

**CYNGOR SIR POWYS COUNTY COUNCIL.**

**CABINET EXECUTIVE  
Tuesday, 23<sup>rd</sup> November 2021**

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Portfolio Holder for Finance

**REPORT TITLE:** Strategic Risk Register Report Quarter 2 2021/2022

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**REPORT FOR:** Decision

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**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). It also outlines the arrangements put in place by the Council for managing the key risks relating to the COVID-19 pandemic.

**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 Vision 2025, deliver services more efficiently and using innovative and cost-effective means, and help the Council manage its COVID-19 response and recovery.

**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
  - Review progress to mitigate COVID-19 risks

**Review of progress to mitigate Strategic Risks**

- 3.2 As at the end of quarter 2 2021-2022, there are 14 risks on the strategic risk register and all strategic risk owners have provided a short summary of progress since last quarter, to give assurance that mitigating actions are being actioned and monitored.
- 3.3 Please see appendix A for full details of the 14 strategic risks including the mitigating actions identified to control them and progress reviews.

- 3.4 Please see appendix B to view a heat map which presents the results of the quarter 2 risk assessment process visually. It highlights (for the residual risks) the following:

Two out of the fourteen risks have a probability of 'almost certain' with one placed within the 'moderate' impact category and other in 'major'.

One risk has a probability of 'likely' and an impact of 'major'.

Also, one risk has a probability of 'likely' and an impact of 'catastrophic'.

#### Escalation of risks and amendments to the Strategic Risk Register

- 3.5 Highway, Transport and Recycling Services would like to place the following risk on the Strategic Risk Register with an inherent and residual probability of 'almost certain' and impact of 'moderate':

HTR0016: Shortage of lorry and bus drivers

The potential consequences are as follows:

- Unable to deliver statutory service e.g. waste and recycling, domestic and commercial collections, school transport.
- knock on effect to delivering highways maintenance i.e. flooding and winter maintenance, hedge cutting, potholes, increase complaints.

- 3.6 Adults Services would like to place the following risk on the Strategic Risk Register with an inherent probability of 'almost certain' and impact of 'major' and a current residual probability of 'likely' and impact of 'major':

ASC0066: Risk of social care provider failure: Risk of care homes, domiciliary care providers, supported living providers and others becoming unsustainable due to human and financial resource challenges.

The potential consequences are as follows:

This is multifactorial with the main reason being the wider impact of the pandemic.

- The Welsh Government's Hardship Fund, which currently pays for 90% of vacancies in Care Homes has provided supportive mitigation. However, it is being reduced monthly until March 2022 and this will have a significant financial impact upon care providers.
- 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.

- 3.7 Adults Services would like to place the following risk on the Strategic Risk Register with an inherent probability of 'likely' and impact of 'catastrophic' and a current residual probability of 'likely' and impact of 'major':

ASC0067: Inability to provide care/support for children/adults who are assessed as requiring such support, due to the staffing shortages being experienced across the social care sector.

The potential consequences are as follows:

- Child/Adult at risk of harm.
- Council officers having to undertake roles for which they may not be trained or competent.
- Reputational damage.

- 3.8 The Strategic Risk HO0031: Increasing costs of building materials to new housing developments has evolved into a wider cross council risk as follows:

PROC008: Increased risks of price variations (an increase cause by a mix of current market conditions COVID-19 and Brexit) and labour & material shortage.

The potential consequences are as follows:

- 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 are, delayed or cancelled housing development, reduced capacity to address homelessness and other housing needs, delays or affordability of delivery of school's transformation etc

- 3.9 The Strategic Risk WO0021 has evolved into a wider cross council risk as follows with mitigating actions reviewed:

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 anticipated long term decrease in the local working age population

The potential consequences are as follows:

- Council is unable to secure the services needed by the local population, including care and assessment provision, education, waste, highways, housing culture and support services.
- Services may not be able to respond to and fully meet increasing demand.

- Services also may not be able to deliver their normal / planned levels of service provision. Where this is acute or could lead to the inability of the Council to deliver statutorily required services, the Council may need to temporarily step-down elements of its non-business critical activities in order to deploy staff to business-critical work.

### De-escalation of risks and amendments to the Strategic Risk Register

- 3.10 Education Services would like to take the following risk off the Strategic Risk Register: COVID0058 Post Inspection Action Plan (PIAP) for Estyn - Coronavirus may impact on the ability of the service to maintain the level of progress against the PIAP.

Work to deliver the PIAP has continued at pace throughout the pandemic, with significant progress being made in the majority of areas, for example via the Transforming Education Programme which supports the delivery of Recommendations 2 and 4. Although the pandemic has impacted on Recommendation 1, this is mitigated by the Powys Secondary School Improvement Strategy, which has been developed in collaboration with all Powys Secondary Schools. Schools' response to the strategy has been very positive and places the LA and schools in a strong place to further improve standards across the ability range.

The service will continue to manage the risk on their own service risk register.

### COVID-19 risk register

- 3.11 In order to effectively identify and manage risks relating specifically to the COVID-19 pandemic, a separate risk register was created to provide clarity and oversight for Gold and Silver Command. These risks are reviewed and monitored regularly and have been separated into response and recovery risks, using a matrix developed specifically for assessing COVID-19 related risks.
- 3.12 The Council has been transitioning from business-critical activity to 'business as usual' and the 'new normal'. On the 7<sup>th</sup> of October 2021 the Council concluded that all services apart from social services (both Adults and Children's Services), Human Resources and Housing could return to business as usual. As a result, services have already started incorporating ongoing risks into their own service registers and the numbers of risks on COVID-19 risk register have reduced. The intention is to eventually close the COVID-19 risk register and categorised them by risk nature in the services own risk register. Council will continue to monitor the situation carefully and response accordingly.
- 3.13 Currently there are 19 risks recorded on the COVID-19 risk register, a drop of 3 since last quarter. 2 of the 20 risks are placed within the 'major' impact category with a probability of 'likely' and 1 placed within the

'catastrophic' impact category with a probability of 'possible'. The register is still monitored by Gold and Silver Command on a weekly basis. Please see appendix C for full details of the 19 risks, and progress against the mitigating actions identified to control them.

#### **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 2022/23 and beyond in their Service Integrated Business Plans.

#### **5. Legal implications**

- 5.1 Legal: Been requested
- 5.2 The Head of Legal and Democratic Services (Monitoring Officer) comment sought.

#### **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 and COVID-19 Risk Registers and is satisfied with progress against mitigating actions for quarter 2, approves the escalation of proposed risks HTR0016, ASC0066 and ASC0067 (detailed under points 3.5, 3.6**

**& 3.7) to the Strategic Risk Register, the evolution of HO0031 and WO0021 (detailed under 3.8 & 3.9) and the de-escalation of COVID0058 (detailed under 3.10) off 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**
- **The risk related to Powys residents, services and Council staff as a result of a COVID-19 (Coronavirus) epidemic is monitored and reviewed regularly.**

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