

Pwyllgor Llywodraethu ac Archwilio

Man Cyfarfod
**Ystafell Bwyllgor A - Neuadd y Sir,
Llandrindod, Powys**

Dyddiad y Cyfarfod
Dydd Gwener, 30 Medi 2022

Amser y Cyfarfod
10.30 am



Neuadd Y Sir
Llandrindod
Powys
LD1 5LG

I gael rhagor o wybodaeth cysylltwch â
Wyn Richards
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Dyddiad Cyhoeddi

Mae croeso i'r rhai sy'n cymryd rhan ddefnyddio'r Gymraeg. Os hoffech chi siarad Cymraeg yn y cyfarfod, gofynnwn i chi roi gwybod i ni erbyn hanner dydd ddau ddiwrnod cyn y cyfarfod

AGENDA

1. YMDDIHEURIADAU

Derbyn ymddiheuriadau am absenoldeb.

2. DATGANIADAU O DDIDDORDEB

Derbyn unrhyw ddatganiadau o ddiddordeb gan Aelodau yn ymwneud ag eitemau i'w hystyried ar yr agenda.

3. COFNODION

Awdurdodi'r Cadeirydd i lofnodi cofnodion y cyfarfod blaenorol o'r cyfarfod a gynhaliwyd fel a ganlyn:

24-06-2022

29-07-2022

(Tudalennau 1 - 26)

4. ADRODDIAD COFRESTR RISG STRATEGOL CHWARTER 1 2022-23

Derbyn ac ystyried adroddiad y Pennaeth Cyllid.

(Tudalennau 27 - 64)

5.	TWYLL CORFFORAETHOL
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Derbyn ac ystyried adroddiad y Pennaeth Cyllid.

(I Ddilyn)

6.	HUNAN ASESU'R PWYLLGOR
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Derbyn ac ystyried adroddiad y Pennaeth Cyllid.

(I Ddilyn)

7.	RHAGLEN WAITH
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Nodi y bydd cyfarfodydd y Pwyllgor yn y dyfodol wedi'u trefnu fel a ganlyn:

24-10-22 10.00 – 13.00	Seminar
27-10-22 11.30 – 13.30	Datganiad y Cyfrifon Terfynol (gan gynnwys Llythyron Cynrychiolaeth, ISA 260 etc) AGS Adroddiadau Archwilio Cymru ?
24-11-22 10.30am	Adroddiadau Archwilio Cymru ? Adroddiadau Chwarter 2: <ul style="list-style-type: none">• Rheoli Risg Strategol• Adroddiad chwarterol SWAP• Twyll• Rheoli'r Trysorlys - 2021/22 Cyfrifon y Gronfa Bensiwn

Adlewyrchiad y Pwyllgor

Ar ol cau'r cyfarfod, gofynnir i'r Pwyllgor i gymryd 5 i 10 munud i fyfyrion ar y cyfarfod heddiw.

MINUTES OF A MEETING OF THE GOVERNANCE AND AUDIT COMMITTEE HELD AT BY ZOOM ON FRIDAY, 24 JUNE 2022

PRESENT: L Hamilton (Chair).

County Councillors G Breeze, P Lewington, WD Powell, G W Ratcliffe and A Williams
Independent / Lay Members: G Hall and J Brautigam.

Cabinet Portfolio Holders In Attendance: County Councillor D A Thomas (Cabinet
Member for Finance and Corporate Transformation)

Powys County Council Officers: Caroline Turner (Chief Executive), Jane Thomas
(Head of Finance), Wyn Richards (Scrutiny Manager and Head of Democratic
Services), David Morris (Income and Awards Senior Manager), Bets Ingram (Strategic
Equalities and Risk Officer) and Yvette Kottaun (Senior Investigator)

Other Officers In Attendance: Ian Halstead (Assistant Director (Powys) - SWAP), Phil
Pugh (Audit Wales), Bethan Hopkins (Audit Wales)

1.	APOLOGIES
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An apology for absence was received from County Councillor C Walsh.

2.	DECLARATIONS OF INTEREST
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The Committee did not receive any declarations of interest from Members
relating to items to be considered on the agenda.

3.	MINUTES
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The Chair was authorised to sign the minutes of the previous meeting, held on
10-02-2022, as a correct record.

Arising thereon:

Page 4 – There were a number of outcomes which were forwarded. There is a
need for a separate meeting to review the Committee's self assessment and
develop an action plan.

Page 5 – 21st Century schools. The roadmap which the Committee has been
expecting has not been submitted to the Committee to date as it is an important
part of capital planning for the Council. There was also a need for a date to
consider the clarification between Net Zero and Passive House development.
This would be added to the Forward Work Programme.

In relation to the Strategic Asset Review, the Committee asked to see the
outcome of the review as soon as possible. The Committee was advised that the
review was ongoing although some elements of work had been completed. An
update report was to be presented to the Cabinet which could also be considered
by the Committee. This would be added to the forward work programme.

Page 6 – Insurance Policy arrangements – further to a request at the last
meeting it was no longer necessary for SWAP to review these, but it is a matter

which the committee needed to keep under review. Therefore, it was requested that it be added to the forward work programme for any clarification from officers.

Page 8 – The Capital Working Group will need to be established. Add to the forward work programme. At the last meeting it was agreed that membership of Working Groups would be based on the most appropriate Members for the roles following a skills audit of Members.

Page 8 – CIW (Care Inspectorate Wales) Report. The Committee was advised that a CIW improvement check took place on the week commencing 4th May, 2022. A draft report had been received. Once the final letter had been received from the CIW it could be shared with the Committee. Add to forward work programme.

The Chair indicated that she would like to see forward work programmes for the Committee, Working Groups and the Finance Panel so that the work could be co-ordinated and managed between the various bodies.

Outcomes:

Action	Action By / Completion Date
Review Committee self assessment and develop an action plan	JT / WR July 2022
Items to add to the Forward Work Programme: <ul style="list-style-type: none"> • Net Zero / Passive House • Strategic Asset Review • Insurance Policy Arrangements • Establish Capital Working Group • CIW Report 	LH / JT / WR July 2022

4. STRATEGIC RISK MANAGEMENT - QUARTER 4

Documents Considered:

- Report of the Head of Finance

Issues Discussed:

- The Strategic Risk Register contains risks which have been scored at a higher level of impact than service risks which are managed at a lower level.
- There are 15 risks on the Strategic Risk Register which are included in the report together with details of progress to give assurance that the mitigating actions are being undertaken and monitored.
- 2 risks have been escalated or changed during Q4:
 - the impact of the Russian invasion and other market pressures due to price variations and inflation and cost rises.
 - Social Services – insufficient capacity to respond to the long term demands in Adults and Childrens Services.
- The Council has an individual Covid-19 risk register. Some of these risks are being embedded in individual service risk registers as risks can be managed at a more operational level.

- Questions:

Question	Response
Some of these risks are linked and interlinked e.g. Council unable to recruit and retain commissioned workforce and HTR shortage of lorry and bus drivers – these seem to overlap one another. How do services and the Committee make sure that the Council is not double counting so there is an accurate reflection of the situation.	The Senior Leadership Team (SLT) review the risk registers collectively and challenge the detail in the risks. SLT has agreed that there needs to be a further review of the risk register as we move into the new financial year, where things are scored and are they appropriate when considered collectively. A working group has been established to look at this.
Who scores the risk initially and where does the score get challenged.	Whoever identifies the risk first and is the risk owner would do the initial scoring and then add the mitigation actions which provides the second score. This is challenged by SLT on a quarterly basis and then any queries or comments are returned to risk holders to review and update the register. There is also challenge at a service level and in discussions with the relevant Cabinet Member as well.
Insufficient capacity to deal with long term demands in Childrens and Adults Services. This goes back to the question about what are risks and what are issues. If we know the projection for the long term demand we should be planning for it which is an immediate issue. There may be risks in how we implement the plan. Is this an issue that we are not confronting. Knowing the long term demand should be part of the business planning process.	The service is looking at those plans going forward. There has been a pressure for services in recruiting staff to fill the posts that they have, made worse by Covid. The service has looked at ways to make posts in Powys more attractive, looked at all forms of agency support which can be brought in, and changed operating models on how caseloads are managed. Demographic modelling is undertaken for the future and each service has an integrated business plan for the next 5 years. The output of those plans is fed into the corporate plan and the corporate budget development. In social care as well preventative measures have been implemented such as early intervention which can stem some of the demand, but availability of the workforce is a national issue. Hopefully the committee is assured that there is planning around the risk.
Is there something the Committee or Council should be considering when there is a change in administration. Something over and above the quarterly cycle?	It is important to distinguish between the different types of corporate document within the Council currently. Some elements outlined will be included in the new corporate plan which is being developed by the new Cabinet.

<p>Section in relation to housing – surprised not to see not just the issue of maintaining standards and statutory obligations of existing housing stock, but also the affordability and availability of housing to attract staff to the county, is a key issue. Also, the dual issue of the escalation of building costs and the blight caused by the phosphates situation, which makes development impossible in many areas. Why is this not included as a risk at a time of critical housing pressure.</p>	<p>The Risk Register is a factual document which should be reviewed regularly but should not change significantly due to a change of administration, although some of the mitigation may change with a change in administration.</p> <p>Has been some significant changes to risk over the past twelve months such as the impact of Brexit is better understood, change in the economy, the war in Ukraine and the long term impact of Covid. Phosphates does have impact on house building and if not included currently will need to be included in forthcoming review.</p> <p>The Council does not have a corporate issues log and whether issues such as childrens' services should be captured in a high level corporate issues log. If one were developed then pressures on Social Services, phosphates, costs of living might be included.</p> <p>Phosphates is currently in the service risk register. Whether this needs to be escalated to the strategic risk register can be reviewed in the quarterly review.</p>
<p>It appears that there is a high propensity to have Social Care in the top right corner of the heat map even after mitigation is considered. Would it be useful to have a presentation from the Director to understand the mitigations.</p>	<p>That is a good suggestion but the Committee also needs to be mindful of work undertaken by the Health and Care Scrutiny Committee. It might be useful for the Committee to observe briefings to be provided to the Health and Care Scrutiny committee initially so that the Committee compliments the work of the Scrutiny Committee.</p>
<p>There are lots of services which could have low level risks but their cumulative impact could be a high risk to the Council. Are there individual service risk registers?</p>	<p>In understanding risk it is about having an understanding across the organisation and the potential cumulative impact of a number of low level risks when taken collectively which might mean a high level of risk for the council corporately which needs to be reflected in the strategic risk register.</p>

- The Cabinet Member for Finance indicated that in relation to projecting demands on Children's Services, although the country was moving slowly out of Covid, the expectation was that the demands on Children's Services would continue to rise which showed how difficult it was to predict demand in social care.

- The Committee was reminded that its role was to seek assurances about the governance of risk and mitigation by Directors and Heads of Service, and not to duplicate the work of Scrutiny Committees.
- The Committee might consider assurance mapping as part of its role which could be assisted by SWAP.

Outcomes:

Action	Action By / Completion Date
Risk Management Framework to be circulated to the Committee for information	WR / BI
Consideration of a deep-dive into Social Care.	LH / JT / WR

County Councillor G Ratcliffe left the meeting 11.13 a.m.

5. SWAP QUARTERLY REPORT

Documents Considered:

- SWAP Quarterly Report

Issues Discussed:

- The plan of Internal Audit work is built on a continual basis and is agile and reactive to the current environment.
- The role of the Committee is to be assured that what Internal Audit is covering is appropriate, that work areas are linked to the key risks, objectives and financial security of the Council. This is also about providing the Committee with assurance that areas are being covered by either Internal Audit work or other assurance providers.
- There are many sources from where the plan is drawn, including service and programme risk, work from other auditors / regulators.
- Appendix A contains the work programme for Quarters 1 and 2 of the year.
- Questions:

Question	Response
How much reliance does external audit take on Internal Audit's work when scoping their work. Do they have any involvement in the planning of Internal Audit's work.	<p>There is regular liaison between Audit Wales and Internal Audit and a high level of co-ordination between the two organisations to ensure there is no duplication of work in the planning process.</p> <p>Audit Wales generally does not place a reliance on Internal Audit's work, but does use it as a risk assessment basis to identify areas where Audit Wales might need to do further work. Audit Wales does liaise with Internal Audit about its programme of work and Audit Wales' programme to ensure there are no overlaps.</p>

<p>Welcome that there will be a tracker which will assist the Committee understand trends.</p> <p>Languishing reports – do we have a body of reports that have not been acted upon and the Committee is pushing on. If we do have these sorts of issues what is the approach to encourage action to be taken.</p>	<p>About three years ago, the Council was behind in implementing recommendations from SWAP reports. A tracker was produced some two years ago to address this which did have an impact on officers following up on actions in reports. That was the position but the culture is better now in terms of services being aware of recommendations and addressing those actions.</p> <p>There are quarterly monitoring reports at Head of Service and Cabinet Member level which gives the opportunity to challenge delivery against the tracker. The Senior leadership Team see this on a quarterly basis as well.</p> <p>A new system will be in place by the end of the year. If there are areas where the Council or Internal Audit are not being agile in relation to audit reports, the Committee will be notified of this.</p>
<p>The Committee agrees the plan, but does it see the terms of reference of individual audits or is that only for the officers.</p>	<p>The detailed scoping of audits is undertaken at an officer level. Any changes to this can be discussed with the Chair, the Head of Finance and the Chief Executive.</p>

Outcomes:

Action	Action By / Completion Date
That the Audit plan for Quarter 1 and 2 is approved.	IH
That the Audit Charter is endorsed.	IH

6.	CORPORATE FRAUD
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Documents Considered:

- Report of the Head of Finance

Issues Discussed:

- The report provides advice and updates on the work and performance of the corporate fraud team.
- The report also identifies any significant system weaknesses which have been identified.
- The Committee will also be asked for comments regarding the team's future work. The report also details improvement work which has been undertaken.

- An e-learning training module on fraud management for officers and Members is being developed, to be implemented from Q3 which will be mandatory training.
- SWAP has undertaken a fraud risk assessment, which is currently being analysed. Following this some detailed areas of work will be undertaken on key risk areas.
- Questions:

Question	Response
P51 – Data matching – what impact do you expect from that and in what areas	<p>There is not much data across Council available for the fraud team to use as yet. The Council every two year runs a data matching exercise. The new licence now allows this to be done with current data sets on a more regular basis. After that we can have a better quality data matching exercise to spot significant frauds or data errors. This has not been rolled out fully, but we are starting to see some aspects of better quality data coming through and spotting frauds earlier.</p> <p>The fraud hub gives an opportunity to match data sooner as well as the ability to draw in additional data sets to widen what the team does.</p>
Is there a de-minimus limits in relation to fraud work and how are investigations prioritised.	<p>The team does a scoping of the initial analysis and decide whether there is enough evidence to take an investigation forward. The trend is not to look at low level overpayments, or low level frauds. However, there is no set limit as such e.g. sums under £500 would not be considered but the Council would look to recover these overpaid sums.</p>
<p>What is the policy in terms of communicating this activity, sharing awareness in terms of good practice and deterrents.</p> <p>Are we bringing any income into the Council by sharing expertise with other authorities or by the team working for other organisations.</p>	<p>Advertising and publicising the work of team is done which can be a deterrent. There is also engagement with services and communicating outwardly.</p> <p>In terms of the commercial side – a commercial aspect has been developed, and the team has been working with Councils in England and we are looking to develop and share commercial offerings with others to develop a fraud impact, prevention,</p>

	process and system.
<p>What was the strategic approach and operating model that is used by the team. It would be good to have some assurance about a strategic report in future. Mandatory training is good news as is the SWAP report.</p> <p>P49 table – current status and values - is there an opportunity to develop that table. At the end of the year it would be worth knowing of the recoverable payments how much was recovered and what value of income has been saved.</p>	<p>At the strategic level particular attention has been paid to fraud over the past two years. One service fraud case is ongoing and brought fraud to the fore. The Senior Leadership team and Executive Management Team have supported the team, revising policies and giving the message of zero tolerance to fraud. We are waiting for the training module to become available and there will be a need to increase the internal communications to Members and staff. Awareness raising has been undertaken with senior officers and Members.</p>

Outcomes:**Noted.****7. TREASURY MANAGEMENT Q4 - 2021-22****Documents Considered:**

- Report of the Cabinet Member for Finance and Corporate Transformation

Issues Discussed:

- Questions:

Question	Response
<p>The council tends to borrow considerable sums in March which we do not use. This is borrowed due to potential invoices coming in on capital projects. What was the position this year.</p> <p>Is the Council getting the right cash flow needs information at the end of the year which historically has not been the case.</p>	<p>Local authority borrowing was taken out in August and will be repaid in the following August.</p> <p>The PWLB borrowing was taken out late last year and rates for 50 year money dipped. The opportunity was taken to borrow at the low rate and hold the cash for a few months. Further sums were not taken out more since then which seemed to be the right decision at the time.</p> <p>We are trying to get better forecasts for the schemes but it is difficult with significant grants coming from Welsh Government at the end of the financial years.</p>
Cash flow fluctuations – do we benchmark cash management with other authorities.	No but this could be considered.

<p>The report states that the Council is £40m under-borrowed. Can you explain this please</p>	<p>We set a capital programme and how it is to be funded, as well as identifying what grants and other funding can be gained. What remains is the sum that needs to be borrowed. There are daily or monthly cash fluctuations during the year (surplus and deficits), so there is money in reserves earning interest. The Council therefore only borrows as a last resort when we run out of cash. The capital financing requirement is the amount we should have borrowed but because of the availability of cash it is better to use this cash rather than borrow. This is how you get the under-borrowing.</p>
<p>As interest rates increase is it better to borrow.</p>	<p>The forecast is that interest rates will go down so we try and borrow at the most optimum time and at the best rates possible.</p> <p>Because of the impact of borrowing on the revenue budget and revenue funding have been decreasing the Council has looked at other options to support the capital programme instead of borrowing.</p>
<p>The capital programme shows how much of the capital programme is funded from Welsh Government grants, and the cost of capital schemes. If the Council receives a grant then any increase in cost has to be found by the Council. However, additional grants from Welsh Government at year end cannot be guaranteed, therefore this could be an additional risk for Council having to borrow more to cover these schemes.</p>	<p>This depends very much on the scheme. Much of the grants relate to 21st Century schools schemes, and these are based on each individual scheme. Dialogue is kept open with Welsh Government about costs where they are part funding the scheme. The Council needs to make sure it can keep within the funding envelope.</p> <p>We are unlikely to see the level of funding from Welsh Government that we have seen in past and we do not plan that will be the case. Also, an increase in construction costs will mean we will have a higher borrowing requirement. All of this will be factored into the Medium Term Financial Strategy and a conversation is ongoing with the Cabinet about the capital programme and how we finance this over 10 – 15 years.</p>
<p>Appendix P72 – purchase cards – at</p>	<p>These are all options that we have.</p>

<p>this level of error should we be fining services or cancelling cards.</p>	<p>Whilst there is a large amount on purchase cards all of this is not recoverable e.g. some of the VAT cost may not be recoverable. The majority of the issues is around VAT that should not have been reclaimed. Work is ongoing to educate card holders. The use of cards is also far safer than using cash especially in deterring fraud.</p> <p>Cards can be withdrawn or cancelled where cards are misused. No disciplinary action against a member of staff has been undertaken to date but that would be a last resort. Where this involves schools, the team for schools reinforces these messages with schools.</p>
<p>Schools are audited. Is this something that can be audited with schools.</p>	<p>Internal Audit recognise that purchase cards are an area of potential fraud, it is an area which works efficiently but there are risks. In the audit plan for Q2 there is an audit of purchase cards which will identify the issues and what are the root causes. Schools audits do include a comment on how they use purchase cards.</p>

Cllr Graham Breeze left the meeting 12:08

Cllr Ange Williams left the meeting 12:30

Outcomes:
Noted.

8.	MONITOR AND REVIEW RISING ENERGY COSTS, OTHER COST IMPLICATIONS AND SUPPLY CHAIN ISSUES
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Documents Considered:

- None – verbal presentation by the Head of Finance

Issues Discussed:

- A process has been established to formally review this and to monitor price increases across the Council.
- Where there are specific issues a register has been established to monitor and manage the impact.
- Principles in policies from Welsh Government have been adopted and the Council follows an open book process to look at a contractor or suppliers' financial position where there are concerns from suppliers and contractors about costs and where inflationary increases need to be applied.
- The council therefore has a good process to monitor this but there will be a time when it has a monetary impact. Services will look to manage that from within their service budgets in the first instance and issues will be highlighted in the quarterly monitoring reports.
- If services are not able to manage through their own resources the Council has a robust virement scheme which can be used.
- This was raised as a risk when the budget was set with reserves set aside to manage this issue. The MTFS (Medium Term Financial Strategy) is also being revised as a result as well as the assumptions within it.
- Questions:

Question	Response
We are not always dealing with sophisticated accounting systems with suppliers so the Council needs to take a light touch in undertaking an open book exercise. In relation to school budgets for the autumn heating budgets will be insufficient. What special arrangements have been made for this sector.	Last year additional funding came for schools from Welsh Government and the schools team is working with schools on how they can draw on the benefits they received. In addition, we do buy some energy in advance through national procurement arrangements. Schools may have to reflect on their budget plans and the Council will provide information and support them as much as it can in preparing next year's budgets.

**Outcomes:
Noted.**

9.	AUDIT WALES - QUARTER 4 PROGRAMME UPDATE - FOR INFORMATION
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Documents Considered:

- Audit Wales – Quarter 4 Update

Issues Discussed:

- Financial Audit. Audit Wales will start to look at the Council's statutory accounts in July. Welsh Government has extended the deadline to publish its accounts to the end of November. Audit Wales are working to get Council audits completed by the end of October before starting work on Pension Funds.
- Audit Plans will come to the July Committee meeting.

Outcomes:

Noted.

10. WORK PROGRAMME

Documents Considered:

- Draft Work Programme.

Issues Discussed:

- There has been a Joint Working Group with the Economy, Residents and Communities Scrutiny Committee looking at HOWPS. Would be worth this group continuing to look at the reintegration
- A work programme is to be developed for the next year.
- Questions:

Question	Response
CIW Inspection Report – what does this relate to.	This was an improvement check looking at Childrens and Adult Social care and a report should be received in few weeks.
Extra Care Facilities in the Wales and West Facility, Newtown. HOWPS Report	The Member agreed to speak to the Head of Finance to identify the issues. The Head of Service could then speak to the service to find out what can be achieved and then that can be considered for the work programme.
How are service levels monitored and actions arising progressed. How renewal processes are managed for services commissioned by the Council but provided by others.	
The Committee could look at key partnerships and how the Council's ability to deliver core services depends on other partnerships. Consider what are the key partnerships and how they function in terms of impacting on how we deliver services.	Internal Audit is doing work currently regarding partnerships and partnership risk and governance and this report will come back to the Committee. Audit Wales are going to be auditing Corporate Joint Committees (CJCs). Some all Wales work by Audit Wales would be useful to help the development of CJCs.

Outcomes:

Noted

L Hamilton (Chair)

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Public Document Pack

Governance and Audit Committee – 29-07-2022

MINUTES OF A MEETING OF THE GOVERNANCE AND AUDIT COMMITTEE HELD AT BY ZOOM ON FRIDAY, 29 JULY 2022

PRESENT: L Hamilton (Chair)

County Councillors: G Breeze, P Lewington, WD Powell, G W Ratcliffe, C Walsh and A Williams

Independent / Lay Members: G Hall, J Brautigam.

Cabinet Portfolio Holders In Attendance: County Councillor D A Thomas (Portfolio Holder for Finance and Corporate Transformation)

Powys County Council Officers: Caroline Turner (Chief Executive), Jane Thomas (Head of Finance), Wyn Richards (Scrutiny Manager and Head of Democratic Services), and James Chappelle (Capital and Financial Planning Accountant)

Other Officers In Attendance: Phil Pugh (Audit Wales), Non Jenkins (Audit Wales), Ian Halstead (SWAP)

1. APOLOGIES

The Committee did not receive any apologies for absence.

2. DISCLOSURES OF INTEREST

There were no Declarations of Interest from Members relating to items to be considered on the agenda.

3. MINUTES

The Chair was authorised to sign the minutes of the previous meeting, held on 13-06-2022, as a correct record.

• Questions:

Question	Response
There was a question at the previous meeting regarding insurance cover for Members and officers representing the Council in other organisations. Concern was raised as to whether cover was appropriate. Therefore, this needs to be addressed so that Members and officers have adequate cover when appointed to outside bodies.	The Head of Finance indicated that some insurances are in place by means of the 3 rd party organisation that people are serving on. However, this needs to be reviewed so that the Council is not relying on third party policies and ensure it has its own cover in place. A report will be presented to the Committee when this work is finalised.

Outcomes:

- **Head of Finance to present a report to the Committee once the work on reviewing insurances for Members and officers has been finalised.**

4. TREASURY MANAGEMENT QUARTER 1 REPORT

Documents Considered:

- Report of the Cabinet Member for Finance and Corporate Transformation – Treasury Management Quarter 1 Report.

Issues Discussed:

- Report for the first quarter of the 2022-23 financial year.
- Update on the capital position - the initial programme approved in March 2022 was £133m, currently reduced to £115m. There has been various reprofiling and grants received during the year.
- £45m was expected to go out for GCRE but this is not going to happen this year so it has been removed from the capital programme.
- Inflation is having a serious impact on the capital programme. Services are trying to manage the costs but it may be that they will need to trim down their programme or reduce works to be undertaken to fit within existing budgets.
- There has been no borrowing taken out in the first quarter but some debt is maturing in the next quarter and dependent on the cash position it may be possible to repay those debts or secure additional borrowing.
- The repayment of Nant Helen S106 deposit is continuing which is reducing under-borrowed position of the Council. It is expected that the majority of this will be repaid in this financial year.
- Sundry debt has been included in the report for the first time – sets out the sundry debt at 11th July 2022. A further £1m owing from PTHB is not included in table. Total debt is around 21% of the annual generated income.
- Questions:

Question	Response
Sundry Debt - at first sight the level of age debt seems to be horrific. Is there any further comment in relation to this.	<p>The Head of Finance indicated that she looked forward to bringing the Committee more information about outstanding debt across the Council. There are some extensive debts that are quite old. There is a great deal of charging between the Council and PTHB with the Section 33 agreements. There is also historic debt which the Council is trying to resolve with the PTHB which will feature in the over 90 days debt.</p> <p>There are regular meetings with PTHB officers to move things on and resolve disputes. Will bring more information to the Committee in future. There is a debt policy in place which can be shared with the Committee.</p>
There is also about £3m debt spread across other directorates. Is this reviewed on a regular basis.	The Head of Finance indicated that we do work with services and there are monthly reports as well as regular

	meetings with officers. This may need to be stepped up and with greater focus due to cost of living pressures which are affecting the Council.
What is the reason that debt is not being serviced. How is this being benchmarked and why are we not being paid within 90 days. Are we servicing our debts correctly by as an example sending invoices out on time.	The Head of Finance indicated that part of the finance transformation programme is looking at various processes and the debts process is being reviewed as part of that work. The starting point is raising invoices as soon as possible and the review should be able to monitor how quickly this is happening and make the whole process more efficient.
Millions of pounds have been paid to the Council by Welsh Government for the GCRE project. Is there a question about the legality of the Council accepting this funding in advance of an identified need. Is this sum also ring fenced, as some of the funding has been reclaimed.	<p>The Capital and Financial Planning Accountant indicated that there are two different elements to the site. The first is a S106 agreement (£19.5m) for the reinstatement of the site which is held for Celtic Energy and as they backfill we are repaying that money. The second element is for the GCRE testing facility and that loan funding was provided in March 2020 by Welsh Government. This was audited as part of the Council's accounts. We did expect to have paid some of this back by the end of last year but we are still holding this funding.</p> <p>The Head of Finance indicated that there were some confidential reports shared with the previous committee which could be circulated to the Committee. A further report will be presented to the Committee and the Finance Panel to update Members. All of this is under a specific agreement and we are complying with the terms and conditions of that agreement. This will be reviewed by Audit Wales as part of their audit work.</p>
In respect of the debt position with PTHB. What is the conflict resolution process as large sums of money are involved.	The Committee received assurance from the Head of Finance that in terms of PTHB this is being dealt with at a very senior level by the Leader and senior officers in the Council with senior officers at PTHB.
What debts do we owe as well so that we can have a balanced picture.	The Head of Finance indicated that creditors information can be provided and included in the report.
Short term debtors has jumped from £50m to £75m in the last year, most of	Noted.

<p>which was grants promised from Welsh Government but not paid by year end. The Committee needs to have a closer look at the composition of this debt on a more regular basis.</p>	
<p>The report is alarming at first look. What was the trigger to look at this now as it was not considered previously. Due to Covid has this debt increased or not been addressed by other organisations due to Covid implications. Has debt always been this high or has it grown over that period of time, as if it was growing it is of concern that we should have been looking at it previously.</p>	<p>The Head of Finance indicated that why it has been included, this is part of the ongoing improvements from the finance perspective, with a drive to give all committees more comparative and benchmarking data. This has also come out of discussions with the Chair around good practice. There is always a consistent level of debt in the organisation and trends will become evident as the Committee sees the reports.</p> <p>The level of historic debt with PTHB has increased due to disputes which are trying to be resolved.</p> <p>The Chief Executive indicated that the level of debt with PTHB goes back to a change of policy in the 1990s. Discussions are ongoing with PTHB and there has been a commitment by both organisations to seek to resolve all outstanding issues by the end of this calendar year.</p>
<p>Appendix B – purchase cards. These are still operating at unacceptable levels of error. What is the latest position.</p>	<p>The Head of Finance indicated that there is a clear policy in place. We do have the ability to withdraw cards from individuals who consistently make errors.</p> <p>The Capital and Financial Planning Accountant advised that about £1m per month is going through the cards. Cards are blocked until users resolve the issues and errors and we will continue to do so.</p>

Outcomes:

- **Report Noted.**
- **Sundry Debt – in future reports can visual indicators be included so that the Committee can track trends.**
- **Debt policy to be shared with the Committee.**
- **GCRE – previous confidential reports to be shared with the Committee.**
- **Confidential briefing with the CEO of GCRE to be arranged for the Committee.**

- **Include creditor information (debt owed by the Council) in the sundry debt report as well as information about short term debtors.**

5.	SWAP REPORTS
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5.1. Internal Audit Progress Report - Quarter 1

Documents Considered:

- Report of the Assistant Director (Powys) SWAP – Internal Audit Progress Report – Quarter 1.

Issues Discussed:

- Presentation provided in relation to the Highways Service – 6 areas of work undertaken.
 - The Chair asked the Assistant Director to elaborate as to why in view of the gravity of some of the findings in the Highways audits the overall rating of “Reasonable” had been applied which she felt was generous and it would have been expected that the overall rating would more likely be “Limited”.
 - The Chair suggested that the Committee meet to discuss a single item agenda on the Highways issues and following that the Working Group could take this work forward.
 - A range of Audit reports were commissioned by the Head of Service. Resource is in place to assist the Head of Service and an action plan is being formulated which can be presented to the Committee. The internal Improvement Board for Highways, Transport and Recycling is focussing on issues highlighted in relation to Highways but actions are limited as yet due to waiting for the results of the SWAP review and not wishing to impinge on the ongoing police investigation.
- The overall opinion in the report is reasonable assurance.
- Questions:

Question	Response
Can the report include more information about the definitions of assurance levels	More information can be provided in reports in relation to definitions.

Outcomes:

- **Report Noted.**
- **Highways Presentation to be circulated to the Committee.**
- **Highways issues – to be discussed at a single item meeting of the Committee to which the Head of Service and Project Manager can be invited. Following that the Working Group can take this work forward.**

5.2. Annual Audit Opinion

Documents Considered:

- Report of the Assistant Director (Powys) SWAP.

Issues Discussed:

- The report is the Audit opinion on the levels of control within the Council for the year 2021-22.
- 51 pieces of work were undertaken. Of those 7 were limited assurance audits, and 71% of the work provided a substantial or reasonable assurance. All the issues were considered at previous Governance and Audit Committees.
- Project and programme management collectively was an issue and some of the governance and operational aspects of those. There is evidence of significant improvement in those areas.
- The fraud risk is satisfactorily managed and actions in general have been implemented.
- In general over the past two years SWAP have covered the Council's corporate risks and this will continue.
- On the balance of the work undertaken a Reasonable Opinion was provided for the year.

Outcomes:

- **Noted.**

6.	AUDIT WALES REPORTS
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6.1. Audit Wales - Audit Plans

Documents Considered:

- 2022 Audit Plan for Powys County Council
- 2022 Audit Plan for the Powys Pension Fund

Issues Discussed:

- Powys County Council Accounts – Areas of risk highlighted for the audit work:
 - Management Override – this is an issue for all organisations both public and private.
 - Asset valuations – this risk does not relate to Powys alone but an aspect being considered across all bodies including sponsored bodies and the NHS.
 - Related parties information – some weaknesses have been identified in the previous process of recording related party information.
 - GCRE – the position as currently understood is being reported.
 - Many risks are similar across local authorities.
- One specific piece of work for Powys is revisiting the improvement in scrutiny.
- Work across Wales – ongoing risk and assurance work.
- Thematic reviews to be undertaken – unscheduled care, digital.
- Page 80 – one potential conflict of interest for a member of the Audit Wales Team, and the safeguards in place was brought to the attention of the Committee.
- Powys Pension Fund – the Audit Wales work on the fund will not commence until October / November but bearing in mind the statutory deadline of 30th November.

- Questions:

Question	Response
Does Audit Wales have sufficient resource to meet the timescales.	<p>Yes we are content with the level of resources available to undertake the work. Audit Wales propose to complete its work on the financial statements and provide an opinion by the end of October this year.</p> <p>As a result of Covid, Welsh Government has provided extended deadlines for the final audits of accounts. The extended deadline is for audits to be completed by end of November 2022. Audit Wales is working to an internal deadline with a view to having all statutory accounts signed off by end of October. In relation to Powys, work has already commenced on the financial statements. If possible would like statement of accounts being presented to the Committee by the end of September or if not by mid October.</p>
In relation to the Well-Being objectives of the Council and the background of the Well-Being and Future Generations Act. Powys has a Public Service Board and the well-being objectives are about joint working. How can the auditors reconcile the Council's accounts where there are part of joint working exercises.	<p>Audit Wales is trying to work with and alongside Councils in Wales and across all public services to have sight of what decisions taken today will affect services in the future. This will be looked at across all public services in Wales not just Councils. There will be a specific piece of work about how the Council is setting its well-being objectives and also how this happens across public services as well including common themes.</p> <p>In terms of partnership working the Chief Executive advised that Audit Wales has started to meet jointly with the Council and Ceredigion about joint working arrangements within the Corporate Joint Committee (CJC) framework. This provides the possibility of looking at the Mid Wales Growth Deal, strategic transport and planning in future. Audit Wales has been asked to focus on the development of CJsCs initially across Wales. Another potential area of joint audit work is the North Powys Well-Being Programme.</p>
Who pays the fee for the pension fund, is it the Council or the pension fund	That comes from the pension fund.
Are there any non directly employed	There are admitted bodies to the

<p>individuals in the fund and what are the risks associated with that.</p>	<p>pension fund.</p> <p>There are a number of other bodies participating in the pension fund and there are various arrangements with those bodies around the level of risk. Some have risk sharing agreements with the Council other have bonds in place to offset that risk. The position of admitted bodies is regularly monitored.</p>
<p>To what extent is the current debate around the nature of investments, ethical investments, divestments, from a purely financial position how much is this a risk to the financial management of the fund.</p>	<p>It is for the Pension Fund to determine where they invest their money. The fund has an investment strategy and a responsible investment policy which will determine the type and nature of investments. Investment decisions consider both and it is the Committee advised by fund managers who make these decisions.</p> <p>The Pension Board provide an independent opinion on the Governance arrangements for the fund, including risk management.</p> <p>Pension funds views' across the UK as well as Government is that bodies should not be investing in bodies supporting Russia. There is some exposure from the pooled investment fund but the percentage overall is minimal.</p>
<p>Over the last few years the pension investment consortium has used hedge funds and other financial instruments to defray risk. To what extent does Audit Wales look at the level of risk with this type of activity.</p>	<p>This is not considered to any extent in terms of the audit of the Powys pension fund as the audit of pooled fund is undertaken by other auditors and Audit Wales would liaise with those auditors in terms of assurance. Audit Wales do not look at the decisions taken but look at the results and would raise any concerns about the nature of transactions.</p> <p>In terms of an opinion on the pension fund Audit Wales would not necessarily give a positive opinion of the fund but give a view of the financial statements themselves.</p> <p>In terms of risk the pension fund has a risk register and our advisers advise the</p>

	Committee about the ongoing level of risk and any changes to those risks. The independent Pensions Board also monitors the level of risk, advise in terms of reviewing arrangements and how that risk is being managed.
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Outcomes:

- **Noted.**

6.2. Audit Wales - Powys Annual Audit Summary

Documents Considered:

- Audit Wales – Powys Annual Audit Summary

Issues Discussed:

- Report issued to the Council in February 2022 which is a summary of the work undertaken by Audit Wales, CCIW and Estyn up to February 2022.

Outcomes:

- **Noted.**

7.	MONITORING AND REVIEW OF RISING ENERGY COSTS, OTHER COST IMPLICATIONS AND SUPPLY CHAIN ISSUES
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Documents Considered:

- Report of the Head of Finance – Price Inflation Variation and Volatility Pressures.

Issues Discussed:

- This reports looks at the processes that have been employed within the Council to monitor the current position. The Committee can determine if it has sufficient assurance as to whether those processes are adequate to mitigate the risks.
- Section 3 of the report considers some of the more specific indices and cost rises above the rate of general inflation.
- The report sets out the understanding of the impact on the Council. Officers from across the Council have been drawn together to work collectively to monitor, share information, consider and address the issues as they arise.
- Where providers are approaching the Council there is a sound process in place to assess the impact on an open book basis. Any request needs to be substantiated and evidenced in terms of impact on the company's financial position.
- The biggest impact is likely to be next year and the impact on next year's budget plans is being assessed.
- A robust virement process is in place and the financial position is updated on a quarterly basis. Specific reserves were established at the end of last year and some of those reserves are being drawn down. The overall position for the Council is projecting a deficit in addition to the use of specific reserves of around £1m based on the position in the first quarter.

- Some of the pay awards are starting to be approved which will have a substantial impact on the budget both in the current year and for the future.
- Officers and the Cabinet are reviewing the MTFS (Medium Term Financial Strategy) and that will be presented to the Council in September based on the revised assumptions.

The Cabinet Member for Finance and Corporate Transformation suggested that the paper could be shared with the wider membership of the Council. He also asked if the Council has a team established to monitor energy use in buildings and limit energy use in buildings.

The Head of Finance indicated that energy use corporately is monitored so that work could help inform the overall position. Information has also been received from the national procurement framework on the impact of energy costs for these buildings.

- Questions:

Question	Response
In Section 5 regarding current contracted positions. Is there any more information where contracts could be split into categories which could be subject to different rates of increase so that we could judge the potential financial impact.	There is a contract register in the Procurement Team. It is not known if the contracts are split into the different categories listed in the report. The Head of Finance agreed to find out what information was available in terms of categorisation of contracts and could be shared with the Committee.
Audit Wales had identified a significant medium term budget gap. The Head of Finance is producing a revised MTFS. We only have budgets in any organisation to achieve priority outcomes and outputs. It would be useful to see on a single page the cascading of the aspiration and vision how that translates into a corporate plan and the budgets associated with this, to connect risks with outcomes and priorities.	<p>The corporate plan is being developed by the new Cabinet to reflect their objectives and priorities. It would be difficult to capture all of the information suggested on a single page.</p> <p>Individual service integrated business plans are in place which captures everything which impacts on that service and links into the financial plans for the service. Those plans then come together in the corporate plan, and the corporate budget development process and the risk register to make sure all of those plans are considered collectively and that the finances are in place to deliver on those objectives and plans.</p>

Outcomes:

- **Report Noted.**
- **Contracts - The Head of Finance agreed to find out what information was available in terms of categorisation of contracts and could be shared with the Committee.**

- **Budget Seminars – that all of the Lay Members be invited to the budget seminars for Members.**

8.	COMMITTEE SELF ASSESSMENT AND ACTION PLAN
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Documents Considered:

- None – verbal update

Issues Discussed:

- Key themes have been identified.
- An action plan is being developed which will identify what actions has already been taken and future work to be undertaken. It is hoped the action plan can be considered by the Committee in September.

Outcomes:

- **Noted.**

9.	WORKING GROUPS
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The Committee was requested to establish the following Working Groups:

Capital Working Group:

The following Members indicated an interest in the Working Group:

County Councillors P Lewington, A Williams and Independent Member J Brautigam

Highways Transport and Recycling Working Group:

The following Members indicated an interest in the Working Group:

County Councillors G Breeze, G Ratcliffe, W Powell, P Lewington, A Williams
Independent Members G Hall, J Brautigam and L Hamilton

Internal Audit Working Group:

The following Members indicated an interest in the Working Group:

County Councillors P Lewington, C Walsh and A Williams
Independent Members J Brautigam and L Hamilton

HOWPS Working Group:

The following Members indicated an interest in the Working Group:

County Councillors G Ratcliffe, W Powell, A Williams
Independent Members J Brautigam and G Hall

10.	WORK PROGRAMME
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The Committee received the draft work programme.

The Committee suggested the inclusion of the following items on the Forward Work Programme:

- Programme of deep dives informed by risk and audit – invite Heads of Service to the meeting the Committee on a rolling basis.
- GCRE – presentation from the CEO.

L. Hamilton
Chair

CYNGOR SIR POWYS COUNTY COUNCIL.

GOVERNANCE AND AUDIT COMMITTEE

30th September 2022

REPORT AUTHOR: Jane Thomas, Head of Finance

REPORT TITLE: Strategic Risk Register Report Quarter 1 2022/2023

REPORT FOR: Decision / Discussion / Information

1. Purpose

- 1.1 The Governance and Audit Committee's role is to seek assurance on the effectiveness of the arrangements in place by the Council to manage risk. The purpose of this report enables the Committee to fulfil this role by considering the report being submitted to Cabinet at their meeting of the 26th July 2022.
- 1.2 The report sets out the Council's latest position on managing its key risks, contained in the Strategic Risk Register (SRR). Please see attached appendices which includes the Cabinet cover report, detailed strategic risk report and heat map.
- 1.3 The Governance and Audit Committee are asked to review the report and the arrangements in place to ensure that there is an appropriate understanding and management of risk and that these and the actions in place to mitigate the risks are monitored and regularly reviewed.
- 1.4 The Senior Leadership Team (SLT) had a session to focus on the strategic risk register on the 13th July 2022 where all the current and potential strategic risks, as well as global risks were discussed.

The following key areas of risks to the Council were identified as:

- Health and safety
- Social services (insufficient capacity to respond to the longer-term demand in children's and adults' services in timely manner, WCCIS unreliability, risk of social care provider failure and budgets)
- Council budget/increased costs (living and economy)
- Recruitment and retention including demography
- Climate and nature emergency (biodiversity)
- Compliance with GDPR and DPA
- Cyber security
- Regulatory/Inspections

All of these areas are subject to review some of this progressive work is reflected in the **SRR Report Quarter 1 2022/2023** with further detailed work taking place over the next few months. This includes dedicated SLT sessions on Health and Safety, Recruitment and Retention including demography, Climate and Nature Emergency, Budget/Increased Costs to consider the risk, their intersectionality, consequences and the strategic mitigation required.

Contact Officer: Jane Thomas, Head of Finance Tel: 01597 827789 Email: Jane.Thomas@powys.gov.uk

CYNGOR SIR POWYS COUNTY COUNCIL.

CABINET EXECUTIVE
Tuesday, 26^h July 2022

REPORT County Councillor David Thomas
AUTHOR: Cabinet Member for Finance and Corporate Transformation

REPORT Strategic Risk Register Report Quarter 1 2022/2023
TITLE:

REPORT FOR: Decision

1. Purpose

- 1.1 The purpose of this report is to set out the Council's latest position on managing its key risks, contained in the Strategic Risk Register (SRR).

2. Background

- 2.1 Our Strategic Risk Register is key to safeguarding the organisation and building resilience into our services. At a time when the Council has faced and is still facing unprecedented challenges, the effective management of risk is needed more than ever. A risk-managed approach to decision making will help us to achieve the well-being objectives in Stronger, Fairer, Greener: Our Corporate plan, deliver services more efficiently and using innovative and cost-effective means.

3. Advice

- 3.1 To ensure a risk managed approach to decision making and good governance of the Council, it is proposed that Cabinet:
- Review progress to mitigate strategic risks

SLT review of Strategic Risk Register

- 3.2 SLT had a session on the strategic risk register on Wednesday 13th July where all the current and potential strategic risks, as well as global risks were discussed.

Key areas of risks to be continually monitored by SLT and Cabinet were identified as:

Health and safety

Social services (insufficient capacity to respond to the longer-term demand in children's and adults' services in timely manner, WCCIS unreliability, risk of social care provider failure and budgets)
Council budget/increased costs (living and economy)

Recruitment and retention including demography
Climate and nature emergency (biodiversity)
Compliance with GDPR and DPA
Cyber security
Regulatory/Inspections

Some of this progressive work is reflected in this report with further detailed work taking place over the next few months. This includes dedicated SLT sessions on Health and Safety, Recruitment and Retention including demography, Climate and Nature Emergency, Budget/Increased Costs to consider the risk, their intersectionality, consequences and the strategic mitigation required.

Review of progress to mitigate Strategic Risks

- 3.3 As at the end of quarter 1 2022-2023, there are 15 risks on the strategic risk register and all strategic risk owners have been asked to provide a short summary of progress since last quarter, to give assurance that mitigating actions are being actioned and monitored.
- 3.4 Please see appendix A for full details of the 15 strategic risks including the mitigating actions identified to control them and progress reviews.
- 3.5 Please see appendix B to view a heat map which presents the results of the quarter 1 risk assessment process visually. It highlights (for the residual risks) the following:

One out of the fifteen risks has a probability of 'likely' and an impact of 'catastrophic'.

Also, three risks have a probability of 'likely' and an impact of 'major'.

Escalation of risks to the Strategic Risk Register

- 3.6 Housing services would like to escalate:

HO0034 'Unable to provide or enable the development of enough additional homes to fulfil housing market demand'.

With potential consequences as follows:

- Economic dislocation and contraction arising from challenges recruiting and retaining staff in the context of not being able to increase the total number of homes in Powys
- Increased demand for homelessness services, with limited options to find homes for these clients, exacerbated by a diminishing ability to add to the net number of homes available in Powys
- Increased number of households registering with 'Homes in Powys' for social housing as limited new supply of all types of homes increases the cost of existing accommodation

- Contraction in locally based construction capability and capacity arising from limited opportunities to develop and build new homes

Current mitigation:

- Focus of development and enabling capacity on directly providing and enabling additional homes in areas of Powys where phosphate management has not resulted in a moratorium on new development.
- Policy and process changes across the Council to encourage and support the re-purposing of existing commercial and retail buildings and sites into homes
- Making productive use of Council-owned land and property assets to enable the development by the Council of affordable, secure homes
- Promotion by Housing Services of 'package deals' to attract direct investment by private developers of new homes, including social housing
- Development of a range of housing specifications to be able to take advantage of both private and public investment offers
- Encouragement for all agencies involved in enacting a satisfactory phosphate management regime to come to a workable and practical agreement as soon as possible

De-escalation of risks off the Strategic Risk Register

- 3.7 Property, Planning and Public Protection would like to de-escalate the following risk from the Strategic Risk Register and onto the services own to be managed:

PPPP007 'Heart of Wales Property Services (HOWPS) being unable to undertake contracted work in a timely and cost-effective manner'.

Heart of Wales Property Services (HOWPS) has now been integrated back into the Council as property services. Repair and maintenance work on Powys buildings and schools are now being carried out by Council staff following the successful transfer from Heart of Wales Property Service. All repairs and maintenance on the Council's housing stock, corporate buildings and schools will be carried out by staff, previously employed by Heart of Wales Property Services. Outstanding repairs recorded or started by HoWPS before the June deadline have been passed to the Council to complete however this still remains a risk due to backlog but one that the service can manage.

- 3.8 Highways Transport and Recycling would like to de-escalate the following risk from the Strategic Risk Register and onto the services own to be managed:

HTR0016 'Shortage of lorry and bus drivers'.

The initial shortage of lorry and bus drivers has been managed successfully and is now at a level the service can manage the risk and the supporting risk controls, through their own service risk register’.

COVID-19 risk register

- 3.9 The Council has been transitioning from business-critical activity to ‘business as usual’ and the ‘new normal’. As a result, services have incorporated, any COVID-19 risks into their own service registers to be managed and the COVID-19 risk register has been closed. However, the Council will continue to monitor the situation carefully and response accordingly.

4. Resource Implications

- 4.1 There are no direct resource implications in relation to this report however all risk owners need to consider the resource implications of managing the risk and decide if the best course of action is to tolerate or treat.
- 4.2 The Strategic Risk Register outlines the key risks to the Council’s activities, as well as risk to delivery of objectives contained within the Corporate Improvement Plan. There are no direct financial implications from the report although these may arise as new risks are identified on an on-going basis.

The Head of Finance (Section 151 Officer) notes the comment above, financial implications are identified through the relevant service and are considered through the financial management processes in line with the authorities’ financial regulations. All services are considering the financial impact of any risks that are expected to continue into 2023/24 and beyond in their Service Integrated Business Plans.

5. Legal implications

- 5.1 Legal: the recommendations can be accepted from a legal point of view
- 5.2 The Head of Legal and Democratic Services (Monitoring Officer) has commented as follows: “ I note the legal comment and have nothing to add to the report”.

6. Data Protection

- 6.1 N/A

7. Comment from local member(s)

- 7.1 N/A

8. Integrated Impact Assessment

- 8.1 N/A. The Service Risk Register is not setting out any changes or proposals to service delivery.

9. Recommendation

It is recommended that Cabinet notes the current Strategic Risk Register and is satisfied with progress against mitigating actions for quarter 1, approves escalation of HO0034 (detailed under point 3.6) to the Strategic Risk Register and de-escalation of PPPP007 and HTR0016 (detailed under points 3.7 & 3.8) from the Strategic Risk Register.

The recommendation above will ensure:

- **Appropriate understanding and management of strategic risks which could prevent us from achieving our objectives**
- **A risk managed approach to decision making and good governance of the Council**

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Head of Service: Jane Thomas, Head of Finance

Corporate Director: Dr. Caroline Turner, Chief Executive officer.

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol

Strategic Risk Register

Strategic Risk Register				Portfolio	Inherent	Residual	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
ASC0064 Nina Davies Escalated From :- Powys County Council Tudalen 35	WCCIS Unreliability - IF the unreliability of WCCIS is not resolved THEN	Veracity of decision making around adults and children in Powys will be compromised, leading to poor outcomes <ul style="list-style-type: none"> The safeguarding of children and adults in Powys will be compromised There will be significant delays in securing time critical packages of care Our ability to manage transfers of people from hospital to the community will be compromised We will not be able to respond effectively to out of hours emergencies There will be delays in making decision and taking action to keep children safe Staff morale will be affected further, leading to increased sickness absence and staff leaving Increased reputational damage to the council and negative impact on our ability to recruit and retain social workers 	11/07/2022 1st Qtr 22/23 Review Summary: An options appraisal is being finalised ready for consideration through appropriate channels. 04/04/2022 Qtr 4 21/22 Review Summary: Agreement from Cabinet to move to a soft market testing exercise. In addition, agreement that digital services and corporate change/improvement resource will be deployed to support any transition to a new system and resulting changes to processes/ways of working. 29/12/2021 Review Summary: Independent review and options appraisal of current system has now been completed. HoS for Children's, Adults and Corporate Director meeting with Digital Services in January 2022 to discuss next steps. 29/09/2021 Qtr 2 21/22 Review Summary: Performance has become less unsatisfactory since last review. Awaiting findings of independent review of current system to determine what future client management system will be used.	Cllr Sian Cox Nina Davies	12	12	<ul style="list-style-type: none"> Performance issues raised to Welsh Government through SBAR Monthly Contract review meetings with Supplier Internal Review Follow correct change management processes 	Action In Progress Action In Progress Action In Progress Control In Place

Strategic Risk Register				Portfolio	Inherent	Residual	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
ASC0066 Dylan Owen Escalated From :- Powys County Council Tudalen 36	<p>Risk of social care provider failure. Risk of care homes, domiciliary care providers, supported living providers and others becoming unsustainable for human and financial resource challenges. This is multifactorial with the main reason being the wider impact of the pandemic. There is a risk of harm to residents in having to be moved or having care provider unavailability; financial risk to residents, Council and local economy; risk of reputational damage.</p> <p>People Plus (the contracted Direct Payment Support Scheme provider) is experiencing difficulties in recruiting and retaining staff to undertake their work of administering payroll and invoice payments on behalf of Powys County Council. This is leaving some care staff unpaid occasionally, but is being managed. However, there is</p>	<p>Risk of care services becoming unviable and not sustainable, resulting in requirement to support residents to access different services/care homes etc.</p> <p>Risk of care staff not being paid.</p>	<p>15/07/2022 Review Summary: Amending 3 month review to fall in line with PMQAF timetable.</p> <p>09/05/2022 1st Qtr 22/23 Review Summary: The risk continues. There have been recent instances where care providers have closed at short notice.</p> <p>07/03/2022 4th Qtr 121/22 Review Summary: The risk continues. However, work is ongoing with care providers in order to ensure that financial fee uplifts for 2022/23 onward are suitable and support sustainability.</p> <p>01/12/2021 Review Summary: This risk continues. The new variants cause concern and the care homes and care providers are experiencing the ongoing challenges.</p>	Cllr Sian Cox Nina Davies	20	16	<ul style="list-style-type: none"> • Direct Payment Support Scheme • Care Home Support • Care Home Staffing and Resilience Review • Joint Support for Residents and Care Homes 	Action In Progress Action In Progress Action In Progress Control In Place

Strategic Risk Register				Portfolio	Inherent	Residual	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
Tudalen 37	a significant risk of increased failure and a large number of care staff not being paid appropriately.							

[illegible]

Strategic Risk Register				Portfolio	Inherent	Residual	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
CS0081 Jan Coles Escalated From :- Powys County Council <div>Tudalen 39</div>	BUDGET: If Children's Services are unable to manage within budget due to: - Market sufficiency for children's placements - Reliance on agency social workers - Inflationary costs and management of pressures - Surge in demand due to COVID-19 - Ending of grant funding	Then this will have implications for the whole Council: - Unable to meet statutory duties - Leaving service users at risk - Reputational damage to the Authority - Unable to manage within financial envelope	12/07/2022 1st Qtr 22/23 Review Summary: Recovery and exit strategy is on going and looking to reshape existing capacity and reduce the need for agency social workers. The grow our own strategy continues to scale up with 5 students qualifying this summer. Review of the IDS service is taking place and will develop the strategies in respect of continuing care. 07/07/2022 Review Summary: admin 25/04/2022 Review Summary: End of the financial year, out turn is an overspend of £57,000 for Children's Services. This is largely due to accessing additional Grant funding but much more positive forecast than previously thought. 11/01/2022 Review Summary: No change from previous review.	Cllr Susan McNicholas Nina Davies	12	9	<ul style="list-style-type: none"> • Ensure Continuing Care for Children and Young People protocol being applied correctly and consistently • Ensure market within Powys is sufficient to meet demand • Make best use of Welsh Government Funding and other available resources • Work to reduce reliance on agency social workers • Integrated budget planning • Develop early intervention and prevention services in order to mitigate demand on longer term services • Ability to meet the requirements of the MTFS / Retaining grant funding around posts within Children's Services • Work with service providers to limit impact of supreme court legal judgement 	Action In Progress Action In Progress Action In Progress Action In Progress Control In Place Control In Place Withdrawn Withdrawn

Strategic Risk Register				Portfolio	Inherent	Residual	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
ED0022 Lynette Lovell Escalated From :- Powys County Council <div>Tudalen 40</div>	The council will be unable to manage the schools' budget without ongoing adjustments to the distribution formula and improving financial management. If they are unable to manage the budget, there will be a significant compromise to the quality of education for Powys learners.	Some schools will have escalating deficits which will have a financial impact on the rest of the Council and the learners in their care.	10/07/2022 1st Qtr 22/23 Review Summary: Quarter 1 Review: The year end position for schools moved significantly since the previous forecast, this is due to the allocation of over £5.936 million grant to support schools core costs. Schools planned to utilise £0.577m of reserve but actually put in to reserve £5.732m, an overall movember of £6.289m. 18/05/2022 Review Summary: Qtr 4 2021-22: Primary: The forecast contribution from reserves for the Primary Sector is currently £505k which has reduced by £107k since last month. Secondary: The Secondary sector has a forecast contribution to reserves currently of £17k. This has increased by £302k since last month. Officers have been working effectively with the Secondary sector and as a result there is a reduction in deficit balances. All Through: The all age sector has a forecast contribution to reserves of £145k which has increased by £62k since last month. Special: The special sector has a £102k forecast contribution to reserves. This has decreased by £29k since last month. Surgery sessions are ongoing with all schools and school budget positions are being effectively monitored and issues are being escalated quickly by officers. Powys County Council have received a substantial amount of Education grant funding into the Authority during the Spring Term to be spent by the end of the financial year. This may have a positive impact on the schools' delegated outturn position for 2021-22.	<i>Cllr Pete Roberts</i> Lynette Lovell	<div>12</div>	<div>9</div>	<ul style="list-style-type: none">• Progress Funding Formula review.• Effective use of the Scheme for Financing Schools• Implementation of R5 in the PIAP• PIAP	Action In Progress Action In Progress Action Completed Action Completed

Strategic Risk Register				Portfolio	Inherent Residual	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service		Control or Action	Status
Tudalen 41			<p>12/04/2022</p> <p>Qtr 4 2021-22 Review Summary:</p> <p>Primary: The forecast contribution from reserves for the Primary Sector is currently £505k which has reduced by £107k since last month.</p> <p>Secondary: The Secondary sector has a forecast contribution to reserves currently of £17k. This has increased by £302k since last month. Officers have been working effectively with the Secondary sector and as a result there is a reduction in deficit balances.</p> <p>All Through: The all age sector has a forecast contribution to reserves of £145k which has increased by £62k since last month.</p> <p>Special: The special sector has a £102k forecast contribution to reserves. This has decreased by £29k since last month.</p> <p>Surgery sessions are ongoing with all schools and school budget positions are being effectively monitored and issues are being escalated quickly by officers.</p> <p>Powys County Council have received a substantial amount of Education grant funding into the Authority during the Spring Term to be spent by the end of the financial year. This may have a positive impact on the schools' delegated outturn position for 2021-22.</p>				

Strategic Risk Register				Portfolio	Inherent Residual	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service		Control or Action	Status
Tudalen 42			<p>21/01/2022</p> <p>Review Summary: Decision taken by EMT and gold command to stand down on qtr 3 21/22 reporting</p> <p>Qtr 3 2021/22 Review Summary:</p> <p>Schools submitted their approved budgets to the Authority on 1st May 21. Budget plans have now been reviewed by the Chief Education officer and the Section 151 officer and actions following that review are in progress and a report went to Cabinet on the 13th July 21. Officers continue to work with Schools in deficit to bring budget plans back to a balanced in year position.</p> <p>Primary: The forecast contribution from reserves for the Primary Sector is currently £612k which has reduced by £54k since last month.</p> <p>Secondary: The Secondary sector has a forecast call on reserves currently of £285k. This has decreased by £41k since last month. Officers have been working effectively with the Secondary sector and as a result there is a reduction in deficit balances.</p> <p>All Through: The all-age sector has a forecast contribution to reserves of £83k which has decreased by £11k since last month.</p> <p>Special: The special sector has a £131k forecast contribution to reserves. This has increased by £1k since last month.</p> <p>We have seen a reduction in the call on the schools ring-fenced reserves and schools are working effectively with Finance and School Improvement Advisors to improve the forecasted outturn position. Surgery sessions have been held with all schools throughout the Autumn term. Schools budget positions are being effectively monitored and issues are being escalated quickly by officers.</p> <p>Powys County Council have received a substantial amount of Education grant</p>				

Strategic Risk Register				Portfolio	Inherent	Residual	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
Tudalen 43			funding into the Authority at the end of quarter 3 to be spent by the end of the financial year. This may have a positive impact on the Schools' delegated outturn position for 2021-22.					

Strategic Risk Register				Portfolio	Inherent	Residual	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
FIN0001 Jane Thomas Escalated From :- Powys County Council Tudalen 44	The Council is unable to deliver a financially sustainable budget over the short and medium term. The continued impact of Covid coupled with the more recent events around rising inflation, energy costs and the situation in Ukraine impacting on supply chains and prices all increase the risk on the Council financial resilience.	- The Council is unable to fulfil its legal obligation in setting a balanced budget - The Council will not be financially resilient or sustainable - Council reputation damaged - Inability to fulfil our statutory requirements	07/07/2022 1st Qtr 22/23 Review Summary: SLT and Cabinet have started to consider the impact of this years budget setting and pressures arising, ongoing meetings and completion of the FRM by the end of August should allow time to consider how the budget gap will be addressed. 04/04/2022 4th Qtr 21/22 Review Summary: The council has approved the revenue budget for 2022/23 and the financial position for the new year will be monitored through the existing reporting mechanisms. EMT will begin reviewing the 5 year budget plan in April to address the ongoing budget gap for the next few years. Indicative funding settlements for the next 2 years do provide some certainty but we cannot underestimate the challenge that still remains. Rising inflation, energy costs and supply chain issues arising from the war in Ukraine will provide further challenge during 2022/23. 21/01/2022 Review Summary: Decision taken by EMT and gold command to stand down on qtr 3 21/22 reporting 13/10/2021 Qtr 2 21/22 Review Summary: Budget development continues, IBP's have been completed by all services and the financial pressures falling on each service is now identified. Continuing costs and income loss due to the pandemic are clearly understood. The budget model has been updated to reflect the position and SLT and Cabinet continue to develop the budget further in order to bridge the budget gap that is estimated. We continue to model the budget on a number of scenarios as we do not yet have any further information on the level of WG settlement for 2022/23. We continue to work through the Welsh Local Government Association (WLGA) and Society of Welsh Treasurers (SWT) to keep WG abreast of the financial pressures falling on Local Authorities.	Cllr David Thomas Jane Thomas	16	12	<ul style="list-style-type: none">Revise the Medium Term Financial StrategyOngoing discussion with WG and WLGA through Society of Welsh Treasurers for Future Funding of Local GovernmentService Integrated Business Plans will be reviewed and refreshedKeen focus on procurement issues - sharing information and knowledge across the LA/WLGA networkWG claims for Hardship and lost income continue and expect to remain in place til march 2021Cell in place to monitor rising costs, supply chain issues and sharing of information across the CouncilRegularly monitor and review the financial position on monthly basis.Cost Recovery work3rd party spend reductionIncome GenerationMonthly reports to cabinet and Management Team on budget progress and progress on savingsBudget Challenge EventsMoved to a 3 year balanced budgetReassessment of the activities of the Council through the Recovery Coordination GroupReview budget position at end of first quarter and consider changes to the 2020/21 budget	Action In Progress Action In Progress Action Completed Action Completed Action Completed Control In Place Control In Place Withdrawn Withdrawn Withdrawn Withdrawn Withdrawn Withdrawn

Strategic Risk Register				Portfolio	Inherent	Residual	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
HO0024 Andy Thompson Escalated From :- Powys County Council <div>Tudalen 45</div>	Failing to meet all applicable statutory requirements providing for the health and safety of the occupants in Powys County Council Housing Stock .	<ul style="list-style-type: none"> Increased risk of death & serious injury. Reputational risk. Failure to support well-being and peace of mind of residents and tenants 	15/07/2022 Review Summary: 1st Qtr 22/23 - 07.07.22: The Housing Service has a robust process to follow and court injunctions are served if required to gain access to properties where it has not been possible to visit to undertake the required services. This key indicator is expected to see improvements over the coming quarters as engineers are recruited to the service and the non-access process is pursued with vigour. 27/04/2022 Review Summary: The Compliance One Hundred Team manage each element of compliance for the Housing Service and report on a monthly basis to the Housing Compliance Project Board and Housing Services Improvement Board Welsh Government have stated that significant progress has been made, however, meetings continue on a bi-monthly basis to ensure progress continues. Also as part of the Moving on Up housing restructure a permanent compliance team has been added so the Compliance One Hundred project can continue and standards can be maintained. All officers are in post. 04/10/2021 Qtr 2 21/22 Review Summary: The Compliance One Hundred Team manage each element of compliance for the Housing Service and report on a monthly basis to the Housing Compliance Project Board and Housing Services Improvement Board Welsh Government have stated that significant progress has been made, however, meetings continue on a bi-monthly basis to ensure progress continues. Key focus remains with the Compliance On Hundred Team and staff contracts have been extended until December 2021. Also as part of the Moving on Up housing restructure a permanent compliance team has been added so the Compliance One Hundred project can continue and standards can be maintained.	Cllr Matthew Dorrance Nina Davies	12	6	<ul style="list-style-type: none"> Continued delivery of Compliance One Hundred project to drive up compliance and quality assurance with clear focus on... Fire Safety; Asbestos Management; Fixed Electrical Installations; LOLER; Water Systems; Heating Systems. 	Action In Progress Action In Progress

Strategic Risk Register				Portfolio	Inherent	Residual	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
Tudalen 46			05/07/2021 1st Qtr 2021/22. Review Summary: The Compliance One Hundred Team manage each element of compliance for the Housing Service and report on a monthly basis to the Housing Compliance Project Board and Housing Services Improvement Board. Welsh Government have stated that significant progress has been made, however, meetings continue on a bi-monthly basis to ensure progress continues. Key focus remains with the Compliance On Hundred Team and staff contracts have been extended until December 2021.					

Strategic Risk Register				Portfolio	Inherent	Residual	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
HTR0016 Matthew Perry Escalated From :- Powys County Council <div>Tudalen 47</div>	Shortage of lorry and bus drivers	Unable to deliver statutory service e.g. Waste and recycling, domestic and commercial collections, school transport and the knock on effect on delivering highways maintenance ie flooding and winter maintenance, hedge cutting, potholes. increase complaints	15/07/2022 1st Qtr 22/23 Review Summary: The initial shortage of lorry and bus drivers has been managed successfully and is now at a level the service can manage the risk and the supporting risk controls, through their own service risk register. 10/04/2022 Qtr 4 21/22 Review Summary: This is still an high risk, but services are managing at present. 21/01/2022 Review Summary: Decision taken by EMT and gold command to stand down on qtr 3 21/22 reporting	Cllr Jackie Charlton Nigel Brinn	12	9	<ul style="list-style-type: none"> Consider retention bonus for existing drivers and market supplement for new drivers Recruitment of drivers and upskilling of existing staff Pay staff for accrued holidays Prioritise services and pay over time Prioritise transport routes and pay over time Investigate temporarily amending drivers contracts to enable them to drive the full legal requirement of 10 hours a day Redeployment of Highways drivers 	Action In Progress Action In Progress Action In Progress Action In Progress Action In Progress Action In Progress Control In Place

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Strategic Risk Register				Portfolio	Inherent	Residual	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
Tudalen 50							• Cyber Security Certification	Control In Place
							• Staff Training	Control In Place
							• Detection and Response Tools	Control In Place

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Strategic Risk Register				Portfolio	Inherent	Residual	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
PCC0005 Nigel Brinn	The impact to Powys residents, services and Council staff as a result of a COVID-19 (Coronavirus) epidemic	Increased staff absenteeism; Increase demand for services from residents Increased workload for council staff as a result of staff absence and increased service demand Closure of Council premises resulting in reduced services to residents and office accommodation	15/07/2022 Review Summary: amending date to fall in line with PMQAF 08/07/2022 1st Qtr 22/23 Review Summary: Cases continue to impact the community and a reduced TTP team continue to trace the vulnerable and Health and Social Care. This risk will remain on the register whilst we monitor the impact over the Autumn/Winter 2022/2023 27/05/2022 Review Summary: Case numbers have significantly reduced on the CRM but there is still evidence of cases within the Community. Due to the vaccine, these cases are not impacting the Council as they were at the beginning of the Pandemic. This case will remain on the register whilst we monitor the impact over the Autumn/Winter 2022/2023 12/05/2022 Review Summary: Gold command meetings were stood down on 30th April 2022. Covid is still evident in our community but due to a reduction in testing, numbers coming through the CRM have dropped and the impact Covid is having on our communities, schools and workforce has reduced. Covid does still pose a risk for PCC so this risk is still current. We are unsure what will happen going forward and need to get through the Autumn before we have a clear picture.	Cllr James Gibson-Wat t Nigel Brinn	16	9	<ul style="list-style-type: none">Update Business Continuity Plans (at Service and Corporate Level);Establishment of an Internal Silver CommandPowys County Council Representation on Powys Teaching Health Board Gold and Silver Command;Liaison with all Local Resilience Forum (LRF) Partners;PCC Liaison with Welsh Government and Public Health Wales ;Commuication and engagement with schools.Communications to residents, staff and members	Action Completed Action Completed Control In Place Control In Place Control In Place Control In Place Control In Place

Strategic Risk Register				Portfolio	Inherent	Residual	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
PPPP0007 Gwilym Davies Escalated From :- Powys County Council Tudalen 53	Heart of Wales Property Services (HOWPS) being unable to undertake contracted work in a timely and cost effective manner.	- Failure of statutory functions (Compliance). Potential for prosecution (HSE) and prohibition notices. - Failure to perform repairs and maintenance. Could lead to legal action against the authority. - Reputational damage to PCC (client credibility). - Cost to PCC for poor performance. - Officer time costs (due to additional workload). - Financial Risk to HRA and wider Authority. - Critical Wales Audit Office Report. - Non-delivery of key projects due to lack of resources. - Health and safety risks.	11/07/2022 1st Qtr 22/23 Review Summary: HOWPS transferred to PCC on the 4th July 2022. Outstanding operational and contractual issues remain in the process of being resolved. The potential financial risk to HRA and wider authority remains a concern. Work is being undertaken to better understand and resolve this issue. 05/07/2022 Review Summary: HOWPS transferred to PCC on the 4th July 2022. Outstanding operational and contractual issues in the process of being resolved. 09/05/2022 Review Summary: The Risk has been reviewed and it is considered that the controls and actions are still appropriate. It is accepted that the situation is fluid and needs to be kept under constant review. Controls and actions to continue to be implemented. It is acknowledged that training is required for HOWPS staff prior to their transfer to PCC. This has the potential to impact of the ability of HOWPS to undertake compliance and remedial work. Appropriate communication is to take place with HOWPS to understand and manage this impact. 08/04/2022 4th Qtr 21/22 Review Summary: The Risk has been reviewed and it is considered that the controls and actions are still appropriate. It is accepted that the situation is fluid and needs to be kept under constant review. Controls and actions to continue to be implemented.	Cllr Jake Berriman Nigel Brinn	16	16	<ul style="list-style-type: none"> • Close monitoring by Directors, Chief executive and Portfolio Holders. • Potential to invoke step in clauses for specific parts of the contract in line with contract • Awaiting consultation resource plan. • Head of Service on HOWPS Board of Directors. • Portfolio Holder on HOWPS Board of Directors. • Escalation of risk and concerns to Chief Executive and Strategic Directors. • Rectification plan(s) to be secured and monitored by PCC when submitted by HOWPS. • Additional resources allocated by Kier and PCC. • Performance monitoring (Contract management forum, Board etc.) • Utilisation of contract document to escalate issues. • Development of evidence and fall-back systems (transition plans). • Introduced weekly officer level meetings • Development of contingency plans for contract failure 	Action In Progress Withdrawn Withdrawn Withdrawn Withdrawn Withdrawn Withdrawn Withdrawn Withdrawn Withdrawn Withdrawn

Strategic Risk Register				Portfolio	Inherent	Residual	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service			Control or Action	Status
PROC0008 Vincent Hanly Escalated From :- Powys County Council Tudalen 54	Russian Invasion of Ukraine and Other Market Pressures leading to Increased risks of price variations and labour & material shortage caused by rising inflation.	Effect on capital and revenue budget but mainly effecting supplies of materials relating to any contract or project. Unable to deliver statutory and non statutory services which could result in a backlog of work, reputational damaged, quality of buildings and knock-on consequences. Examples of a key consequence: delayed or cancelled housing development reduces capacity to address homelessness and other housing needs, Delays or affordability of delivery of schools transformation etc	13/07/2022 1st Qtr 22/23 Review Summary: The Ukraine Cell continues to meet and requests for increases are managed through the processes put in place and maintain delivery and manage budget pressures with services. 13/04/2022 Qtr 4 21/22 Review Summary: A Ukraine/ Price Volatility Cell has been set up with terms of reference. Proformas to identify pressure has been drafted and to consider effects on budgets. The group will meet fortnightly in the first instance to address any which impact on front line service delivery and to report to EMT/Gold as required 22/12/2021 Review Summary: This risk still being monitored and managed where requests for increase being made. Commercial Services is advising services when required to minimise effect and consider company pressures against inflationary indices. The overall effect is minimal but in light of increasing inflation this may then show increases on tendered costs and so will be continually monitored.	Cllr David Thomas Jane Thomas	15	12	<ul style="list-style-type: none"> Material substitution Develop a Process for approval by S151 officers for minimising effect of Price Increases Value engineering Ukraine Cell Set up to report to Gold on consequences and to manage Re-evaluate project timescales 	Action In Progress Action In Progress Control In Place Control In Place Withdrawn

Strategic Risk Register				Portfolio	Inherent Residual	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service		Control or Action	Status
Tudalen 55			<p>12/10/2021</p> <p>Qtr 2 21/22 Review Summary: We are carefully monitoring the potential for prices increases in procurement and have asked (via S151 Officer) that all services notify us of any which are potentially affecting contract prices for any ongoing arrangement above and beyond the terms of the contract and the inflationary indices within. There are some supply issues emerging such as purchase of vehicles and plant (long lead times) and some construction materials (rationed supply) which will need careful monitoring and oversight.</p> <p>Prices are increasing within the market for key commodities such as to timber steels concrete and key construction products as well as Fuel/ Food and many other products. Discuss with Section 151 Officer of how these can be approved and linked to current indices so we don't overpay but also reflect increase or avoid effects within budgets(e.g substitution reduce service etc)</p>				

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Strategic Risk Register				Portfolio	Inherent Residual	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service		Control or Action	Status
Tudalen 57			<p>01/04/2022</p> <p>Review Summary: The Workforce Futures Strategic Framework is in place and is being implemented.</p> <p>The Council's Transforming Education Programme which sets out a ten year strategy is also being implemented.</p> <p>The Council has established an apprenticeship programme which is being progressed and the numbers recruited being ahead of target (i.e. 11 against the 10 planned).</p> <p>In Social Care a much enhanced grow our own programme for the next 5 years is in place and being implemented for social workers</p> <p>In addition we are widening access to the health and care sector in Powys by / through:</p> <ul style="list-style-type: none"> - an employability skills hub project (NPTC delivering employability skills training to a range of groups including staff currently within the health and care system, carers, volunteers and new staff trying to access employment in the sector) - any available governmental schemes, such as the former Kickstart programme - Apprenticeships – by widening the apprenticeship offer - Access for carers and volunteers to statutory education packages (NHS E-learning) to start a foundation of learning pre-employment - Exploring a health and social care induction framework that provides the foundation skills for Health Care Support Workers coming into the sector (programme aligned to the SCW induction framework and Health clinical induction framework) 				

Strategic Risk Register				Portfolio	Inherent Residual	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service		Control or Action	Status
Tudalen 58			<p>12/01/2022</p> <p>Qtr 4 21/22 Review Summary: The Workforce Futures Strategic Framework is in place and is being implemented. The Council's Transforming Education Programme which sets out a ten year strategy is also being implemented. The Council has established an apprenticeship programme which is being progressed albeit progress has been adversely impacted to a degree by the COVID19 pandemic In Children's Services an enhanced grow our own programme is in place and being implemented for social workers</p> <p>In addition we are widening access to the health and care sector in Powys by / through:</p> <ul style="list-style-type: none"> - the Arwain Employability skills hub project (NPTC delivering employability skills training to a range of groups including staff currently within the health and care system, carers, volunteers and new staff trying to access employment in the sector) - the Kickstart programme (government initiative to provide work experience to 16-24 years through a 6 month fully supported work placement) - Apprenticeships – widening the apprenticeship offer in Social care 5 additional post in this financial year - Access for carers and volunteers to statutory education packages (NHS E-learning) to start a foundation of learning pre-employment - Exploring a health and social care induction framework that provides the foundation skills for Health Care Support Workers coming into the sector (programme aligned to the SCW induction framework and Health clinical induction framework) 				

Strategic Risk Register				Portfolio	Inherent Residual	Controls and Actions	
Ref & Owner	Risk Identified	Potential Consequence	Last Reviews	Director or Head of Service		Control or Action	Status
Tudalen 59			<p>04/10/2021</p> <p>2nd Qtr 21/22 Review Summary: The Workforce Futures Strategic Framework is in place and is being implemented. The Council's Transforming Education Programme which sets out a ten year strategy is also being implemented. The Council has established an apprenticeship programme which is being progressed albeit progress has been adversely impacted to a degree by the COVID19 pandemic</p> <p>In Children's Services a grow your own programme is in place and continues to be implemented for social workers</p> <p>In addition we are widening access to the health and care sector in Powys by / through:</p> <ul style="list-style-type: none"> - the Arwain Employability skills hub project (NPTC delivering employability skills training to a range of groups including staff currently within the health and care system, carers, volunteers and new staff trying to access employment in the sector) - the Kickstart programme (government initiative to provide work experience to 16-24 years through a 6 month fully supported work placement) - Apprenticeships – widening the apprenticeship offer in Social care 5 additional post in this financial year - Access for carers and volunteers to statutory education packages (NHS E-learning) to start a foundation of learning pre-employment - Exploring a health and social care induction framework that provides the foundation skills for Health Care Support Workers coming into the sector (programme aligned to the SCW induction framework and Health clinical induction framework) 				

Mae'r dudalen hon wedi'i gadael yn wag yn twriadol

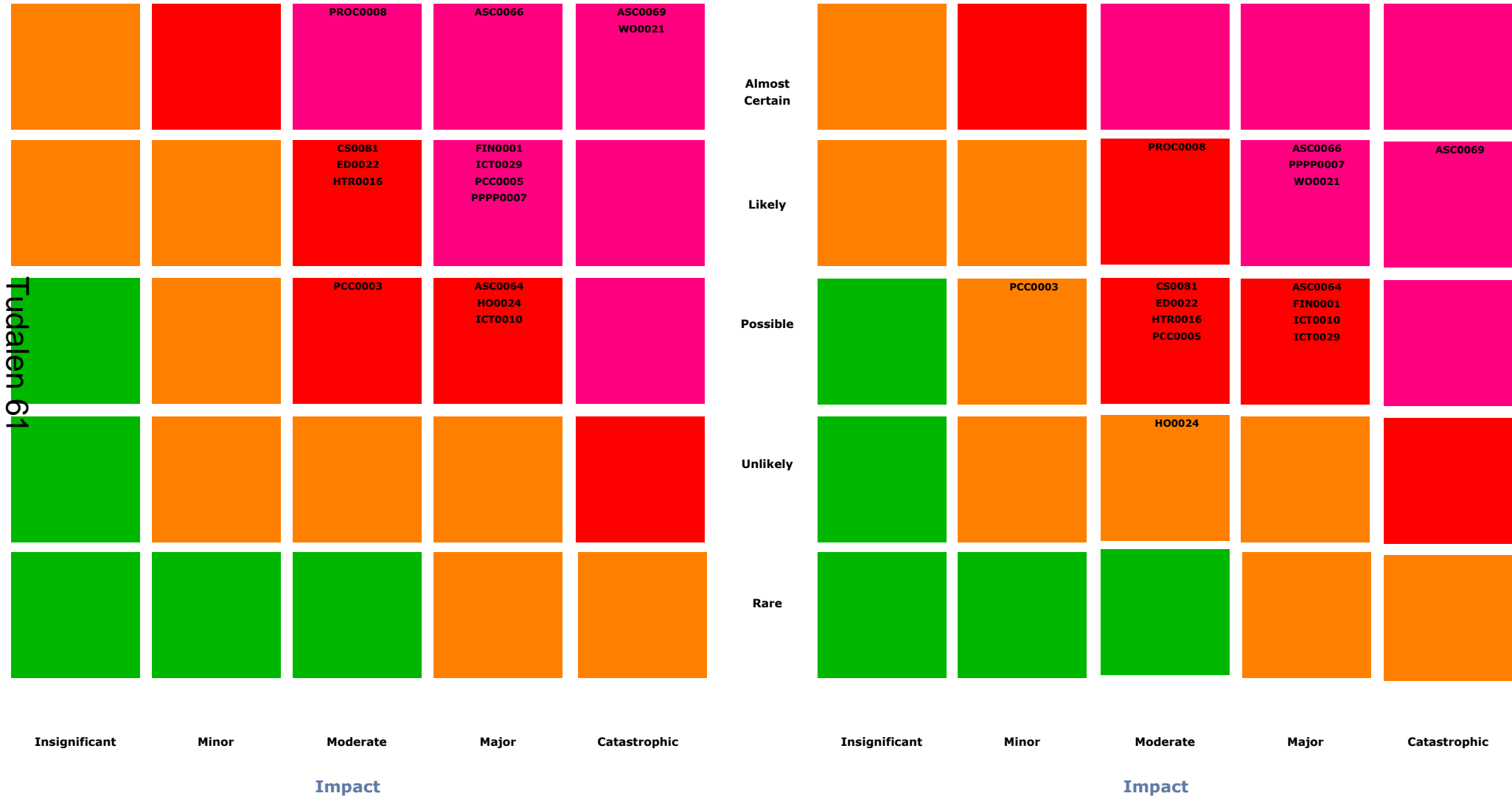
Heatmap Inherent and Current



Inherent Ratings Summary Heatmap

Residual Ratings Summary Heatmap

Probability



Detailed Risk Information

Residual and Target Rating Changes since 19/01/2022

Risk Ref	Risk Identified	Owner	Service Area	Prev Inherent	->	Inherent Rating	Prev Residual	->	Residual Rating
ASC0069	If there is insufficient capacity to respond to the longer term demand in children's and adults' services in timely manner	Jan Coles	Powys County Council	No Previous		25	No Previous		20
WO0021	The Council is unable to recruit, retain and commission the workforce it requires, in the short term due to increased staff absences and a challenging UK labour market, and in the longer term due to an expected long term decrease in the local working age population	Paul Bradshaw	Powys County Council	25	→	25	16	→	16
ASC0066	Risk of social care provider failure. Risk of care homes, domiciliary care providers, supported living providers and others becoming unsustainable for human and financial resource challenges. This is multifactorial with the main reason being the wider impact of the pandemic. There is a risk of harm to residents in having to be moved or having care provider unavailability; financial risk to residents, Council and local economy; risk of reputational damage. People Plus (the contracted Direct Payment Support Scheme provider) is experiencing difficulties in recruiting and retaining staff to undertake their work of administering payroll and invoice payments on behalf of Powys County Council. This is leaving some care staff unpaid occasionally, but is being managed. However, there is a significant risk of increased failure and a large number of care staff not being paid appropriately.	Dylan Owen	Powys County Council	20	→	20	16	→	16
PPPP0007	Heart of Wales Property Services (HOWPS) being unable to undertake contracted work in a timely and cost effective manner.	Gwilym Davies	Powys County Council	20	↘ -4	16	20	↘ -4	16
FIN0008	The Council is unable to deliver a financially sustainable budget over the short and medium term. The continued impact of Covid coupled with the more recent events around rising inflation, energy costs and the situation in Ukraine impacting on supply chains and prices all increase the risk on the Council financial resilience.	Jane Thomas	Powys County Council	16	→	16	12	→	12
ICT0009	Cyber Security Threat. Risk of financial loss, disruption or damage to the reputation of Powys County Council from a failure of its information technology systems and or/loss of Data due to a cyber attack or Incident.	Diane Reynolds	Powys County Council	16	→	16	12	→	12
PROC0008	Russian Invasion of Ukraine and Other Market Pressures leading to Increased risks of price variations and labour & material shortage caused by rising inflation.	Vincent Hanly	Powys County Council	15	→	15	12	→	12
ASC0064	WCCIS Unreliability - IF the unreliability of WCCIS is not resolved THEN	Nina Davies	Powys County Council	20	↘ -8	12	20	↘ -8	12
ICT0010	Non compliance with data protection legislation UK General Data Protection Regulations (GDPR) and Data Protection Act (DPA) 2018	Diane Reynolds	Powys County Council	12	→	12	12	→	12
PCC0005	The impact to Powys residents, services and Council staff as a result of a COVID-19 (Coronavirus) epidemic	Nigel Brinn	Powys County Council	25	↘ -9	16	15	↘ -6	9
CS0081	BUDGET: If Children's Services are unable to manage within budget due to: - Market sufficiency for children's placements - Reliance on agency social workers - Inflationary costs and management of pressures - Surge in demand due to COVID-19 - Ending of grant funding	Jan Coles	Powys County Council	12	→	12	9	→	9
ED0022	The council will be unable to manage the schools' budget without ongoing adjustments to the distribution formula and improving financial management. If they are unable to manage the budget, there will be a significant compromise to the quality of education for Powys learners.	Lynette Lovell	Powys County Council	12	→	12	9	→	9
HTR0016	Shortage of lorry and bus drivers	Matthew Perry	Powys County Council	15	↘ -3	12	15	↘ -6	9

Detailed Risk Information

Residual and Target Rating Changes since 19/01/2022

Risk Ref	Risk Identified	Owner	Service Area	Prev Inherent t	->	Inherent Rating	Prev Residual Rating	->	Residual Rating
HO0024	Failing to meet all applicable statutory requirements providing for the health and safety of the occupants in Powys County Council Housing Stock .	Andy Thompson	Powys County Council	12	→	12	6	→	6
PCC0003	The council receives a negative regulatory / inspection report	Caroline Turner	Powys County Council	12	↘ -3	9	9	↘ -3	6

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Report Selection Criteria

(REP_RECORD_CROSSCUT.Business Unit Code = @StrategicBusinessUnitCode AND (REP_RECORD_CROSSCUT.Status Flag <> "WITHDRAWN")) and REP_RECORD_CROSSCUT.Record Type=1

Mae'r dudalen hon wedi'i gadael yn wag yn fwiadol