatest numbers of customers in demanding areas of Council business. It is positive to note Housing repairs complaints have continued to reduce, this year by a further 39% from the previous year as they have positively engaged with the new triage arrangements. This trend is repeated for Local Taxation complaints, reducing by 22% from 101 to 79 in 2018/19 through improving speed of processing.

Top 10 service areas for complaints	Total	%
Housing repairs	187	34%
Local Taxation	79	15%
Housing Other	67	12%
Housing Options	41	8%
Housing Benefits	34	6%
Customer Services	20	4%
Street Scene Enforcement	19	3%
Sports & Leisure Centres	19	3%
Planning Management	16	3%
Parks & Green Spaces	6	1%

2.8 Specific reasons cannot be identified for the reduction in the overall number of complaints received over the past year. However, contributory factors are believed to be: -

- Services are improving their service offer (Housing and Revenues);
- Triaging - for reasons why a customer seeks redress has been improved, for example when a customer complains about a decision we now signpost them to the appropriate website; and
- Our on line (MyAccount) complaint submission journey is difficult to navigate

2.9 The MyAccount on line complaint submission customer journey is in the process of being reviewed. We expect changes to be in place by the end of Autumn 2019.

2.10 The reporting regime provides statistical information, at different levels, about the complaints received. These are shared with Heads of Service on a regular basis. In addition, the Service Improvement Manager meets regularly with services which receive the highest volumes of complaints (Housing Services and R&CS) to work on how to reduce the issues customer face on a repeated basis.

3. Lessons Learned

3.1 Working with other services to understand their business over the last financial year, we have learnt what triggers complaints and where changes can be made to make a difference in our divisions. These include:

- Being proactive to tackle personal injustice: typically, the customer wants to be listened to, offered an apology and an opportunity to appeal or request a

review of their case. These represent opportunities to mitigate a complaint, usually over the phone.

- Recommendations for service improvements arising from complaint investigations: a review of policies, change to practices, training staff, and raising awareness of issues within the authority and the public.
- Corporate Complaints Policy. We have introduced a Corporate Complaints Policy. This is ensuring we meet the good practice outlined by the Local Government Ombudsman (LGO), and comply with our obligations on fairness, transparency and accessibility under (amongst others) the Human Rights Act 1998, the Equalities Act 2010 and the Data Protection Act 2018. The policy ensures we are complying with the standards the LGO expects of local authorities. The policy is benefiting both officers and members of the public as it outlines and clarifies the complaints process; ensuring we are fair, open and consistent in our decision making. It is published on the Council website. This has enabled us to manage customer expectations effectively in relation to their complaint.
- Vexatious procedure: This has been introduced to identify vexatious complainants and set out how these are managed. The procedures are published on the council's internal intranet site only. This helps the authority understand why an individual is making various levels of complaints/contact to the authority on different matters.

4. Future Actions:

4.1 There are 3 actions which continue to make a difference to delivery without compromising the benefits of complaints. These are:

- a. Continue to raise awareness of the complaints prevention activity across all services/divisions. As part of the triage process some comments/complaints can be resolved via a quick phone call or email. The complaints officers have trialled this with a few service areas; the process is working well and efficiently in terms of complaints resolution with anecdotal feedback from the customers at the time of the triage indicating a good level of customer satisfaction. This activity has resulted in a reduction in complaints within the services. Therefore, we have now embedded this customer liaison into the triage procedure.
- b. Review our approach to remedies. The remedy suggested to the complaint needs to be proportionate, appropriate, and reasonable. Similar remedies are appropriate for similar cases, but we must consider each case on its own merits considering the particular circumstances. Our key principle is that the remedy should, as far as possible, put the complainant back in the position they would have been in if the error had not occurred.
- c. Service Improvement meetings are on-going with the services that receive the largest proportion of complaints. This is an on-going activity to reduce reputative avoidable complaints and deliver meaningful customer focussed

service improvements. The Service Improvement Manager will begin to work with the services who receive lower volumes but repetitive complaints to share the learning and mirror the reductions seen in Housing Services and Revenues & Customer Support. These include but not limited to:

- Review of policy and procedures,
- monitor the agreed activity is remedying the service failure (if applicable); and/or
- ensure the agreed activity/actions continue to deliver the anticipated improvement/change.

- d. The Service Improvement Manager will review the categorisation of complaints to improve analysis as part of the improvement to the customer journey and reporting on the management information.

5. Risk and issues:

5.1 As Corporate Complaints continues its aim to reduce the number of complaints made, it faces challenges from events over which it has no influence. These events in the recent past have included the impacts of increasingly severe weather and service changes as budgets across the Council continue to reduce; what are seen as traditional services such as the mowing of grass verges are now less frequent and some residents become dissatisfied and complain.

5.2 Vexatious complainants can be a drain on resources both for the Service Improvement Manager who acts a single point of contact and the service areas (multiple service areas are usually involved) attempting to resolve the complaints. This is an issue which will remain, however the introduction of written procedures has clarified the administrative arrangements which are put in place to minimise the impact and manage a resolution.

6. Financial, legal and other implications

6.1 Financial implications

There are no significant financial implications arising directly from this report.
Colin Sharpe, Head of Finance, ext. 37 4081

6.2 Legal implications

There are no direct legal implications arising from this report.
Kamal Adatia, City Barrister & Head of Standards, Ext 37 1401

6.3 Climate Change and Carbon Reduction implications

There are no climate change implications arising from this report.
Duncan Bell, Corporate Environmental Consultant. Ext. 37 2249

6.4 Equalities Implications

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

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

The Equality Act 2010 also requires that reasonable adjustments be made so that disabled people can access services as far as reasonable on the same terms as non-disabled people. This duty is on-going and anticipatory and, therefore, reasonable and proportionate steps to overcome barriers which may impede people with different kinds of disabilities. In making reasonable adjustments, a service provider should not wait until a disabled person wants to use their services, they must think in advance about what people with a range of impairments might reasonably need.

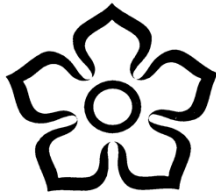
There are no direct equalities implications arising from the report as the report is to provide an update, rather than for decision. Having an effective complaint procedure helps to deal with complaints quickly, fairly and consistently. It provides an opportunity to gather valuable customer insight, it also has the potential to help make improvements that lead to increased customer satisfaction for service users from across all protected characteristics.

Surinder Singh, Equalities Officer Tel 37 4148

6.5 Other Implications

N/A

7. Appendices: None



Leicester
City Council

Audit and Risk Committee

18th September 2019

Strategic and Operational Risk Registers/Health & Safety Data

Report of the Director of Delivery, Communications and Political Governance

1. Purpose of the Report

To present to the Audit and Risk Committee (A&RC) an update on the Strategic and Operational Risk Registers and 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** informs 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 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 – Health and Safety Data** - Number of incidents by incident type.

2. Recommendations

A&RC is asked to:

- Note the Strategic Risk Register and Operational Risk Register as at 31st July 2019

- 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 collectively support the strategic risk register process documenting the key strategic risks facing the council and help to ensure these are managed and the SRR is then submitted to the Executive for their consideration. It complements the operational risk register process which is supported and managed by the Divisional Directors in conjunction with their divisional management teams. Both registers are populated and maintained by the Manager, Risk Management for this group.

4. Report

- 4.1 The SRR has been compiled following a review by all Strategic Directors and has been updated. The summary of the strategic risks is attached as **Appendix 1** and **Appendix 2** provides comprehensive detail of the risks. The **Strategic Risks July 19** 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.

1 new risk was added, **1** deleted and **16** risks were updated comprising of target dates but **risk controls and scores** were also amended to **risks 1,2,3,4,5,6,8,9,10,12,13,14,15 and 16**. Refer to **Appendix 2a** which shows where changes have been made.

A new risk added:

Risk No 17 – Support for Pupils with SEND at a time when there are significant financial pressures on the high needs block.

A risk deleted as below:

Risk No. 13 – National Agenda/changes in legislation/government as this seems largely business as usual at this current time (around legislative change) and if such changes become significant then they become a strategic risk in themselves (e.g. Brexit) or if at a lower level are captured in divisional registers.

Risks ratings can remain 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.

However, the Director of Political Governance and the Manager, Risk Management undertook a detailed and robust review of the strategic risk register this quarter, challenging hard the scores using the risk assessment scoring guide. This resulted in a number of changes particularly reflecting that a number of risks were felt less likely to occur than had previously been scored recognising they were long standing risks.

Almost Certain 5				3	
Probable / Likely 4			5,11,17	12	
Possible 3			2,10,13, 15,16	6,8,9,14,	1, 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 the council's strategic risks in terms of likelihood and impact using the risk scoring from the SRR Register. Those risks in the **red quadrant require regular reviewing and monitoring** and consideration for further controls where appropriate and most challenge. Those in the **yellow also require regular reviewing and monitoring** to ensure they do not escalate to a red risk and there are a number of these with a major impact.

For comparison purposes, the risk matrix for the SRR is below from the last quarter (**30th April 2019**). Several risks have moved from a major impact to moderate this quarter. This reflects the risk challenge process that was undertaken.

Risk 25 – Strategic Commissioning and Business Development - this is historical.

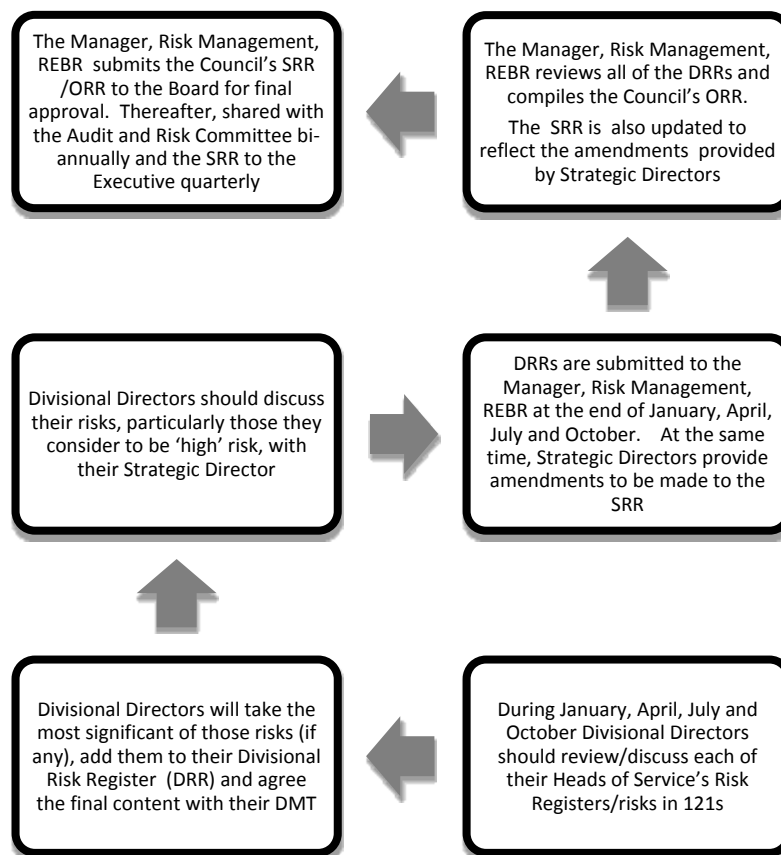
As a reminder, where a risk is '**deleted**' does not always elude to the risk being eliminated. It refers to the risk score no longer being 'high' and it may well remain within the individual divisional register with a score below 15.

The reduction on the number of risks from the previous 3 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 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 31.01.2019	No of risks as at 30.04.2019	No of risks as at 31.07.2019
25	0	0	0
20	5	5	2
16	19	17	15
15	9	7	8

- 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 The planned review of the Council's ORR by REBR has been completed which has seen a positive outcome. Historical risks were deleted where appropriate, some were consequences of a wider risk, others were business as usual and issues rather than risks. This exercise had commenced with blank paper exercises of divisional risk registers. This '**sense check**' allowed 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.

The comment from the Zurich Municipal Risk Consultant who facilitated this process with the Manager, Risk Management is that it has been refreshing to find colleagues at Leicester City Council (LCC) open to this methodology and willing to accept challenge of historic risk reporting. In their opinion, LCC has transitioned from a historically risk adverse culture into one which is embracing risks which occur across the organisation. This change in culture was apparent during conversations with managers within the Divisions, who were identifying risks / threats alongside opportunities and benefits to the organisation. This approach will help the council to make risk-based decisions to support the corporate plan.

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, it may easily be overlooked even though it may be a significant change. Where risks change suddenly, these are easier to notice.

4.12 Previous quarterly reports have included an overview of insurance claims data, however as there is often a significant lag time between claims being made and the outcome of these it is recognised that there are limitations in terms of how useful this is. Insurance Services will instead be producing an annual report on claims and trends, therefore, the insurance data is no longer being provided as part of this report. A report on this subject came to this Committee on 24th July 2019.

4.13 Health and Safety have provided data, **Appendix 5 - 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 11% decrease in overall incidents since the last quarter. However, when compared to the same quarter in 2018-19 there has been an 9% increase overall.

4.14 It is worth noting to this committee that LCC won an award for the '**Council's Response to the Hinckley Road Explosion**' and was shortlisted for 3 other awards. This recognition was through ALARM (a professional Risk Management Organisation) which the Manager, Risk Management is a member of.

4.15 An independent health check assessment of the Council's risk management arrangements was undertaken in July 2019 by Leicestershire County Council as part of the Internal Audit Plan (2019-20) for Leicester City Council. A draft

report has been produced which overall is positive with a **substantial assurance** rating.

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

4.16.1 **Cyber and Data Protection** – exposure due to data breaches likely impacting the public purse, reputation and liability;

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

4.16.3 **Brexit/Future EU Funding** – funding streams could be turned off post Brexit and there is little detail around UK Central Government funding replacements or awarding bodies. **In addition, the Council has a separate Brexit impact/risk assessment which has been submitted to this Committee;**

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

4.16.5 **Financial Transactions** – Supporting customers/clients to move to cashless payment methods, as opportunities to pay by cash reduce;

4.16.6 **Technology** – advancements in technology, Directors are informed of these risks to consider as part of their quarterly risk reporting.

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

5.3 Equalities Implications

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

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

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

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

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

Some of the risks identified in the strategic risk register (Appendix 1) would have a disproportionate impact on protected groups should the Council no longer be able to effectively manage them and, therefore, the mitigating actions identified in the strategic risk register support equalities outcomes. For example, should the Council fail to safeguard effectively, this would have a disproportionate impact on the human right (prohibition of torture, inhuman or degrading treatment) of those from protected groups, such as age and disability. Likewise, a failure to engage stakeholders could lead to a failure to identify tensions arising in the city (particularly as the financial challenges impact on communities) leading to unrest in specific communities/areas of the city. This, in turn, would have an impact on the Council's ability to meet the general aim of the PSED to foster good relations between people who share a protected characteristic and those who don't.

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

Hannah Watkins, Equalities Manager - 37 5811

5.4 Climate Change Implications

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

Aidan Davis, Sustainability Office – 37 2284

6. Other Implications

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

7. Report Authors

Sonal Devani – Manager, Risk Management, REBR – 37 1635
16th August 2019

Appendix 1

LCC Strategic Risk Exposure Summary as at 31st July 2019

Risk Index	Risk	I	L	Risk Score 31 Jul 2019	Risk Score 30 Apr 2019	Risk Score 31 Jan 2019	Variance	Risk Owner
3.	Cyber Risk	4	5	20	25	25	↓	AK / AG
12.	Asset Management	4	4	16	20	20	↓	MW
1.	Financial challenges	5	3	15	20	20	↓	AK / AG
7.	Safeguarding	5	3	15	15	15	↔	SF
5.	Information Governance	3	4	12	12	12	↔	AK
6.	Compliance with Regulation, Policies, Procedures, Health & Safety etc.	4	3	12	12	12	↔	KA / MC
8.	School Improvement	4	3	12	12	12	↔	PT
9.	Civil Contingency Response / Incident Response	4	3	12	12	12	↔	MC / IB
11.	Commissioning, Contract Monitoring, Management & Procurement	3	4	12	12	12	↔	KA
14.	Brexit Scenarios	4	3	12	12	12	↔	AK / AG / MC
17.	Support for Pupils with SEND	3	4	12			New Risk	PT
2.	Stakeholder Engagement	3	3	9	12	12	↓	MC / All Strategic Directors
10.	Resource: Capacity, Capability, Retention & Development	3	3	9	12	12	↓	MC / CP
13.	Digital Transformation	3	3	9	12	12	↓	MC
15.	Fire Risk in Tall Buildings	3	3	9	12	12	↓	CB / JL
16.	Ensuring Statutory Responsibility for Provision of Secondary School Places	3	3	9	12	12	↓	RS
4.	Business / Service Continuity Management	4	2	8	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	KA	Kamal Adatia
AK	Andy Keeling	MC	Miranda Cannon
CB	Chris Burgin	MW	Matt Wallace
CP	Craig Picknell	PT	Paul Tinsley
IB	Ivan Brown	RS	Richard Sword
JL	John Leach	SF	Steven Forbes

Appendix 2 - LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 31/07/2019

RISK <i>What is the problem; what is the cause; what could go wrong? What is it that will prevent you from achieving your objectives?</i>	CONSEQUENCE/EFFECT: <i>What would occur as a result, how much of a problem would it be, to whom and why?</i>	EXISTING ACTIONS/CONTROLS <i>What are you doing to manage this risk now?</i>	RISK SCORE WITH EXISTING MEASURES			FURTHER MANAGEMENT ACTIONS/CONTROLS	TARGET SCORE WITH FURTHER ACTIONS/ CONTROLS REQUIRED			COST	RISK OWNER	TARGET DATE
			Impact	Probability	Risk		Impact	Probability	Risk			
1. FINANCIAL CHALLENGES The Council fails to respond adequately to the cuts in public sector funding over the coming 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'	- Full Council approved a balanced budget for 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 - £5m service transformation fund - Managed reserve balance available to smooth 20/21	5	3	15	- 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		Andy Keeling / Alison Greenhill	31/10/19 and On-going
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.	- 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 funding arrangements involving partners 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.	- 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 currently some work to review and evaluate the Forum now it has been in place for a number of years - 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.	3	3	9	- 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	3	2	6		Miranda Cannon / All Strategic Directors	31/10/19 and ongoing

Appendix 2 - LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 31/07/2019

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			
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.	- 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.	- The Council/ Police have a Community Gold meeting which meets approx. once a month and includes Local Policing Unit commanders, the Basic Command Unit commander and council officers from Leicester Anti-Social Behaviour Unit, youth services, community services. This tracks and agrees joint actions to address any known tensions in communities. This is supported by a shared system between front line officers from the police and the council to track community tension. Community joint management group now in place which creates a regular conduit for engagement with community leaders.										
3. CYBER RISK - Loss or compromise of IT systems and/or associated data through cyber security attacks	- Potential financial or reputational damage to Council. - Potential Data Protection breaches. - Fines - Service delivery affected	- Ensure close monitoring of existing perimeter and internal security protection. - Continue working on staff awareness and training - Services have BCPs which cover loss of systems and ICT have a disaster recovery plan in place - An audit was commissioned in April 2019 to provide assurance that the ICT infrastructure is robust and that the range of IT controls are well designed and consistently applied. The auditors reported "Substantial Assurance" with some minor improvements required with medium risk issues to be addressed and an action plan has been created to resolve these issues	4	5	20	- Delivery of action plan arising from the audit	4	3	12		Andy Keeling / Alison Greenhill	31/10/19 and ongoing

Appendix 2 - LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 31/07/2019

RISK <i>What is the problem; what is the cause; what could go wrong? What is it that will prevent you from achieving your objectives?</i>	CONSEQUENCE/EFFECT: <i>What would occur as a result, how much of a problem would it be, to whom and why?</i>	EXISTING ACTIONS/CONTROLS <i>What are you doing to manage this risk now?</i>	RISK SCORE WITH EXISTING MEASURES			FURTHER MANAGEMENT ACTIONS/CONTROLS	TARGET SCORE WITH FURTHER ACTIONS/ CONTROLS REQUIRED			COST	RISK OWNER	TARGET DATE
			Impact	Probability	Risk		Impact	Probability	Risk			
4. 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.	<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. Significant number of senior managers are on the on-call rota and have either had training and in some cases practical experience from actual incidents. The Manager, Risk Management chairs the Multi-Agency Business Continuity Group. - All Business Critical Activities for the council are identified and named in the Corporate Business Continuity Plan (CBCP). Critical Services BCPs are reviewed thoroughly and updated annually or as and when changes occur in service areas. These are then submitted to REBR who cast a critical eye on all these plans. A process for undertaking a more detailed review of what are business critical services is being prepared. Some comparisons done with business critical activities identified by other authorities. - BCP Strategy and Policy tailored for the council in place to meet organisational needs. The latest versions were reviewed and approved by Audit & Risk Committee in March 2019. - 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. Internal Audit have completed an assurance review of risk management - awaiting formal report but indications are a high level of assurance in terms of our arrangements. - 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 	4	2	8	<ul style="list-style-type: none"> - Further embedding of business continuity management approach through continued training and awareness raising. - 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. - Implement the framework to review the number of Business Critical Activities and to reduce them to ensure recovery from an incident is more efficient and effective 	3	2	6		Miranda Cannon	31/10/19 and ongoing

Appendix 2 - LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 31/07/2019

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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5. INFORMATION GOVERNANCE Information Governance/Security/ Data Protection policies/procedures/ protocols are not followed by staff and members.	<ul style="list-style-type: none"> - Major loss of public confidence in the organisation. - Potential litigation and financial loss to the Council. - Reputational damage to the Council. - With data held in a vast array of places and being transferred between supply chain partners, data becomes susceptible to loss; protection and privacy risks. - Reduction in the capacity/capability to retain such data. This could also be costly. - Excessive retention of data can still be requested through a Freedom of Information Act if retained. - Council may not share data with the appropriate individuals/bodies accurately, securely and in a timely manner. - Council fails to adequately secure/protect confidential and sensitive data held. - Possibility of not being compliant with data protection legislation (GDPR, Data Protection Act 2018, PECR, HRA) 	<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 information security incidents and weekly reporting of FOI performance to Directors in place - GDPR action plan implemented and regularly reviewed 	3	4	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 regularly reviewed - Data Protection and Freedom of Information training available across the Council - Regular external audit of GDPR compliance in place 	3	3	9		Andy Keeling	31/10/19 and ongoing

Appendix 2 - LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 31/07/2019

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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6. COMPLIANCE WITH REGULATION, POLICIES, PROCEDURES HEALTH AND SAFETY ETC Local management use discretion to apply inconsistent processes and misinterpret Corporate policies & procedures, perpetuating varying standards across business units. 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.	<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. Internal Audit have reviewed undertaking an assurance review of risk management arrangements and indications are they will give a high level of assurance. - Regular inspections and reports by the Health and Safety team with all actions being followed up within a reasonable time. Close involvement of Trade Unions in monitoring and reviewing Health and Safety. CMT receive monthly data on the completion of SO2 incident investigations. Quarterly meeting between H&S, Risk and Insurance services to review any recent claims and incidents. - Corporate Management Team receive a quarterly report on health and safety matters 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. Mental Health training for Managers available. - Current corporate equality strategy and action plan approved by Council in June 2018 which supports the Council in ensuring it meets the requirements of the Equalities Act 2010 and the Public Sector Equality Duty. Action plan is monitored quarterly. New action plan drafted and to be considered by Executive Scrutiny. EIA training piloted and being delivered with 80 attendees so far undertaken the training. - Officer decisions process now finalised and agreed and is being rolled out 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. - Directors/HoS due to receive corporate manslaughter training in December 2019 as part of our insurance offer - Finalise and communicate the new equalities action plan and continue EIA training including targeted work in key areas 	4	2	8		Kamal Adatia / Miranda Cannon	31/10/19 and ongoing
7. SAFEGUARDING Weak Management oversight of safeguarding processes in place leads to the Council failing to adequately safeguard vulnerable groups e.g. children and young people, elderly, those with physical and learning disabilities.	<ul style="list-style-type: none"> - Death or serious injury. - Serious case reviews initiated. - Reputational damage to the Council. - Citizens lose confidence in the Council. - Negatively impacts on relationships with stakeholders. - Impacts severely on staff morale - Leads to high turnover of social workers and managers. 	<ul style="list-style-type: none"> - Safeguarding Adults and Children's Boards in place. - Regular reviews of policies/procedures and close supervision of staff. - Range of quality assurance processes exist within the Divisions. - Range of developments, including corporate training, exist within the Divisions to manage, support recruit and retain staff. - Improvement Board established following the Ofsted inspection and other arrangements 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 Independence 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	31/10/19 and ongoing

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8. SCHOOL IMPROVEMENT - The Council receives a school improvement grant for its retained statutory functions but this has been reduced year on year and will only amount to circa £200k for 2019/20. Additionally de-delegated funding from School Forum, previously allocated to support this work, will no longer be available in 2019/20. This means that the Council's capacity to both support and hold schools to account will be significantly reduced.	- Poor OFSTED outcome for schools which affects morale and reputation and leads to poorer outcomes for children and young people - Increased risk of schools going into category of special measures, which for LA maintained schools requires the school to become a sponsored academy	- 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	- Commission School Improvement Leicester to provide school to school support and develop a memorandum of understanding setting out responsibilities of SIL and the LA - 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	31/10/19 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. A new sustainability action plan is in development. Climate emergency is one of the council's top three priorities to tackle. - 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) - 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 -Regular training provided via LRF and Resilience Partnership to relevant staff eg recent Operation Incus CT exercise - City Council major incident plan reviewed and signed off. A significant number of LCC senior managers provide on-call cover and are trained to do so, this is supported by an on-call function for communications and specific service areas also have out of hours emergency cover arrangements. - 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. - 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. -Member development programme includes briefings on emergency planning for Councillors	4	2	8		Miranda Cannon / Ivan Brown	31/10/19 and ongoing

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10. RESOURCE: CAPACITY, CAPABILITY, RETENTION & DEVELOPMENT Lack of workforce planning and appropriate development of managers and employees leaves the Council exposed to service failure. The Council does not have the capacity/resilience in resources, should an event/incident occur, may significantly increase the demand on front line services. Changing market conditions gives rise to the council not being seen as first choice for employment as private sector may be perceived as offering better reward.	<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"> - Enabling our best work programme being actively implemented rolling out new leadership qualities and embedding them into the employee lifecycle along with the roll out of the quality conversations framework for employee performance management and supporting tools and guidance around performance management and leadership - 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. Further work now to be done on guidance/framework for supporting wider development of young employees. - Significant numbers of graduates and apprenticeships in place within the Council. CMT started to receive regular reports of utilisation of the apprenticeship levy. - Digital Transformation programme includes a focus on developing the digital skills and competencies within the workforce. - CMT agreed work to be progressed around managing talent - New recruitment website is live and presents a much improved proposition to prospective employees. Ongoing work around solutions in relation to hard to recruit roles. 	3	3	9	<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. Develop an approach to talent management within LCC - Continue to roll out and embed the enabling our best work programme - 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 	3	2	6		Miranda Cannon / Craig Picknell	31/10/19 and ongoing
11. COMMISSIONING, CONTRACT MONITORING, MANAGEMENT & PROCUREMENT Lack of robustness in contract management & monitoring protocols/procedures/control s and limited awareness/understanding of contractual risks by staff within the Council, particularly by those procuring for goods/services.	<ul style="list-style-type: none"> - 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 	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - Further review of 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

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79 12. ASSET MANAGEMENT That ahead of the adoption of the Council's strategic and corporate asset management plans and associated focus and targeting of funds, that the condition of certain properties will deteriorate.	- The council's assets may fall into disrepair, resulting in increased maintenance costs, interruption to service delivery and potential for reductions in rental, capital and asset values.	- Final Asset Management Plan developed, including lifecycle planning for schools - A single corporate asset management system is now in place - Asset condition survey data held on the Concerto system is used for addressing priority actions. - Compliance data (fire, asbestos, water) is held on a centralised system and used to track risk - Corporate Landlord Fund has provision for emergency reactive repairs - Structural data is used to identify high risk building elements	4	4	16	- 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 - Creation of Corporate Property Group for a single part of management , review and escalation. - Development of a comprehensive building maintenance strategy to enable the prioritisation of capital improvement to reduce the backlog maintenance costs and targeted investment into critical Council properties to optimise the Council's Corporate and Operational Estates and associated incomes. EBS to undertake a full asset capture exercise to ensure data is held fully within Concerto. This will enable the Council to plan for critical replacements and therefore further reduce risk.	3	3	9		Matt Wallace	31/10/19 and ongoing

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13. 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	- 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	- Scope, vision, objectives and design principles for the digital transformation programme have been agreed. - Digital Transformation Programme Manager in post. Lead Member involvement in the programme. - 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. ICT have aligned appropriate resources outside of operational delivery to specifically support digital transformation - Key transformation projects have been agreed and are being undertaken and includes areas such as ICT rationalisation, data management 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.	3	3	9	- Ensure clear communications relating to the programme - Keep under review the ICT resources and approach needed to ensure the programme is able to deliver at the appropriate pace	3	2	6		Miranda Cannon	31/10/19 and ongoing
14. 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)	- 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	- Monitor situation closely. COO part of national reporting arrangement through regional Execs - CMT completed and reported a Brexit impact assessment to Executive and Audit and Risk. - 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. LRF undertook a full debrief after the first potential EU exit date passed and this gave positive assurance of the plans and arrangements put in place - Initial payment of grant funding from Government has been received to support additional workload/burden generated by Brexit	4	3	12	- 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 - Continue preparations for exit on the 31st October 2019	3	3	9		Andy Keeling / Alison Greenhill / Miranda Cannon	31/10/19 and ongoing

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15. FIRE RISK IN TALL BUILDINGS As a result of the failure of cladding materials and fire safety measures the fire service issues a prohibition notice leading to the evacuation of a high rise residential building .	- The Council is faced with the potential rehousing of occupiers at short notice and for a potentially indeterminate period of time.	- The Council is contributing to an 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 - Fire Safety leaflet agreed with LFRS/Internal Comms distributed to all LCC Council tenants including those in Tower blocks in March 2019 - Maxfield Houses planned improvement programme has now completed and reoccupation is now ongoing. All LCC Tower blocks in this programme have now been improved with the main focus on safety and fire safety - Sprinklers have now also been fitted to Maxfield House - Decision taken to demolish LCC owned Goscote House taken, this building is now being vacated as part of this project and will be full empty by September 2019. Work has taken place to prepare for the demolition phase of the project which is due to start in early 2020 and last for up to 12 months. - Procurement is ongoing for the retro fit of sprinkler to all LCC owned Tower blocks.	3	3	9	- 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 /20 - Decision taken to fit sprinklers to all LCC owned tall buildings, . All other LCC owned Tower blocks to have sprinklers retro fitted from 2019 onwards	2	3	6		Chris Burgin/John Leach	31/10/19 and ongoing

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16. ENSURING STATUTORY RESPONSIBILITY FOR PROVISION OF SECONDARY SCHOOL PLACES 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.	- 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. - This would also carry financial impact in terms of emergency mitigation measures required.	- We are reviewing our projections constantly to ensure we maintain a balance of supply and demand. We now have in place clear check points throughout the year such as offer day, October census, on time applications which allow clear touch point and review periods to ensure close monitoring of places We have established governance in relation to the free school programme. We have monthly meetings, clear governance around programme risk and cost so we understand as LA where we are on the free schools programme. We are continuing to have dedicated officers work with the DFE to maintain oversight of the programme. - At the moment we have established a balanced approach to pupil place provision, between temporary places, permanent places and a programme of planned places. This is under constant review, however this approach provides the local authority the opportunity to be very flexible around supply, oversupply and future demand. Future projections and modelling of places is now reviewed by a third party as part of the verification process to ensure any projections and this has helped the LA established historical patterns and a larger sample of housing yield. - National data sets used to triangulate local needs, such as NHS projected birth data and GP registrations. - 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. - 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 - Working with secondary schools around the city to facilitate temporary provision of space to accommodate larger classes. - 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. - 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. - Ensuring all projections and tolerances are understood including contingency measures which need to be implemented at each milestone and check point should it be identified that we the authority is falling below the projection.	3	3	9	- Following a review of the pupil place planning team we are now recruiting and placing further resource into this area to strengthen our oversight, - Closer working relationship with trusts, DFE and the RSCs offices, - Education board established to ensure greater scrutiny and understanding of pupil place risks and standards. - Great clarity on data sets and impacts of other element, such as Brexit on student and co-hurt class room growth in the city, - Data reviews received frequently but sufficient control measures currently in place - Should additional resource be required this will be put in place - Close working with both school in the city and government programme is continuing to ensure sufficient places are provided.	3	2	6		Richard Sword	31/10/19 and ongoing

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17. SUPPORT FOR PUPILS WITH SEND Following a Local Area Review of SEND in Spring 2018, a written statement of action was required in order to show how improvement would be brought about. These improvements need to be achieved in the context of significant financial pressures on the High Needs Block (HNB) which will require the Council to reduce expenditure on SEND for 2019/20 when reserves of the HNB are exhausted.	Failure to implement improvements would lead to an extension of the WSOA requirements and reputational damage to the Council. It could also impact on the forthcoming ILACS inspection of children's services. - Failure to ensure reductions in spend on SEND however would mean that the Council would have to financially subsidise the HNB	There have already been four joint review meetings with DfE and CCG and in the last such meeting it was concluded that good progress is being made against action points. - In relation to budget pressures, a report was commissioned by an external consultant in which options have been put forward for reductions in spend for mainstream school top ups and special schools. In addition, savings are being looked at from staffing and reductions agreed in relation to vacant posts in the first instance. - On the WSOA improvements, there is a significant amount of improvement work taking place, including quality assuring of EHCPs and work with schools to secure better educational outcomes for pupils with SEND.	3	4	12	- In relation to budget pressures, options will need to be considered for a possible restructure of SEND staffing in line with statutory and non statutory functions.	2	4	8		Paul Tinsley	31/10/19 and ongoing

Appendix 2a - LCC Strategic Risk Register

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1. 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'	- Full Council approved a balanced budget for 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 - £56m service transformation fund <u>- Managed reserve balance available to smooth 20/21</u>	5	3	15	- 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		Andy Keeling / Alison Greenhill	<u>31/10/19</u> and On-going
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.	- 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 funding arrangements involving partners 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.	- 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 March 2019 Forum meeting evaluated approach to date of the Forum. <u>and currently some work to review and evaluate the Forum now it has been in place for a number of years</u> - 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.	3	3	9	- 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	3	2	6		Miranda Cannon / All Strategic Directors	<u>31/10/19</u> and On-going

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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.	<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. 										
3. CYBER RISK - Loss or compromise of IT systems and/or associated data through cyber security attacks	<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 - <u>Services have BCPs which cover loss of systems and ICT have a disaster recovery plan in place</u> - <u>An audit was commissioned in April 2019 to provide assurance that the ICT infrastructure is robust and that the range of IT controls are well designed and consistently applied. The auditors reported "Substantial Assurance" with some minor improvements required with medium risk issues to be addressed and an action plan has been created to resolve these issues</u> 	4	5	20	-Currently out to market for a Security and Incident Event Management service. -IT Security Manager appointed and will be in post August 2018. - <u>Delivery of action plan arising from the audit</u> -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	31/10/19 and On-going

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4. BUSINESS/SERVICE CONTINUITY MANAGEMENT Unforeseen unpredictable events such as flood, power/utility failure etc. could impact on the council's assets, communication channels or resources etc.	- Insufficiently prepared management leads to disorder in the rapid restoration of business critical activities and the control of the emergency plan. - The 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	- All the Senior Management Team have roles in either the Corporate Business Continuity Management Team (CBCT) or are Emergency Controllers. <u>Significant number of senior managers are on the on-call rota and have either had training and in some cases practical experience from actual incidents.</u> 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. A process for undertaking a more detailed review of what are business critical services is being prepared. Some comparisons done with business critical activities identified by other authorities. - BCP Strategy and Policy tailored for the council in place to meet organisational needs. The latest versions were reviewed and approved by Audit & Risk Committee in March 2019. - 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. - Internal Audit <u>have completed</u> an assurance review of risk management - <u>awaiting formal report but indications are a high level of assurance in terms of our arrangements</u> currently. - 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	4	2	8	- Further embedding of business continuity management approach <u>through continued training and awareness raising.</u> - 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. - Implement the framework to review the number of Business Critical Activities and to reduce them to ensure recovery from an incident is more efficient and effective	3	2	6		Miranda Cannon	31/10/19 and On-going

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5. INFORMATION GOVERNANCE Information Governance/Security/ Data Protection policies/procedures/ protocols are not followed by staff and members.	- 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 data protection legislation (GDPR, Data Protection Act 2018, PECR, HRA)	- 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 information security incidents and weekly reporting of FOI performance to Directors in place - GDPR action plan implemented and regularly reviewed	3	4	12	- 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 regularly reviewed - Data Protection and Freedom of Information training available across the Council - Data Protection Officer appointed - Regular external audit of GDPR compliance in place	3	3	9		Andy Keeling	31/10/19 and On-going

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6. COMPLIANCE WITH REGULATION, POLICIES, PROCEDURES HEALTH AND SAFETY ETC Local management use discretion to apply inconsistent processes and misinterpret Corporate policies & procedures, perpetuating varying standards across business units. 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.	<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. Internal Audit have reviewed <u>currently undertaking an assurance review of risk management arrangements and indications are they will give a high level of assurance.</u> - 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. - <u>CMT receive monthly data on the completion of SO2 incident investigations. Quarterly meeting between H&S, Risk and Insurance services to review any recent claims and incidents.</u> - Corporate Management Team receive a quarterly report on health and safety matters 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. <u>New Mental Health training has been piloted and is being rolled out. Mental Health training for Managers available.</u> - 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. <u>New action plan drafted and to be considered by Executive Scrutiny. EIA training piloted and being delivered with 80 attendees so far undertaken the training.</u> - Officer decisions process now finalised and agreed and is being to be rolled out 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. - <u>Directors/HoS due to receive corporate manslaughter training in December 2019 as part of our insurance offer</u> - <u>Finalise and communicate the new equalities action plan and continue EIA training including targeted work in key areas</u> 	4	2	8		Kamal Adatia / Miranda Cannon	<u>31/10/19</u> and On-going
7. SAFEGUARDING Weak Management oversight of safeguarding processes in place leads to the Council failing to adequately safeguard vulnerable groups e.g. children and young people, elderly, those with physical and learning disabilities.	<ul style="list-style-type: none"> - Death or serious injury. - Serious case reviews initiated. - Reputational damage to the Council. - Citizens lose confidence in the Council. - Negatively impacts on relationships with stakeholders. - Impacts severely on staff morale - Leads to high turnover of social workers and managers. 	<ul style="list-style-type: none"> - Safeguarding Adults and Children's Boards in place. - Regular reviews of policies/procedures and close supervision of staff. - Range of quality assurance processes exist within the Divisions. - Range of developments, including corporate training, exist within the Divisions to manage, support recruit and retain staff. - Improvement Board established following the Ofsted inspection and other arrangements 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	<u>31/10/19</u> and On-going

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8. SCHOOL IMPROVEMENT <u>- The Council receives a school improvement grant for its retained statutory functions but this has been reduced year on year and will only amount to circa £200k for 2019/20. Additionally de-delegated funding from School Forum, previously allocated to support this work, will no longer be available in 2019/20. This means that the Council's capacity to both support and fund schools to accept will be significantly reduced.</u>	- Poor OFSTED outcome for schools <u>which affects morale and reputation and leads to poorer outcomes for children and young people</u> - Increased risk of schools going into category of special measures, <u>which for LA maintained schools requires the school to become a sponsored academy</u> - Poor outcome for Local Authority if inspected under the OFSTED framework for LA School Improvement effectiveness	- Revised desk top analysis to identify potential underperformance in individual schools and settings - Revised School Improvement Framework - Regular reporting to DMT and LMB on schools causing concern and targeted work - Self evaluation against OFSTED framework for inspection completed - At risk schools discussed and warning notices considered - Inspection file being collated to evidence effective and good practice in targeted work with schools. - 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	- Targeted visits by Director of Learning - <u>Commission School Improvement Leicester to provide school to school support and develop a memorandum of understanding setting out responsibilities of SIL and the LA</u> 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	31/10/19 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) .	<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. <u>A new sustainability action plan is in development. Climate emergency is one of the council's top three priorities to tackle.</u> - 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) - 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 -Regular training provided via LRF and Resilience Partnership to relevant staff eg recent Operation Incus CT exercise - City Council major incident plan reviewed and signed off. <u>A significant number of LCC senior managers provide on-call cover and are trained to do so, this is supported by an on-call function for communications and specific service areas also have out of hours emergency cover arrangements.</u> - 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. - 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	<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. -<u>Member development programme includes briefings on emergency planning for Councillors</u> 	4	2	8		Miranda Cannon / Ivan Brown	31/10/19 and On-going

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			Impact	Probability	Risk		Impact	Probability	Risk			
10. RESOURCE: CAPACITY, CAPABILITY, RETENTION & DEVELOPMENT Lack of workforce planning and appropriate development of managers and employees leaves the Council exposed to service failure. The Council does not have the capacity/resilience in resources, should an event/incident occur, may significantly increase the demand on front line services. Changing market conditions give rise to the council not being seen as first choice for employment as private sector may be perceived as offering better reward.	<ul style="list-style-type: none"> - 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"> - Enabling our best work programme being actively implemented rolling out new leadership qualities and embedding them into the employee lifecycle along with the roll out of the quality conversations framework for employee performance management and supporting tools and guidance around performance management and leadership - 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. Further work now to be done on guidance/framework for supporting wider development of young employees. - Significant numbers of graduates and apprenticeships in place within the Council. CMT started to receive regular reports of utilisation of the apprenticeship levy. - Digital Transformation programme includes a focus on developing the digital skills and competencies within the workforce. - CMT agreed work to be progressed around managing talent - New recruitment website is live to go live in April/May and will presents a much improved proposition to prospective employees. Ongoing work around solutions in relation to hard to recruit roles. 	3	3	9	<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. Develop an approach to talent management within LCC - Continue to roll out and embed the enabling our best work programme - 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 	3	2	6		Miranda Cannon / Craig Picknell	31/10/19 and On-going
11. COMMISSIONING, CONTRACT MONITORING, MANAGEMENT & PROCUREMENT Lack of robustness in contract management & monitoring protocols/procedures/control s and limited awareness/understanding of contractual risks by staff within the Council, particularly by those procuring for goods/services.	<ul style="list-style-type: none"> - 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 	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - Further review of 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

Appendix 2a - LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 31/07/2019

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>12. ASSET MANAGEMENT</p> <p>That, in advance of the imminent completion and adoption <u>ahead of the</u> of the Council's strategic and corporate asset management plans <u>and associated focus and targeting of funds</u>, that the condition of certain properties will deteriorate.</p>	<p>- The council's assets may fall into disrepair, resulting in increased maintenance costs, <u>interruption to service delivery</u> and potential for reductions in rental, capital and asset values.</p>	<p>- Final Asset Management Plan <u>developed</u>, including lifecycle planning for schools will be embedded during mid 2018. UBB Programme now mainstreamed into EBS business as usual activity</p> <p>- A single corporate asset management system is now in place</p> <p>- Asset condition survey data held on the Concerto system is used for addressing priority actions.</p> <p>- Compliance data (fire, asbestos, water) is held on a centralised system and used to track risk</p> <p>- Central Maintenance Fund <u>Corporate Landlord Fund has provision for emergency reactive repairs</u>, is available to address urgent repair items and Health and Safety</p> <p>- Structural data is used to identify high risk building elements</p>	4	4	16	<p>- 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</p> <p>- Creation of Corporate Property Group for a single part of management , review and escalation.</p> <p>- Development of a comprehensive building maintenance strategy to enable the prioritisation of capital improvement to reduce the backlog maintenance costs and targeted investment into critical Council properties to optimise the Council's Corporate and Operational Estates and associated incomes. <u>EBS to undertake a full asset capture exercise to ensure data is held fully within Concerto. This will enable the Council to plan for critical replacements and therefore further reduce</u></p>	3	3	9		Matt Wallace	31/10/19 and On-going

Appendix 2a - LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 31/07/2019

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.— Work underway to give a stronger focus on Entrepreneurial Councils including income generation, maximising social value, alternative service provision models etc— Brexit impact assessment in place and being monitored which includes reference to possible legislative-type changes 	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.— Recruit resources specifically to support Entrepreneurial Councils activity and to implement agreed business plan/next steps on this— Continue to monitor closely any legislative / other changes arising as a result of EU exit as and when that happens including all new statutory instruments being proposed 	3	2	6		Andy Keeling	31/07/19 and ongoing
13. 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. <u>Lead Member involvement in the programme.</u> 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. <u>ICT have aligned appropriate resources outside of operational delivery to specifically support digital transformation</u> Additional ICT programming resources are being recruitment to in order to provide further specific technical capacity and capabilities <u>Key transformation projects have been agreed and are being undertaken and includes areas such as ICT rationalisation, data management and service based digital transformation. Work underway on identifying and baselining metrics to measure the progress and impact of the programme overall.</u> 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. 	3	3	9	<ul style="list-style-type: none"> Finalise and sign off the metrics to measure progress across the different aspects of digital transformation— Continue delivery of the programme— Ensure clear communications relating to the programme Keep under review the ICT resources and approach needed to ensure the programme is able to deliver at the appropriate pace 	3	2	6		Miranda Cannon	31/10/19 and On-going

Appendix 2a - LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 31/07/2019

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			
14. 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)	- 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	- Monitor situation closely. COO part of national reporting arrangement through regional Execs - CMT completed and reported a Brexit impact assessment to Executive and Audit and Risk. - 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>LRF undertook a full debrief after the first potential EU exit date passed and this gave positive assurance of the plans and arrangements put in place</u> - Initial payment of grant funding from Government has been received to support additional workload/burden generated by Brexit - Planning for delivery of European Parliamentary elections on 23 May not actively underway following confirmation from Government about reimbursement for costs incurred	4	3	12	- 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 - Continue preparations for exit on the 31st October 2019	3	3	9		Andy Keeling / Alison Greenhill / Miranda Cannon	<u>31/10/19</u> and On-going
15. FIRE RISK IN TALL BUILDINGS As a result of the failure of cladding materials and fire safety measures the fire service issues a prohibition notice leading to the evacuation of a high rise residential building .	- The Council is faced with the potential rehousing of occupiers at short notice and for a potentially indeterminate period of time.	- The Council is contributing to an 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 <u>- Fire Safety leaflet agreed with LFRS/Internal Comms distributed to all LCC Council tenants including those in Tower blocks in March 2019</u> <u>- Maxfield Houses planned improvement programme has now competed and reoccupation in now ongoing. All LCC Tower blocks in this programme have now been improved with the main focus on safety and fire safety</u> <u>- Sprinklers have now also been fitted to Maxfield House</u> - Decision taken to demolish LCC owned Goscote House taken, <u>this building is now being vacated as part of this project and will be full empty by September 2019. Work has taken place to prepare for the demolition phase of the project which is due to start in early 2020 and last for up to 12 months.</u> <u>- Procurement is ongoing for the retro fit of sprinkler to all LCC owned Tower blocks.</u>	3	3	9	- 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 /20 - Decision taken to fit sprinklers to all LCC owned tall buildings, . All other LCC owned Tower blocks to have sprinklers retro fitted from 2019 onwards	2	3	6		Chris Burgin/John Leach	<u>31/10/19</u> and On-going

Appendix 2a - LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 31/07/2019

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			
16. ENSURING STATUTORY RESPONSIBILITY FOR PROVISION OF SECONDARY SCHOOL PLACES 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.	- 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. - This would also carry financial impact in terms of emergency mitigation measures required.	<u>We are reviewing our projections constantly to ensure we maintain a balance of supply and demand. We now have in place clear check points throughout the year.</u> 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 <u>We have established governance in relation to the free school programme. We have monthly meetings, clear governance around programme risk and cost so we understand as LA where we are on the free schools programme. We are continuing to have dedicated officers work with the DFE to maintain oversight of the programme.</u> <u>- At the moment we have established a balanced approach to pupil place provision, between temporary places, permanent places and a programme of planned places. This is under constant review, however this approach provides the local authority the opportunity to be very flexible around supply, oversupply and future demand.</u> Future projections and modelling of places is now reviewed by a third party as part of the verification process to ensure any projections <u>and this has helped the LA established historical patterns and a larger sample of housing yield.</u> - National data sets used to triangulate local needs, such as NHS projected birth data <u>and GP registrations.</u> - 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. - 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 - Working with secondary schools around the city to facilitate temporary provision of space to accommodate larger classes. - 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. - 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. - 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	3	3	9	- Following a review of the <u>pupil place planning team we are now recruiting and placing further resource into this area to strengthen our oversight.</u> - Closer working relationship with trusts, DFE and the RSCs offices. - Education board established to ensure greater scrutiny and understanding of pupil place risks and standards. - Great clarity on data sets and impacts of other element, such as Brexit on student and co-hurt class room growth in the city. - Data reviews received frequently but sufficient control measures currently in place - Should additional resource be required this will be put in place - Close working with both school in the city and government programme is continuing to ensure sufficient places are provided.	3	2	6		Richard Sword	31/10/19 and On-going

Appendix 2a - LCC Strategic Risk Register

Risk Register Owner: Andy Keeling, COO

Date completed: 31/07/2019

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>17. SUPPORT FOR PUPILS WITH SEND</p> <p>Following a Local Area Review of SEND in Spring 2018, a written statement of action was required in order to show how improvement would be brought about. These improvements need to be achieved in the context of significant financial pressures on the High Needs Block (HNB) which will require the Council to reduce expenditure on SEND for 2019/20 when reserves of the HNB are exhausted</p>	<p>Failure to implement improvements would lead to an extension of the WSOA requirements and reputational damage to the Council. It could also impact on the forthcoming ILACS inspection of children's services.</p> <p>- Failure to ensure reductions in spend on SEND however would mean that the Council would have to financially subsidise the HNB</p>	<p>- There have already been four joint review meetings with DfE and CCG and in the last such meeting it was concluded that good progress is being made against action points.</p> <p>- In relation to budget pressures, a report was commissioned by an external consultant in which options have been put forward for reductions in spend for mainstream school top ups and special schools. In addition, savings are being looked at from staffing and reductions agreed in relation to vacant posts in the first instance.</p> <p>- On the WSOA improvements, there is a significant amount of improvement work taking place, including quality assuring of EHCPs and work with schools to secure better educational outcomes for pupils with SEND.</p>	3	4	12	<p>- In relation to budget pressures, options will need to be considered for a possible restructure of SEND staffing in line with statutory and non statutory functions.</p>	2	4	8		Paul Tinsley	31/10/19 and ongoing

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

Appendix 3

LCC Operational Risk Exposure Summary as at 31st July 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	
	<u>STRATEGIC AREA – ADULT SOCIAL CARE</u>								
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	31/10/19 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	31/10/19 ongoing
3.	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	31/10/19 ongoing
	<u>STRATEGIC AREA – CITY DEVELOPMENTS AND NEIGHBOURHOODS</u>								
7.	Tourism, Culture & Investment – Markets – Risk relating to trader attrition and inability to attract new traders particularly during the market improvement works	MD	4	4	16	3	4	12	31/09/19 ongoing
8.	Tourism, Culture & Investment – Markets – the prevalence of incidents of anti-social behaviour in and around the Market area	MD	4	4	16	3	4	12	31/10/19 ongoing
4.	Neighbourhood and Environmental Services – Lack of adequate resource capacity	JL	4	4	16	3	3	9	31/10/19 ongoing
9.	Tourism, Culture & Investment – De Montfort Hall – Loss of operational ability due to failure of stage lift if not replaced	MD	5	3	15	5	2	10	31/10/19 ongoing
10.	Tourism, Culture & Investment – De Montfort Hall – Loss of operational ability due to failure of flying bars if not replaced	MD	5	3	15	5	2	10	31/10/19 ongoing
5.	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	31/10/19 ongoing
6.	Neighbourhood and Environmental Services – Reduction in income generation programmes	JL	3	5	15	2	4	8	31/10/19 ongoing
	<u>STRATEGIC AREA – CORPORATE RESOURCES AND SUPPORT</u>								
12.	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	31/10/19 ongoing
13.	Finance - Tactical Decision Making -	AG	4	4	16	4	4	16	31/10/19 ongoing

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	
	Business solutions considered by services, which impact upon Information Services service delivery, are taken without consultation or considering the impact								
16.	Legal – Workloads and Pressure – Client Care. Services within the Council are stretched with increased demands and pressures.	KA	4	4	16	4	3	12	31/10/19
14.	Finance – Introduction of Universal Credit Full service	AG	4	4	16	3	3	9	31/10/19 ongoing
11.	Delivery, Communications and Political Governance - The service may struggle to manage a number of unplanned, additional elections	MC	4	4	16	4	2	8	31/10/19 ongoing
15.	Finance - Financial challenges - the Council fails to respond adequately to the cuts in funding over the coming year or years.	AG	5	3	15	5	2	10	31/03/20 and ongoing
<u>STRATEGIC AREA - EDUCATION AND CHILDREN'S SERVICES</u>									
17.	Children's Social Care and Early Help - Budget Loss and / or reduction of services to achieve budget savings	CT	5	4	20	5	3	15	31/12/19
18.	Children's Social Care and Early Help - GDPR Change in Data Protection regulation (GDPR) which came into force May 2018.	CT	4	4	16	4	3	12	31/12/19
19.	Learning Services – A rising number of LA maintained schools are reporting financial deficits	PT	4	4	16	4	3	12	31/10/19
20.	Learning Services – External Market External competition continues to threaten the future viability of the City Catering Service	PT	4	4	16	3	4	12	31/10/19
<u>STRATEGIC AREA – PUBLIC HEALTH</u>									
21.	Budget - External Influences External national imperatives without associated budget introduced which will impact on local delivery	IB	4	4	16	3	4	12	15/01/20
22.	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	15/01/20
23.	Technology – Systems/ technology not fit for purpose to support services and commercial objectives, lack of IT knowledge	IB	4	4	16	3	3	9	01/01/20
24.	Budget Restrictions - Funding Ongoing austerity for Public Sector requires changes to service delivery to comply with available budget, continued reductions could	IB	3	5	15	2	5	10	15/01/20

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	
	force termination of services to ensure priority services remain available								
25.	Contract Management – Dilution of resources within Contract Management Services appear to impact the Public Health specific support for all elements of contract management	IB	3	5	15	2	2	4	15/01/20

Key:

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

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

Risk scores:

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

Risk Owners:

AG - Alison Greenhill
CB - Chris Burgin
CT - Caroline Tote
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: 31/07/2019						
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
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/DOLS 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. - Reputational risk if someone dies whilst illegally deprived of their liberty, financial risk if taken to court	- 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) - JE completed for BIAs (unsuccessful), further request for market supplements made, waiting list risk assessed monthly and prioritisation system agreed with Leadership (reviewed regularly)	4	4	16	- Wider recruitment planned and to be funded	4	3	12		Tracie Rees	31.10.2019 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	- 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, day time workers working a Sat shift as part of their normal working week. Market supplements have been agreed for EDT workers, open advert for AMHPs, secondments and overtime offered to AMHPs and SW across ASC	4	3	12		Tracie Rees	31.10.2019 Ongoing

Appendix 4 - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO			Risks as at: 31/07/2019											
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		
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					
3. 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	31.10.2019 Ongoing		
STRATEGIC AREA - City Development and Neighbourhoods														
4. 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.	- 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.	- 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	- 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	31.10.2019 Ongoing		
5. 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. 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. Director of EBS now progressed further work.	- 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.	- 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. - NES/P& O have ensured operational mitigating action in place. I13Dedicated Banksman employed to manage traffic movement on site. - All staff trained in banksman duty of care. - H&S team undertaken review C13of short term safety measures for pedestrians and vehicles on site. - £125k approved from Loss Reduction Risk fund to install one way system, plus £10k EBS. (NEW ADDITION). Meeting held with EBS 11th April - Trees and Woodland Team and Landscapes Team ensuring all appropriate alternative storage options are utilised. EBS committed to confirmation/delivery of scheme within budget and to providing implementation timescale asap. Andy Keeling supporting NES urgent request for appropriate action.G16	5	3	15	- New site - Suitable adaptation of existing to accommodate operational practices and introduction of one way traffic system.	4	2	8	Unknown at present	Matthew Wallace	31.10.2019 Ongoing		

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What is the issue:												
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problem – what could go wrong			(See Scoring Table)				(See Scoring Table)					
			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
6. Neighbourhood and Environmental Services - Reduction in Income Generation Programmes 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.	- 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.	- Budgets are in place and alternative savings option appraisals are performed and saving plans are implemented. - Policies and procedures are in place. - Ashco 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	- Introducing new ways of working to encourage entrepreneurial opportunities - External funding opportunities further explored	2	4	8	N/A	John Leach	31.10.2019 Ongoing
7. Tourism, Culture & Investment - Markets Risk relating to trader attrition and inability to attract new traders particularly during the market improvement works	- 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	- 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 had been agreed by the City Mayor but that has no changed and there is no agreed programme of work.	4	4	16	- Need review and reprioritise works with CM. High risk remains	3	4	12	- Work to Market is urgently needed as without improvements new commodities cannot be expected	Mike Dalzell	30.09.2019 Ongoing
8. 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 -Negative media coverage impacting perceptions of the Markets and deters shoppers	- Inspectors regularly patrol The presence of security officer has no doubt made a huge difference in regards to antisocial behaviour on the market, however the problem still exists within the City Centre and is prevalent on the outer fringes of the Market Place.	4	4	16	- Market rules are complemented with zero tolerance. Security staff are engaged. Make frequent Police Patrols	3	4	12	- Homeless people and substance abusers currently get fed at Leicester Market 7 days a week. Work is ongoing to try to locate alternative feeding stations so that people do not congregate on the Market from as early as 4pm daily	Mike Dalzell	31.10.2019 Ongoing

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Risk Register Owner: Andy Keeling, COO									Risks as at: 31/07/2019								
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				
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problem – what could go wrong				(See Scoring Table)				(See Scoring Table)									
				Impact	Likelihood	Risk		Impact	Likelihood	Risk							
9. 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.	- Stage lift works delayed until summer 2020. Increased risk of breakdown even with upweighted inspection programme.	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 - Tender in process	Mike Dalzell	31.10.2019 Ongoing				

Appendix 4 - Leicester City Council Operational Risk Register

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problem – what could go wrong			(See Scoring Table)				(See Scoring Table)						
			Impact	Likelihood	Risk		Impact	Likelihood	Risk				
10. 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 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.	- Loss of income - Loss of reputation - Negative PR.	- 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	- Replacement took place during summer,2018. - Now operational and appears reliable, although some minor adjustments still required to software,	5	2	10	- Circa £100k. Funded via EBS capital. - All fully operational, need to find ongoing way to fund renewal / replacement given DMH revenue budget reduction.	Mike Dalzell	31.10.2019 Ongoing	
STRATEGIC AREA - Corporate Resources and Support													
11. Delivery, Communications and Political Governance - Unplanned Election Event The service may struggle to manage a number of unplanned, additional elections, as well as a number of different type of elections e.g. House of Lords, Referendums etc. Unable to source suitable polling stations and a count venue for unplanned elections. 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	- Elections not performed appropriately/challenges received and elections may have to be re-run. - Impacts on delivery of planned elections - Reputational damage. - Adverse effect on finances. - Media coverage. - Public complaints. - Increase in resource requirements. - Could lead to increased expectations on the existing trained core team, who hold relevant and detailed knowledge. - The potential repetition of impacts and pressures that arose during 2011 elections. - Impacts also on the wider capacity and resources of the Council which would be needed to support delivery.	- Returning officer and nominated deputies are in place. - Insurance is in place. - Many elections can be planned and have set dates. - Since 2015 staffing plans for each election have sought to further develop the skills and experience of both the core team and to develop individuals to perform other key roles relating to aspects such as postal vote processing, election count and on polling day. This provides a wider pool of experienced staff to draw on. - Electoral Commission guidance gives detailed support in the planning and management of each specific type of elections. - A number of the Electoral Services team undertaking professional AEA qualifications. Recruited two new electoral services officers who are becoming embedded in the team and will be undertaking the-appropriate core professional training - 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. - Detailed debriefs have been done after each election in recent years including the recent May 2019 elections and used to feed into planning for future elections. The successful delivery of the recent elections including the very short notice European Parliamentary election demonstrated the effectiveness of the measures taken around staff development, process improvement etc	4	4	16	- 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. - Keep under review staffing skills and expertise within the team and more widely	4	2	8		Miranda Cannon	31.10.2019 Ongoing	

Appendix 4 - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risk		Consequence /effect: what would occur as a result, how much of a problem would it be, to whom and why	Existing actions/controls	Risk Score with existing measures			Further management actions/controls required	Target Score with further controls			Cost	Risk Owner	Review Date
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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			
12. Finance - Information and Customer Access - Cyber Security	- 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	- 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	- Technology solutions, requires cost effective considerations; - Continued awareness training etc..	4	5	20			Alison Greenhill	31.10.2019 Ongoing
13. Finance - Tactical Decision Making	- 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 Hoss 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	31.10.2019 Ongoing
14. Finance - Introduction of Universal Credit (UC) Full Service Legislation	- Adverse impact on resident household income - Increasing poverty - Rent arrears (HRA) - Potential homelessness - Increased demand for discretionary funding - Adverse impact on CT collection and Increased arrears - Increased demand for welfare advice services	- LCC UC strategy, risk log and ETA - Communication and action plan - Engagement with DWP & SWAP - Staff training	4	4	16	- Monitoring and reporting to DoF and Executive - Regular engagement with DWP - Redirection of staff resources - Regular review of customer support	3	3	9	£2m Rent arrears £0.5m Grant loss £3.6m CT loss		Alison Greenhill	31.10.2019 Ongoing
15. Finance - Financial Challenges	- 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 19/20 : Spending review 4 programme underway and previous spending reviews largely complete. - £5m service transformation fund as at 31/3/19 - Managed reserve balance available to smooth 20/21	5	3	15	- 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	31.03.2020/ 2021 and On-going

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What is the issue:												
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problem – what could go wrong			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
16. 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.	<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	31.10.2019 Ongoing
<u>STRATEGIC AREA - Education and Children's Services</u>												
17. Children's Children's Social Care and Early Help - Budget Loss and / or reduction of services to achieve budget savings	<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">- Strategic Oversight and clear governance arrangements in place;- SCE Programme Board oversees all budget reduction projects.	5	4	20	<ul style="list-style-type: none">- Star Chamber oversight regarding saving reductions and undeliverable savings.	5	3	15		Caroline Tote	31.12.2019

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18. 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. – Staff have completed GPDR training session. - GDPR understood across services.	4	3	12		Caroline Tote	31.12.2019					
19. Learning Services - Financial Deficit 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	31.10.2019					
20. Learning Services - External Market 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	31.10.2019					

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			Impact	Likelihood	Risk		Impact	Likelihood	Risk				
STRATEGIC AREA - Public Health													
21. Public Health - Budget - External Influences External national imperatives without associated budget introduced which will impact on local delivery.	- 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	- 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 - Utilise partnership approach - Explore alternative treatment/therapy options	3	4	12		Ivan Browne	15.01.2020	
22. Public Health - 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; - 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	- 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	- 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	15.01.2020	
23. 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 - impact on customers and loss of income	- 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 - SS Data Project Officer in place/ new tender for software provider undertaken	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	3	9		Ivan Browne	01.01.2020	

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What is the issue:			(See Scoring Table)	Impact	Likelihood		Risk	(See Scoring Table)	Impact				Likelihood	Risk
what is the root cause/														
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24. 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. Capital Costs increase beyond the approved budget creates service budget problems	<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- continued decline in condition of leisure centres/negative impact on customers and income- unable to deliver leisure centre capital programme due to unaffordability	<ul style="list-style-type: none">- PH Return to Central Government (Return On Investment (ROI))- Staffing restructure- Employing new commissioning and delivery model for key services- Invest to save opportunities explored- Internal briefings / decision making process- Political oversight- Articulating associated risks; through spending review process- Scrutiny- Clinical Governance Process in place- Monitoring to identify adverse effects- Maintenance Plans with EBS- Leisure Centre Capital Programme Revised Business Case- Alliance Leisure appointed via National Leisure Framework	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- Cross organisational opportunity review of priorities and resources- Further ROI Business Cases to fund capital improvement/improve income and customer experience	2	5	10		Ivan Browne	15.01.2010		
25. Public Health - 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	<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 further actions	2	2	4		Ivan Browne	15.01.2010		

Appendix 4a - Leicester City Council Operational Risk Register

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STRATEGIC AREA - Adult Social Care

1. Care Services & Commissioning (ASC) - Budget - Compliance/DOLS 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. 'Reputational risk if someone dies whilst illegally deprived of their liberty, financial risk if taken to court	- 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) - JE completed for BIAs (unsuccessful), further request for market supplements made, waiting list risk assessed monthly and prioritisation system agreed with Leadership (reviewed regularly)	4	4	16	Report to Exec – seeking additional funding for 12 month project <u>-Wider recruitment planned and to be funded</u>	4	3	12		Tracie Rees	<u>31.10.2019</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. 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 To. Meantime the risk remains high as the council may not be able to undertake its statutory duty. <u>- Pilot of new 7 day rota commenced 01.09.2018 and was reviewed at the end Nov 2018, day time workers working a Sat shift as part of their normal working week. Market supplements have been agreed for EDT workers, open advert for AMHPs, secondments and overtime offered to AMHPs and SW across ASC</u>	4	3	12		Tracie Rees	<u>31.10.2019</u> <u>Ongoing</u>

Appendix 4a - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO				Risks as at: 31/07/2019								
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
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			
3. Care Services & Commissioning (ASC) - Data breach Human error as demands on role increase likelihood for breach with access to sensitive data	<ul style="list-style-type: none">- Sensitive data shared with wrong individuals- Distressing to service users- Reputational damage to LCC- ICO investigation and potential fines	<ul style="list-style-type: none">- 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	<ul style="list-style-type: none">- Reviewing toolkits / refresher training / reviewing guidance and training on GDPR requires regular refresher	4	3	12		Tracie Rees	31.10.2019 Ongoing
STRATEGIC AREA - City Development and Neighbourhoods												
4. 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.	<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.- 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	31.10.2019 Ongoing
5. 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. 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. Director of EBS now progressed further work.	<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.- NES/P& O have ensured operational mitigating action in place.I13Dedicated Banksman employed to manage traffic movement on site.- All staff trained in banksman duty of care.- H&S team undertaken review C13of short term safety measures for pedestrians and vehicles on site.- £125k approved from Loss Reduction Risk fund to install one way system, plus £10k EBS. (NEW ADDITION). Meeting held with EBS 11th April - Trees and Woodland Team and Landscapes Team ensuring all appropriate alternative storage options are utilised. EBS committed to confirmation/delivery of scheme within budget and to providing implementation timescale asap. Andy Keeling supporting NES urgent request for appropriate action.	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	Matthew Wallace	31.10.2019 Ongoing

Appendix 4a - Leicester City Council Operational Risk Register

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problem – what could go wrong												
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6. Neighbourhood and Environmental Services - Reduction in Income Generation Programmes 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.	- 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.	- Budgets are in place and alternative savings option appraisals are performed and saving plans are implemented. - Policies and procedures are in place. - Ashco 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	- Introducing new ways of working to encourage entrepreneurial opportunities - External funding opportunities further explored	2	4	8	N/A	John Leach	<u>31.10.2019</u> <u>Ongoing</u>
7. Tourism, Culture & Investment - Markets Risk relating to trader attrition and inability to attract new traders particularly during the market improvement works	- 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	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 had been agreed by the City Mayor but that has no changed and there is no agreed programme of work.	4	4	16	Need review and reprioritise works with CM. High risk remains	3	4	12	Work to Market is urgently needed as without improvements new commodities cannot be expected	Mike Dalzell	<u>30.09.2019</u> <u>Ongoing</u>

Appendix 4a - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

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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	
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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				
8. 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 -Negative media coverage impacting perceptions of the Markets and deters shoppers	Inspectors regularly patrol 'The presence of security officer has no doubt made a huge difference in regards to antisocial behaviour on the market, however the problem still exists within the City Centre and is prevalent on the outer fringes of the Market Place..	4	4	16	- Market rules are complemented with zero tolerance. Security staff are engaged. Make frequent Police Patrols	3	4	12	-The presence of security officer has no doubt made a huge difference in regards to antisocial behaviour on the market, however the problem still exists within the City Centre and is prevalent on the outer fringes of the Market Place.. <u>Homeless people and substance abusers currently get fed at Leicester Market 7 days a week. Work is ongoing to try to locate alternative feeding stations so that people do not congregate on the Market from as early as 4pm daily</u>	Mike Dalzell	<u>31.10.2019</u> <u>Ongoing</u>	

Appendix 4a - Leicester City Council Operational Risk Register

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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											
9. 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			<ul style="list-style-type: none">- 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. <u>Stage lift works delayed until summer 2020. Increased risk of breakdown even with upweighted inspection programme.</u>			5	3	15	<ul style="list-style-type: none">- 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	<ul style="list-style-type: none">- Mitigation in place for 2hr callout until works can be undertaken..- Tender in process			Mike Dalzell			<u>31.10.2019</u> <u>Ongoing</u>		
10. 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 flying bars recently suffered some failures and if the flying bars were to cease operation, we would not be able to continue with our programme of shows.			<ul style="list-style-type: none">- Loss of income- Loss of reputation- Negative PR.			- 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.- Now operational and appears reliable, although some minor adjustments still required to software,			5	2	10	<ul style="list-style-type: none">- Circa £100k. Funded via EBS capital.- All fully operational, need to find ongoing way to fund renewal / replacement given DMH revenue budget reduction.			Mike Dalzell			<u>31.10.2019</u> <u>Ongoing</u>		

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what is the root cause/							(See Scoring Table)					
problem – what could go wrong			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
STRATEGIC AREA - Corporate Resources and Support												
11. Delivery, Communications and Political Governance - Unplanned Election Event The service may struggle to manage a number of unplanned, additional elections, as well as a number of different type of elections e.g. House of Lords, Referendums etc. Unable to source suitable polling stations and a count venue for unplanned elections. 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	<ul style="list-style-type: none"> - Elections not performed appropriately/challenges received and elections may have to be re-run. - Impacts on delivery of planned elections - Reputational damage. - Adverse effect on finances. - Media coverage. - Public complaints. - Increase in resource requirements. - Could lead to increased expectations on the existing trained core team, who hold relevant and detailed knowledge. - The potential repetition of impacts and pressures that arose during 2011 elections. - Impacts also on the wider capacity and resources of the Council which would be needed to support delivery. 	<ul style="list-style-type: none"> - Returning officer and nominated deputies are in place. - Insurance is in place. - 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 and now also for European Parliamentary elections in late May. 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- - Since 2015 staffing plans for each election have sought to further develop the skills and experience of both the core team and to develop individuals to perform other key roles relating to aspects such as postal vote processing, election count and on polling day. This provides a wider pool of experienced staff to draw on. - 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. - Electoral Commission guidance gives detailed support in the planning and management of each specific type of elections. - A number of the Electoral Services team undertaking professional AEA qualifications. Recruited two new electoral services officers who are becoming embedded in the team and will be undertaking the appropriate core professional training - 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. - Detailed debriefs have been done after each election in recent years including the recent May 2019 elections and used to feed into planning for future elections. The successful delivery of 	4	4	16	<ul style="list-style-type: none"> - 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. - Use external or peer support where feasible e.g. from other local authorities. - Consider training/up-skilling a pool of contingency staff.- - Keep under review staffing skills and expertise within the team and more widely 	4	2	8		Miranda Cannon	31.10.2019 Ongoing

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12. Finance - Information and Customer Access - Cyber Security Increasing profile and expertise to circumvent established defences increase vulnerability of LCC data.	- 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	- 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	- Technology solutions, requires cost effective considerations - Continued awareness training etc	4	5	20		Alison Greenhill	31.10.2019 Ongoing
13. Finance - Tactical Decision Making Business solutions considered by 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 Hoss 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	31.10.2019 Ongoing

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14. 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. <u>Implementation of UCFS was June 2018. Rollout will take 2/3 years to fully complete. Claimants move from LCC administered HB to DWP administered UC. Risk is impact on claimants changing from 1 system to another and the significant differences between the 2 regimes</u>	Adverse impact on resident household income Increasing poverty Rent arrears (HRA) Potential homelessness Increased demand for discretionary funding Adverse impact on CT collection and increased arrears Increased demand for welfare advice services 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	-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 -LCC UC strategy, risk log and ETA Comms and action plan Engagement with DWP & SWAP Staff training	4	4	16	-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 <u>- Monitoring and reporting to Doff and Executive</u> <u>- Regular engagement with DWP</u> <u>- Redirection of staff resources</u> <u>- Regular review of customer support</u>	<u>3</u>	3	<u>9</u>	£2m Rent arrears £0.5m Grant loss £3.6m CT loss	Alison Greenhill	<u>31.10.2019 Ongoing</u>

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14. Finance – Introduction of Universal Credit (UC) Full Service – Continued Financial DWP admin grant funding will reduce without the ability to reduce admin & staffing costs accordingly. DWP payments are not expected to cover the total costs of administering the UC process and the local support function as required.			– Financial consequences up to £0.5m upon HB/CT administration. – Delays in UC assessments and setting of recovery requests will affect the ability to collect council tax in year. – Unable to achieve efficiencies as insufficient resources required to cope with increased work demands – Potential creation of backlogs of work – Unable to apply an attachment to benefit to recover debt from UC, as other debts have more priority – LCC bad debt write 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.			– 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																	
14. Finance – Introduction of Universal Credit (UC) Full Service – Continued Customer Access Any claimants who do not have the educational or language skills could find it very difficult to access UC. This could be compounded by lack of access to IT to enable them to engage in the application, compliance and claim management process as required under their claimant commitment.			– Increased need for educational, digital & personal support – increase in Stress Action Plans and associated resources to support staff, – increase in staff absence – Stress action plans – especially in front of house services including libraries etc			– Staff resources across Housing and Finance are being reviewed and where possible expanded. – Access to digital support, education and personal support provision is being mapped, reviewed and robust Comms being developed to help mitigate impacts and also support customers to satisfy claimant commitment criteria																	

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15. Finance - Financial Challenges The Council fails to respond adequately to the cuts in public sector funding over the coming year or years. Additional risk due to absence of Government plans beyond 19/20	- 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 19/20 - Spending review 4 programme underway and previous spending reviews largely complete. <u>- £56m service transformation fund as at 31/3/19</u> <u>- managed reserve balance available to smooth 20/21</u>	5	3	15	- 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	<u>31/03/2020</u> <u>19/2021 and On-going</u>
16. 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.	- 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	- 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	- 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	<u>31.10.2019</u> <u>Ongoing</u>
STRATEGIC AREA - Education and Children's Services												
17. 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	- Strategic Oversight and clear governance arrangements in place - SCE Programme Board oversees all budget reduction projects	5	4	20	- Star Chamber oversight regarding saving reductions and undeliverable savings.	5	3	15		Caroline Tote	<u>31.12.2019</u>
18. 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. - Staff have completed GDPR training session. - GDPR understood across services.	4	3	12		Caroline Tote	<u>31.12.2019</u>

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			Impact	Likelihood	Risk		Impact	Likelihood	Risk			
19. Learning Services - Financial Deficit 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	31.10.2019
20. Learning Services - External Market 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	31.10.2019
STRATEGIC AREA - Public Health												
21. Public Health - Budget - External Influences External national imperatives without associated budget introduced which will impact on local delivery.	- 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	- 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 - Utilise partnership approach - Explore alternative treatment/therapy options	3	4	12		Ivan Browne	15.01.2020

Appendix 4a - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risk			Consequence /effect: what would occur as a result, how much of a problem would it be, to whom and why			Existing actions/controls			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																							
22. Public Health - 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			<u>15.01.2020</u>		
23. Public Health - Technology Systems 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- <u>impact on customers and loss of income</u>			<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- <u>SS Data Project Officer in place/ new tender for software provider undertaken</u>			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			3			9						Ivan Browne			<u>01.01.2020</u>		

Appendix 4a - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

Risk	Consequence /effect: what would occur as a result, how much of a problem would it be, to whom and why	Existing actions/controls	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			
24. 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. <u>Capital Costs increase beyond the approved budget creates service budget problems</u>	- 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 <u>- Continued decline in condition of leisure centres/negative impact on customers and income</u> <u>- Unable to deliver leisure centre capital programme due to unaffordability</u>	- PH Return to Central Government (Return On Investment (ROI)) - Staffing restructure <u>- Employing new commissioning and delivery model for key services</u> - Invest to save opportunities explored - Internal briefings / decision making process - Political <u>oversite</u> - Articulating associated risks; <u>through spending review process</u> - Scrutiny - Clinical Governance Process in place - Monitoring to identify adverse effects <u>- Maintenance Plans with EBS</u> <u>- Leisure Centre Capital Programme Revised Business Case</u> <u>- Alliance Leisure appointed via National Leisure Framework</u>	3	5	15	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 Cross organisational opportunity review of priorities and resources <u>- Further ROI Business Cases to fund capital improvement/improve income and customer experience</u>	2	5	10		Ivan Browne	<u>15.01.2010</u>
25. Public Health - 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 further actions	2	2	4		Ivan Browne	<u>15.01.2010</u>

Appendix 4a - Leicester City Council Operational Risk Register

Risk Register Owner: Andy Keeling, COO

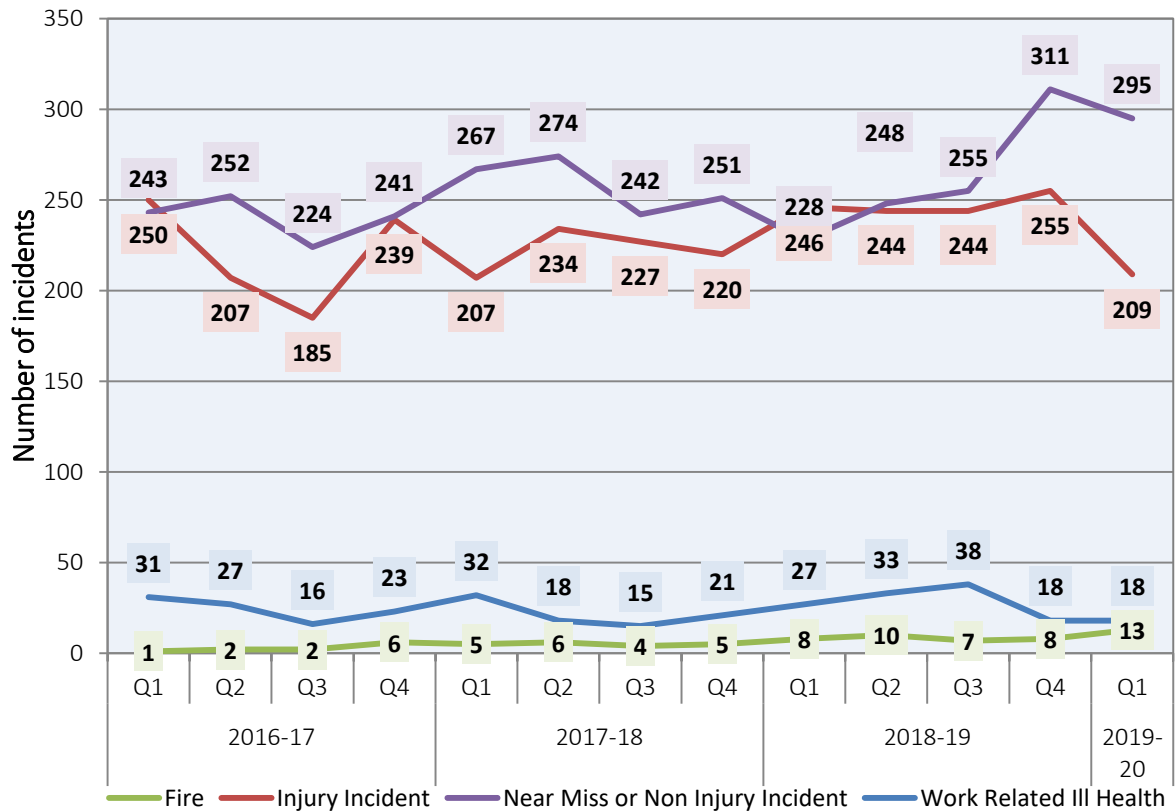
Risk	Consequence /effect: what would occur as a result, how much of a problem would it be, to whom and why	Existing actions/controls	Risk Score with existing measures			Further management actions/controls required	Target Score with further controls			Cost	Risk Owner	Review Date	
What is the issue:			Impact	Likelihood	Risk			Impact	Likelihood				Risk
what is the root cause/													
problem – what could go wrong													
DELETIONS													
3. Care Services & Commissioning – Failure to meet statutory timescales to assess people deprived of their liberty– This is amalgamated with risk 1 as it is linked to being a consequence from lack of budget	Reputational risk if someone dies whilst illegally deprived of their liberty, financial risk if taken to court	Raised issue corporately, JE completed for BIAs (unsuccessful), further request for market supplements made, waiting list risk assessed monthly and prioritisation system agreed with Leadership (reviewed regularly)	4	4	16						Tracie Rees	31.07.2019 Ongoing	
10. Tourism, Culture & Investment Project – Disruption (building site) over a sustained period of time is and (will have) a detrimental affect on trade. The project has run for three and half years with another two years to go. – Reduced score to 12	Traders leave the market and income is reduced, Rental levels chargeable reduce	– Provide regular updates to traders so they can plan for disruption – Review providing financial support when appropriate to help in the short term. Delays in the decision making process in regard to Outdoor Market improvements are making it difficult to sustain regular updates to traders without creating more frustration	4	4	16	Ensure build programme is of minimum duration possible and planned to minimise disruption. Decision needed urgently.	3	3	9	Cost incurred to date are unsustainable. – Seek to deliver remainder of project at minimum compensation levels. This stance has been maintained wherever possible. –	Mike Dalzell	01/09/2019	
15. Finance – Corporate Fraud – Failure or inability to effectively detect, prevent, investigate and deal with corporate fraud. Risk score now 9	– Reputational damage – Potential for losses in £millions – Investigations not effectively carried out – Fraud difficult to quantify so cannot always evidence effective outcomes	– Corporate Fraud Team has accredited financial investigator – Good engagement with Police Financial Crime Unit – Recruitment to posts	5	4	20	– Aiming to implement seconded Police officer	5	4	20		Alison Greenhill	31.07.2019	
25. 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	31.07.2019	

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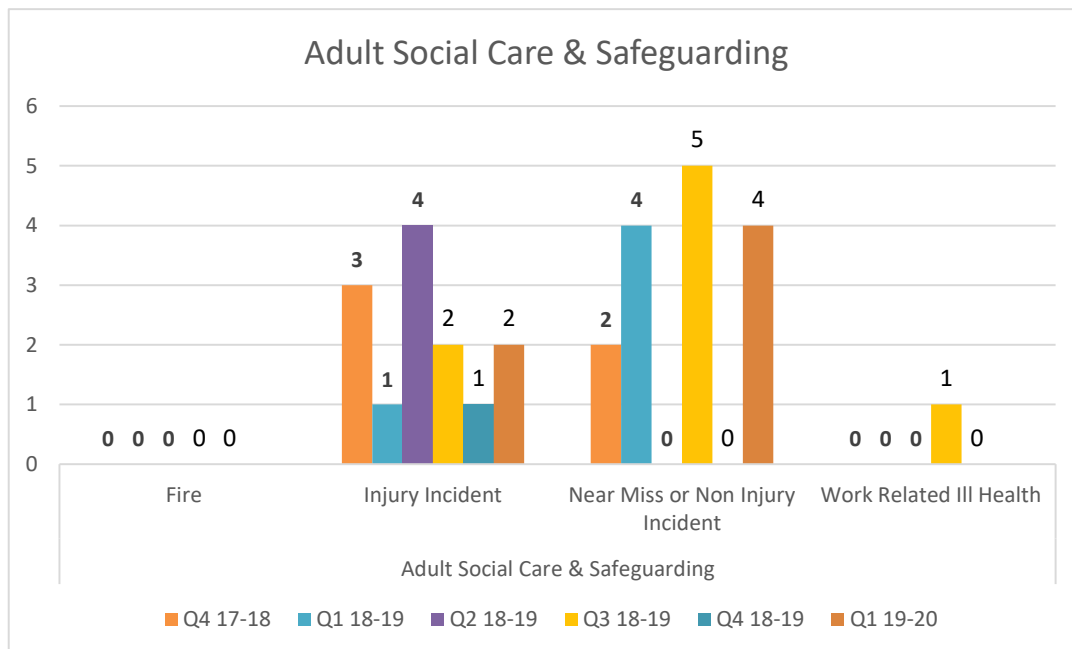
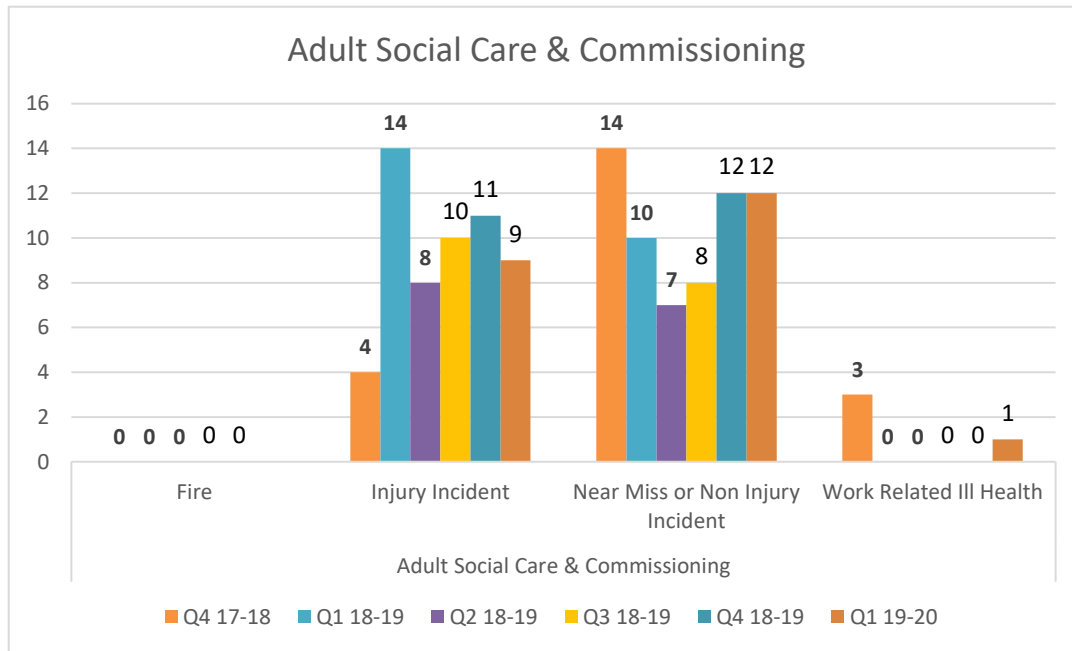
		Fire	Injury Incident	Near Miss or Non Injury Incident	Work Related Ill Health	Total
2016-17	Q1	1	250	243	31	525
	Q2	2	207	252	27	488
	Q3	2	185	224	16	427
	Q4	6	239	241	23	509
2017-18	Q1	5	207	267	32	511
	Q2	6	234	274	18	532
	Q3	4	227	242	15	488
	Q4	5	220	251	21	497
2018-19	Q1	8	246	228	27	509
	Q2	10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

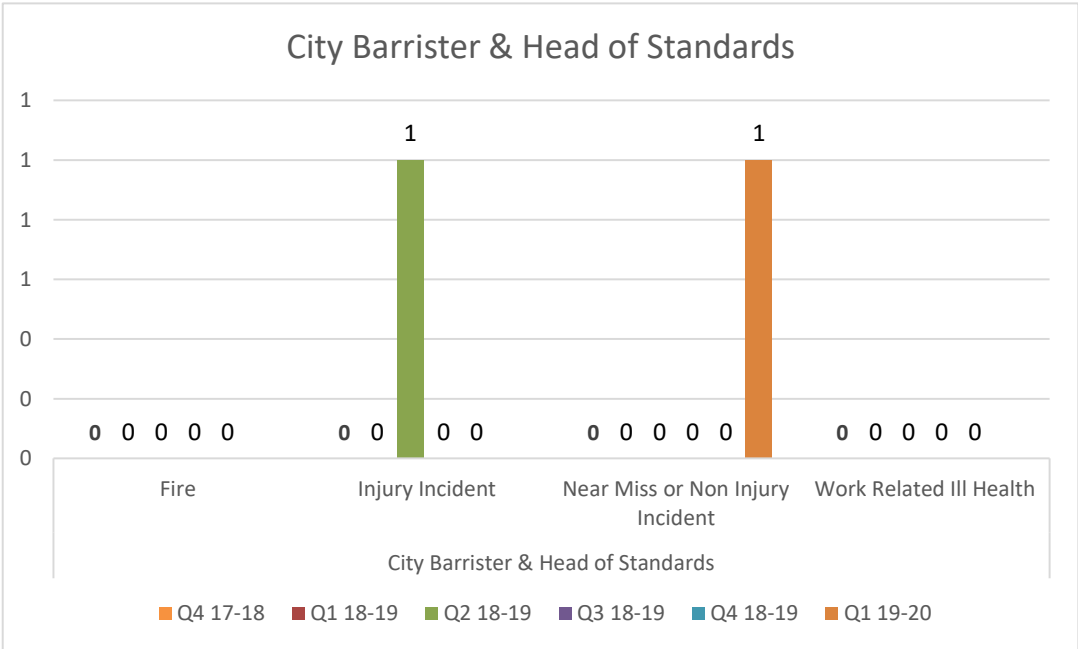
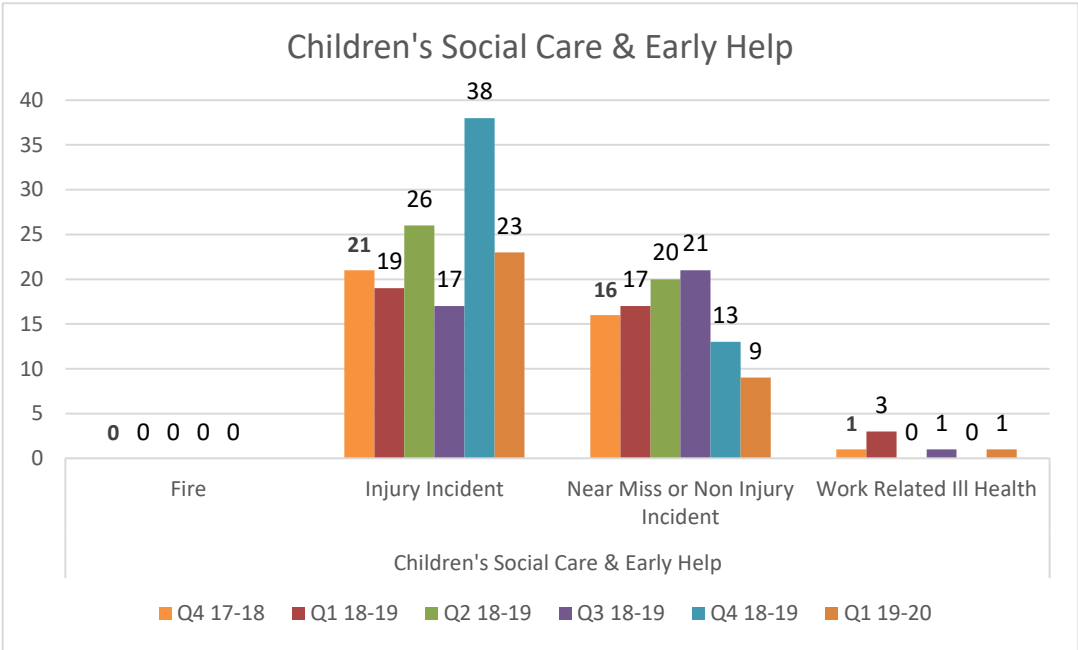
There has been a 11% decrease in overall incidents since the last quarter. However, when compared to the same quarter in 2018-19 there has been an 9% increase overall.

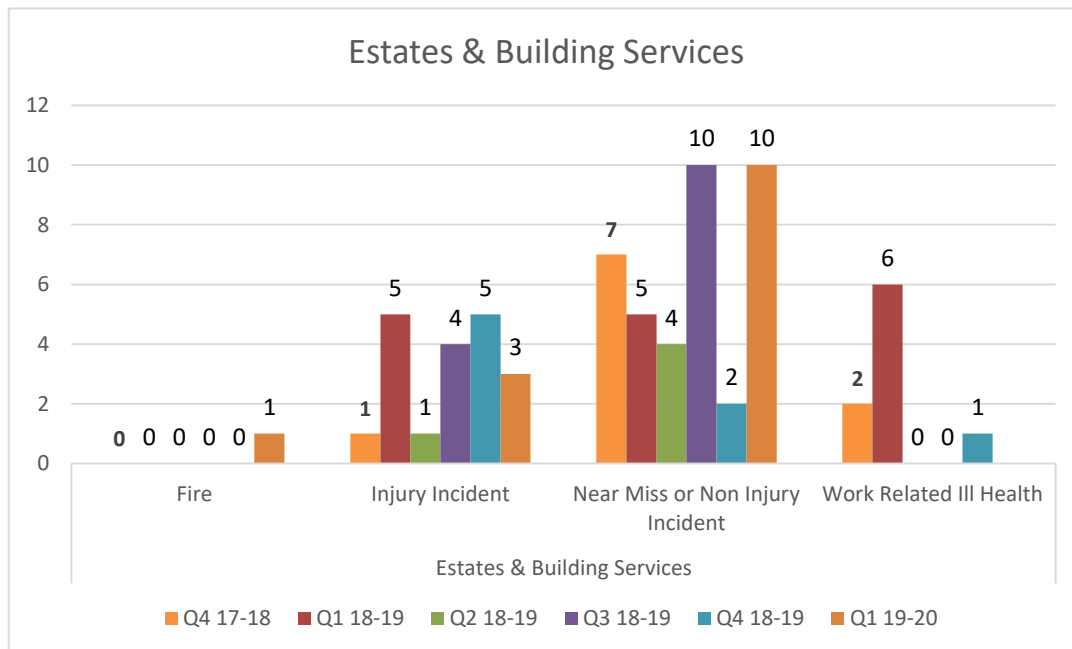
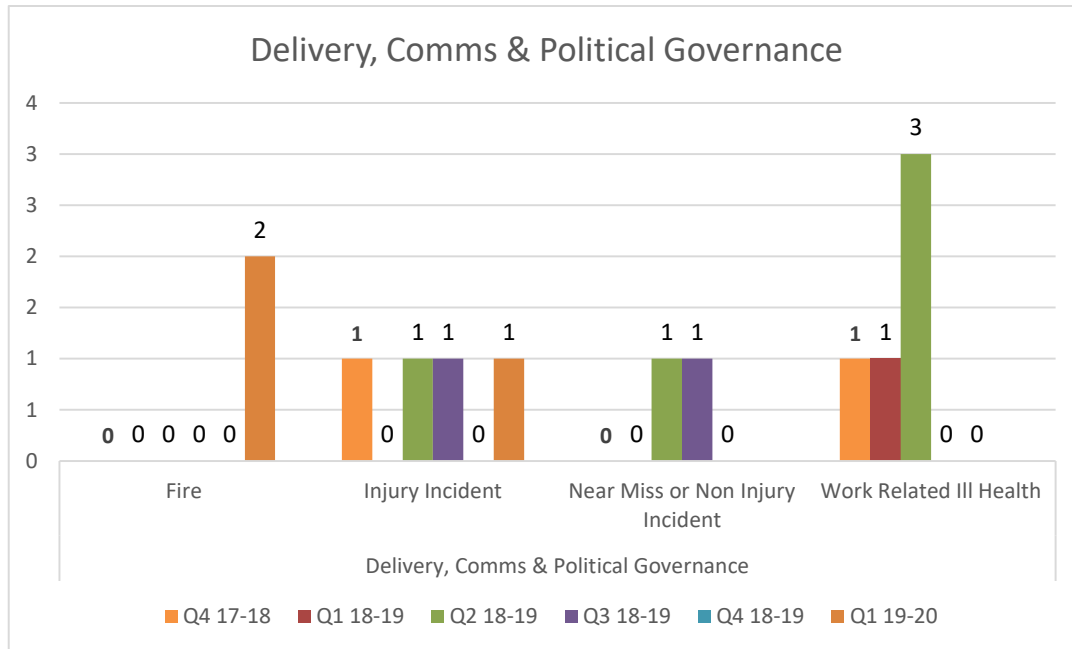
Corporate number of incidents by incident type
(Q1 2016 to Q1 2019)

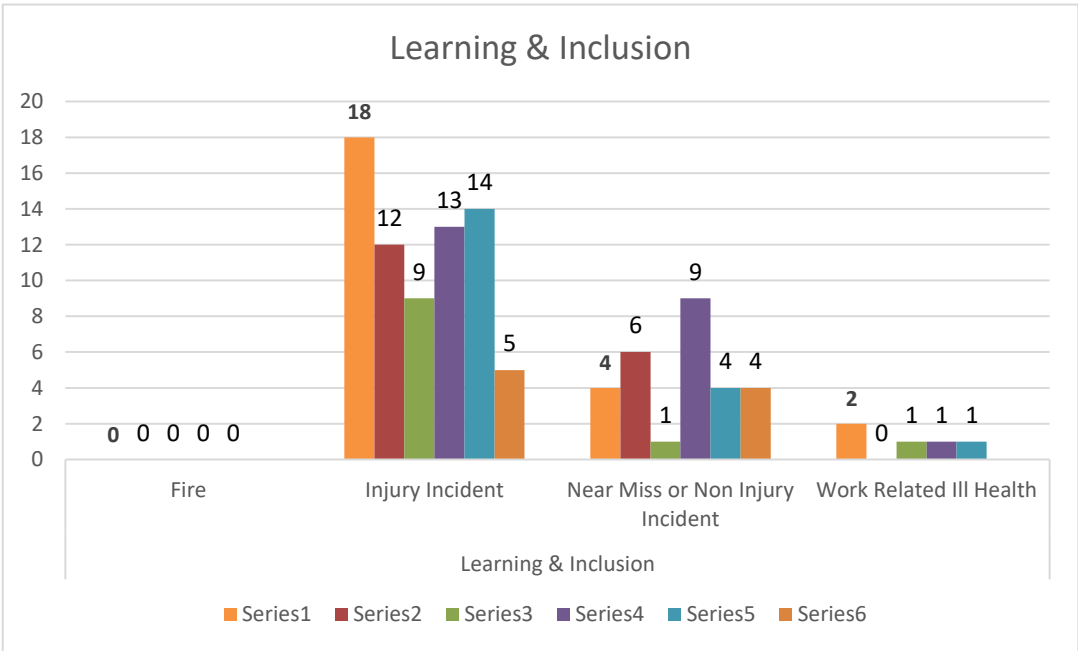
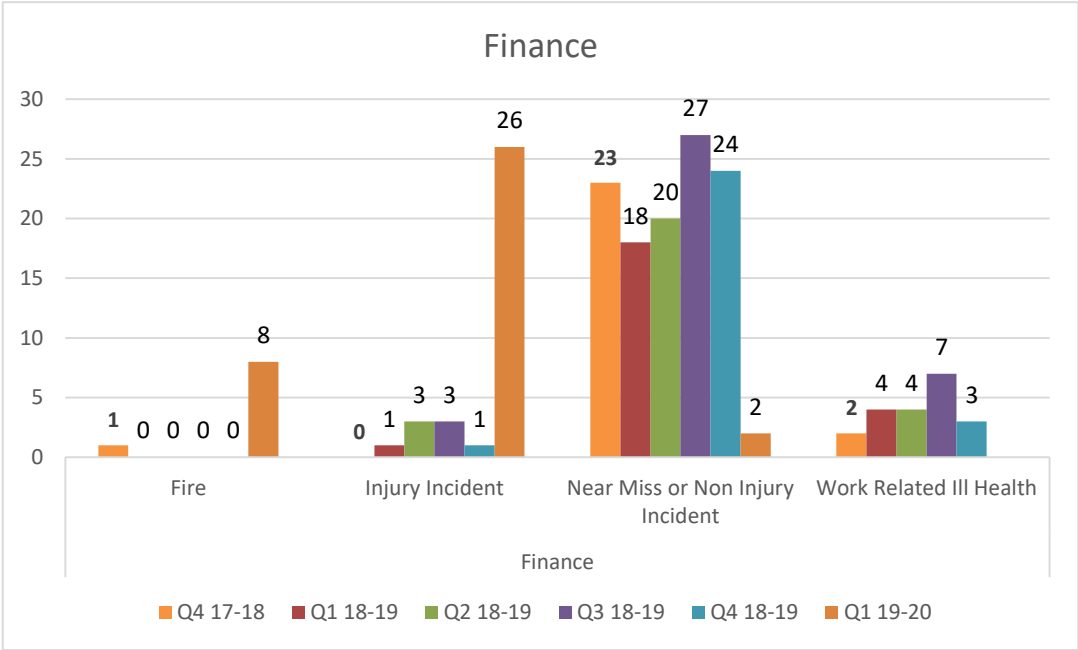


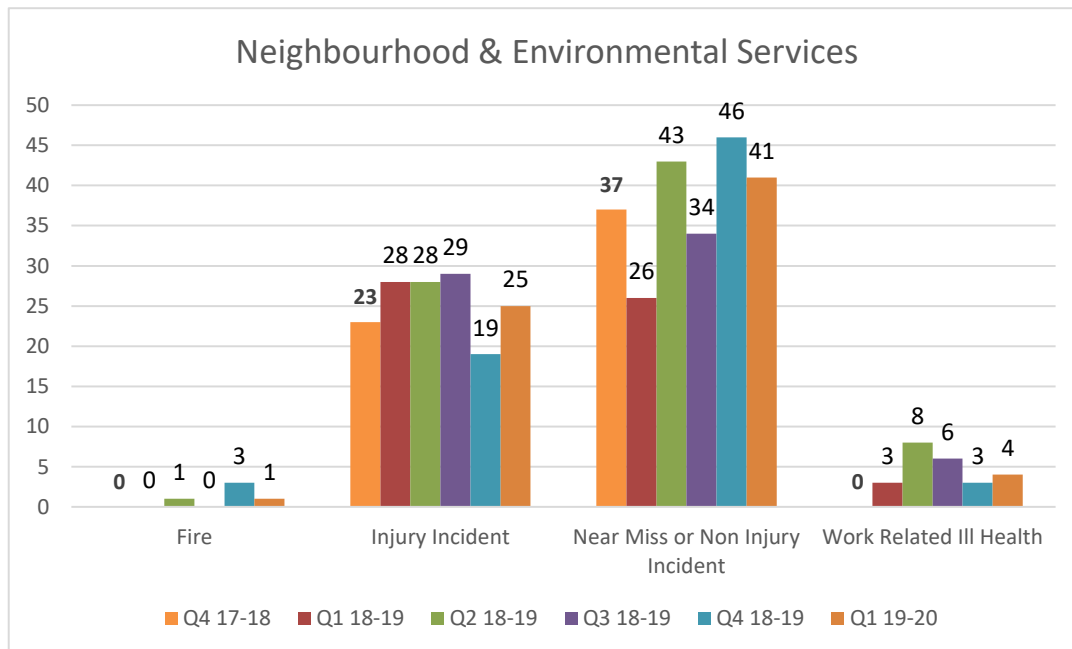
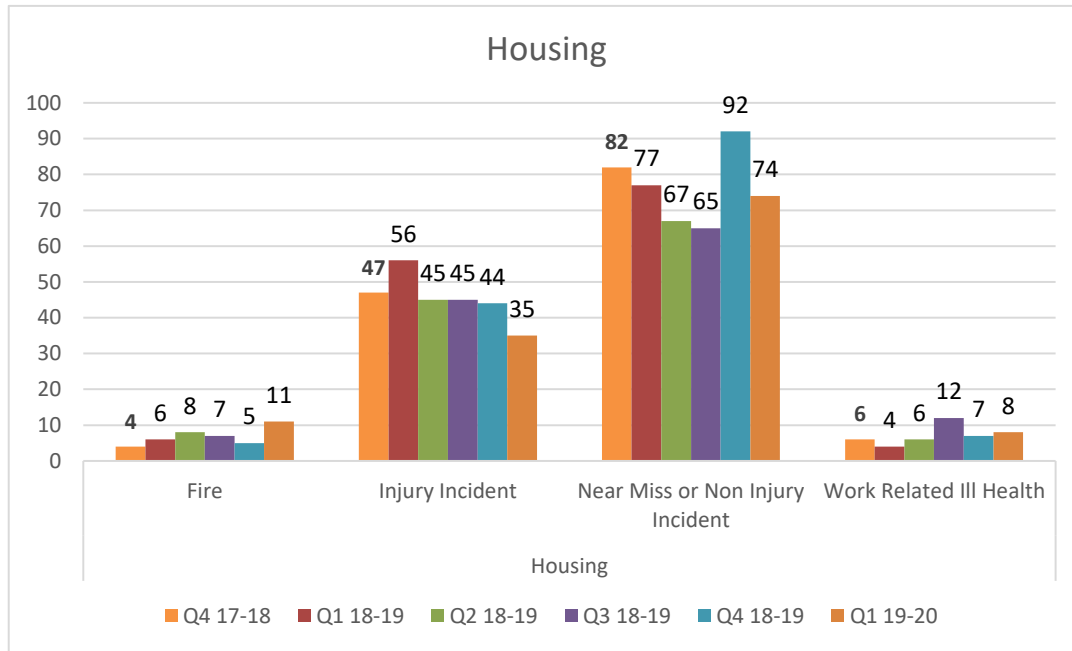
Number of Incidents by Division by Incidents

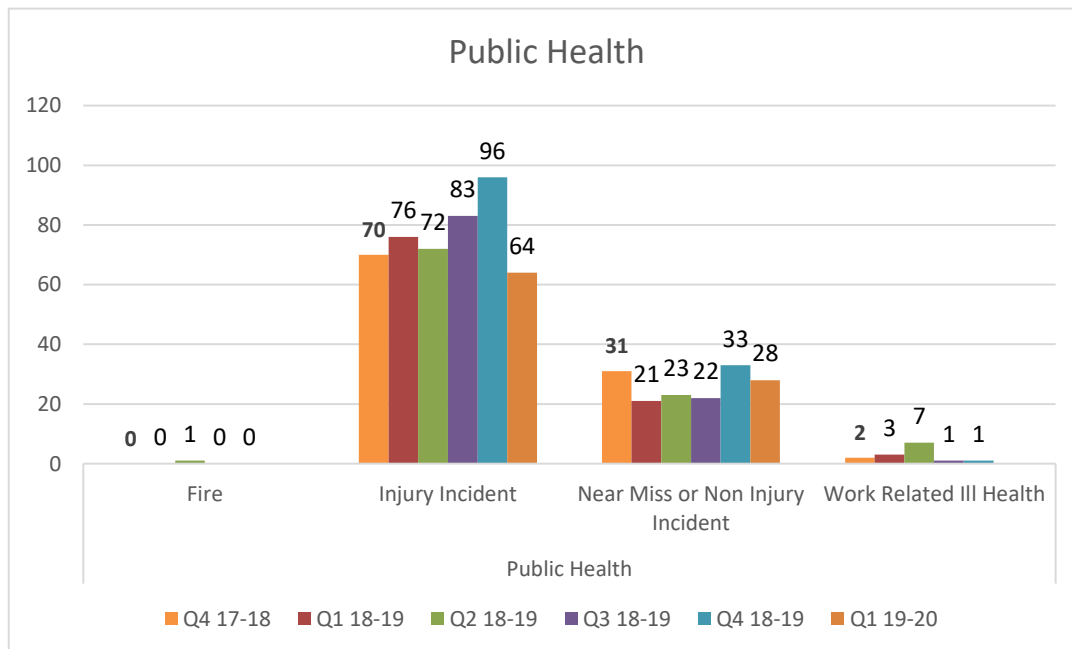
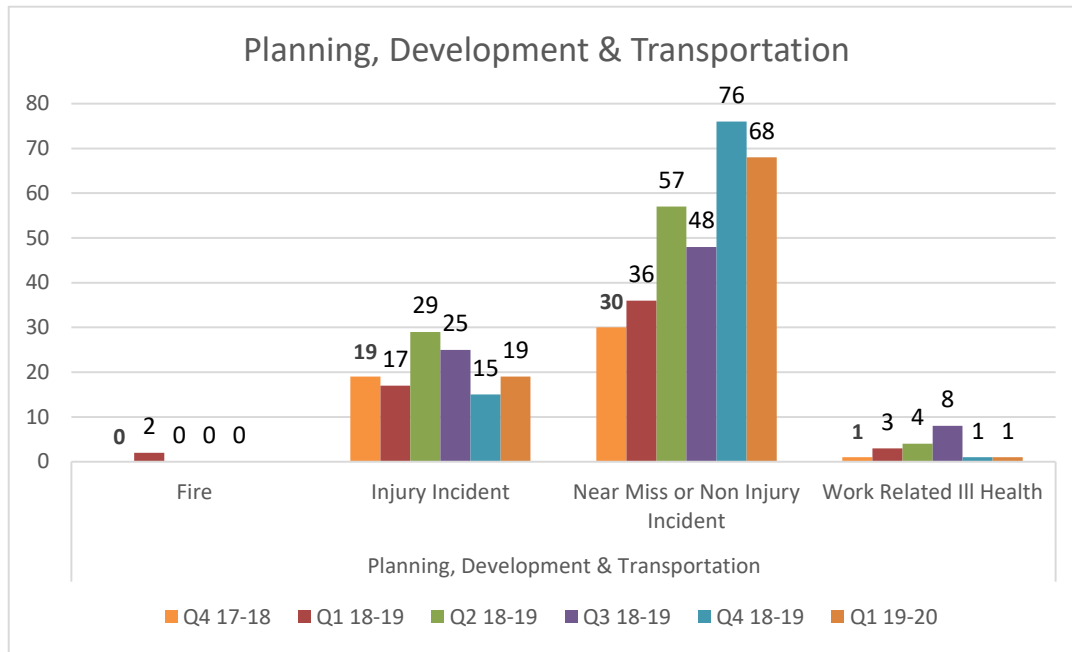


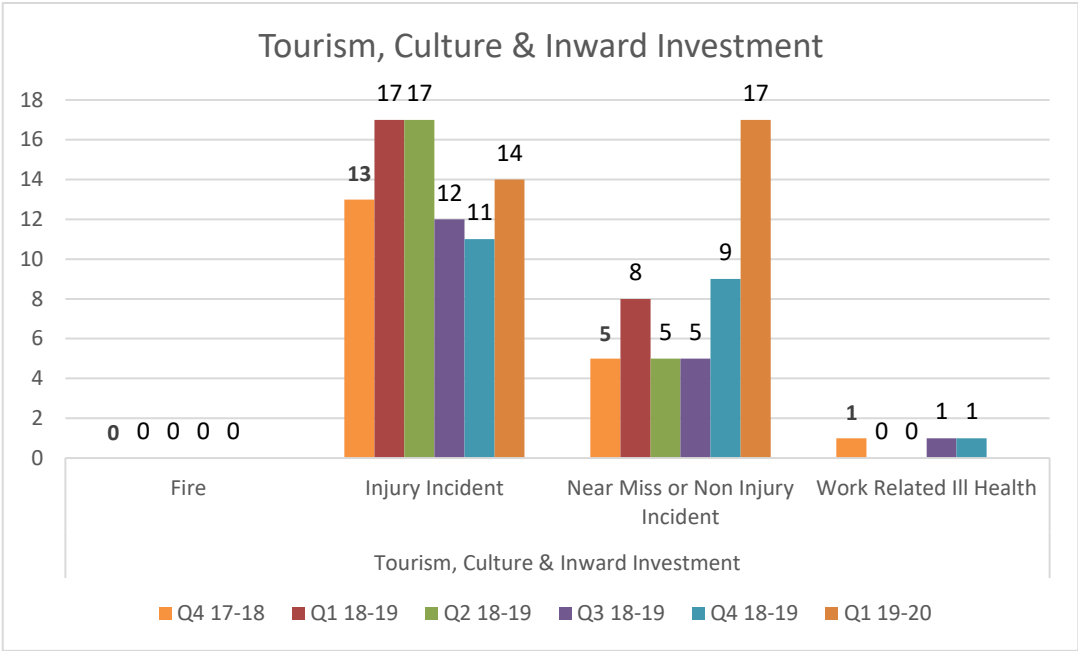












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