



# WEST NORTHAMPTONSHIRE COUNCIL AUDIT AND GOVERNANCE COMMITTEE

26 JANUARY 2022

Report Title	Strategic Risk Register
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## Appendices

Appendix A - Copy of Risk Register

### **1. Purpose**

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- 1.1. The purpose of this report is to highlight the changes in the strategic register since the last meeting.

### **2. Recommendations**

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- 2.1. It is recommended that the Committee considers the Strategic Risk Register.

### **3. Issues and Choices**

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#### **Information**

- 3.1 The Audit Committee's terms of reference set out that the Committee should:

*"Monitor the effective development and operation of risk management and corporate governance within the Council."*

- 3.2 The authority's first risk register was presented to the Audit and Governance Committee at the meeting held in July. Between each meeting ELT will review and update the risk register. Following that review a number of amendments have been made to the narrative contained within the risk register and the mitigating actions have been updated to reflect the current situation.

- 3.3 The Committee requested that the detailed risk register be provided as a link rather than as detailed Appendices so that members could consider them 'on-line' as it was felt that this was the most efficient method of considering the detail contained within the

appendices. They also requested that any changes to the risk register are highlighted in this covering report.

3.4 It should also be noted that in addition to these two changes the reporting of the Corporate Risk Register is being further reviewed by officers to make the reporting process more effective.

3.5 The residual score for each risk has also been re-considered for all risks to determine if the score should be amended to reflect the revised actions and general update in the risk. The review of the risk register should always lead to updates on the current position on each risk, but quite often the residual risk will remain the same. In this update the risk scores for all 12 risks have remained as previously scored despite the risks being reviewed and updated. This is not surprising as the risk scores should only change where there has been a significant improvement or deterioration in the risk environment.

3.6 The changes for this update reflects comments for the following services:

Children’s Trust (risk E03), the changes are highlighted in red below and within the link on the detailed risk register.

Potential impact if risk not mitigated	Controls	Control assessment	Mitigating actions (to address control issues)	Comments
<b>A</b> Democratic process and transparency not adhered or despite legal responsibility remaining with the Council	Intelligent Client Function (ICF) is in place and Clear governance arrangements set out in the contract with monitoring of performance and financial plans via operations board and strategic board	Good	Trust Risk Register, improvement plans and KPI performance reported to Operations Board on a monthly basis allowing early site and mitigation of issues.  Contract allows for Trust to be called into Democratic meetings 3 times annually plus any agreed additional meetings to talk about service and performance	ICF recruitment delayed by 6 months and planned financial and administrative support not in place to service the agreed Governance processes. This prevents proper control through the ICF being fully effective. The Trust has continued to improve its performance reporting. The loss of the joint DCS may create a short term gap in oversight that the ICF will need to mitigate
<b>B</b> Council becomes financially unviable due to unexpected additional costs and demand for care and additional investment required by Trust	Service Delivery Contract ensures clear contract price and ongoing monitoring of performance, delivery of outcomes and financial sustainability by Councils Client function	Reasonable	Monthly reports received on financial outturn and performance of service.  Variations to contract price subject to clear actions by trust to mitigate and use reserves before seeking additional funds	A provisional budget for 2022/23 and indicative figures for subsequent years have now been agreed and will be built into WNC and NNC budget planning processes
<b>C</b> Councils childrens services remain inadequate with poor practice, poor support for children and families and poor outcomes for children at risk or in care	Service delivery contract includes target service standards and KPIs for Trust and business plan includes clear improvement plan tasks agreed with DFE and commissioners	Reasonable	Clear improvement plan and business plan outcomes set out and tracked by Council Client unit  Contract review point at 5 years, and an annual review process from year 2 of the contract  plan for and follow recommendations for improvements from OFSTED inspections  DFE provided statistical neighbours as a benchmark for costs and performance	OFSTED visit in March 21 found improving practice and good leadership although some inconsistencies. Subsequent OFSTED monitoring visits have confirmed this as a general direction. All areas already part of improvement plan and associated action plan to be implemented ahead of first ILACs OFSTED visit April 22. The OFSTED monitoring visit in July 2021 found tangible progress which continues to gain traction in improving experiences, progress and outcomes. Consistency remains an area of focus as does caseload sizes and SW recruitment. A further Ofsted inspection took place in October 21 of the independent Fostering Agency. The Nov 21 Ofsted visit looked at Children in Care 16+ and care leavers and was generally positive and recognised improvement in practice and outcomes but also commented on need for consistency. NCT updating improvement plan to provide concentrated focus on improving consistency of quality of practice and supervision, and on recruiting and retaining social workers
<b>D</b> Potential financial liability if council deemed to be negligent	Service contract sets out responsibility of Trust for any liabilities and issues and controls to avoid breach of duties	Good	Clear targets for improvements in practice, early detection of risk and timescales to review referrals	Contract and performance monitoring and agreed KPIs allow this to be monitored and the Social Care Improvement Board provides a combined approach to improving outcomes. KPIs will be reviewed in April 2022 to ensure fitness for purpose. However continued resource deficiencies within the ICF create a risk
<b>E</b> Potential liabilities or costs if West and North Northants fail to meet obligations for support services or Trust dependencies	Inter Authority Agreement and Support Services Agreement are in place that set out responsibilities and performance standards and which council is responsible for what.	Good	All WNC service directors briefed on dependencies  Joint committee in place to manage services and interdependencies including any issues.  Contract Support services Agreement clear on services, costs, SLAs and consequences of issues	Joint Committee and Joint Officer Boards now meeting to resolve any issues. Good progress has been made through the Support Services Board that has developed performance measures to ensure that the Council's provide the right support for the Trust to be successful. Contract processes in place to deal with any issues and rectifications



## Corporate Services - (risk E04) Workforce skills and capacity

Potential impact if risk not mitigated	Controls	Control assessment	Mitigating actions (to address control issues)	Comments
A1 High levels of vacancies or turnover and inability to deliver services maintain, meet service standards and meet duties of Council	Recruitment and Retention Plan in place to ensure workforce capacity maintained	Reasonable	Workforce strategy in place with clear Recruitment and Retention approach for staff	People Strategy is under final stages of development and all Assistant Directors (AD's) have done their service plans and ensuring that they meet service standards and duties. Pay Award for 2021/22 has been negotiated and implementation of full package will be complete by 31st Jan 2022. HR Business partners are in place who are supporting AD's, and recruitment and retention data is being monitored and interventions made where necessary with assistance of WNC's Resourcing Advisor. Work is continuing on designing the new
A3	Terms and conditions provide a positive framework for workforce	Reasonable	Negotiation of new WNC terms and conditions reflect employee needs	Day one terms and conditions were in place on 1st April. The next phase of ts and Cs negotiations will commence in March 2023 alongside the development of new WNC paycales and introduction of job family approach. Joint working group running with the Trade Unions and 28% of the workforce have been evaluated as of Sept 21 under new njc job evaluation which will contribute to development of the new payscale.
C2	Strong staff engagement and culture of support and development for all staff	Good	Staff groups in place and regular cycle of staff roadshows or briefing Expansion of ELT to ensure engagement of wider senior staff on recurring basis	Staff networks all launched and sponsored by individual directors/AD's and regular information through intranet, Anna blog, all staff briefings, moving of ELT to different office locations, staff events. Pulse surveys ongoing and employee survey took place across October. Managers are currently reviewing survey results and undertaking action planning.
	Staff development programme and graduate development programme as part of workforce plans	Reasonable	Workforce strategy in place with clear Recruitment and Retention approach for staff	Graduate training programme in place from 2021. People Strategy under development and L and D will be a key workstream. Apprenticeship strategy in place and reviewing use of apprenticeship levy. WNC now working with NMC to
H	Arrangements in place to source appropriate interim resource if needed	Good	Use of OPUS or trusted agencies for staff	Opus board in place - SR sits on the board, induction has been completed and training for directors in place. AD HR undertakes contract monitoring meetings with OPUS.

## Corporate Services – (risk E08) Emergency Planning

Potential impact if risk not mitigated	Controls	Control assessment	Mitigating actions (to address control issues)	Comments
C Inability of council to respond effectively to an emergency	Key contact lists updated monthly. Business Continuity plans for in house and external providers	Good	There is a specific, fully trained WNC employed member of staff covering emergency planning as part of their job role. Training in place for all GOLD, Silver and Bronze leads and rota in place to cover any incidents BCP plans to be refreshed following Unitarisation based on prioritised list in BCP policy to ensure up to date and reflect services now brought to getehr	Active plans are in place to ensure the authority is prepared for a variety of emergencies. Continual improvements are being made as a result of a review of these plans and in partnership with the Local Resilience Forum. Regular meetings are taking place of the Northants Local Resilience Forum (LRF) (Tactical Command Group (TCG) & Strategic Command Group (SCG command structure) and at WNC internally to ensure that we respond proactively to the Covid-19 as it changes. Work has been done to formally disaggregate the shared service with the North to commence on 01 April 2022 and formal arrangements in place to integrate the service under the Assistant Director of Customer Services.
D Unnecessary hardship to residents and/or communities	Dedicated Emergency Planning Officer in post to review, test and exercise plan and to establish, monitor and ensure all elements are covered. Dedicated reception centres in place in case of evacuation.	Good	Active participation in LRF response to Covid-19 situation Continuation of COVID 19 governance and central oversight post Unitary to ensure outbreak and impacts monitored and changes in national guidance managed. Economic and community COVID recovery plans being developed	Emergency rotas in place for the year and a report on future of LRF and approach to emergency planning is in train. This will include the need for planned sessions to test the arrangements and ensure the right level of attendance at the county level. Work has commenced to develop a more robust approach to managing emergencies rather than the reliance on a few specialist emergency officers which will form part of the new operating model for EP and BC. This includes the development of Gold and Silver capacity and consideration for a

## Corporate Services – (risk E10) Information Security

Potential impact if risk not mitigated	Controls	Control assessment	Mitigating actions (to address control issues)
A1 Loss of critical systems and Service failure	Disaster Recovery Plan in place	Reasonable	New Architecture and Security leads recruited Refreshed DTI strategy being drafted to review architecture and reduce/remove points of potential failure. Plans and principles for future decisions to be reviewed as part of architectural work.
A2	File and Data encryption on computer devices	Good	We have cyber-essentials plus certification and comply with best practice. Incoming Head of Cyber will review processes to ensure they remain robust.
B Data loss/ inability to switch to alternative data centre results in significant delays in re-provisioning services	Regular DR tests and Back up of data Development of DR capability within WNC infrastructure of offsite external hosting	Reasonable	Replication and back ups of key data for critical systems WNC DR assessment to be undertaken and plan developed setting out risk areas and prioritisation of any changes to infrastructure or DR plans
G Unlawful disclosure of sensitive information	Robust information and data related incident management procedures in place	Good	IM board in place to oversee key issues

## Adults, Communities and Wellbeing - (risk E07) Strategic Community Partners

Potential impact if risk not mitigated	Controls	Control assessment	Mitigating actions (to address control issues)
F Inability to meet and manage the demands of homelessness in the Borough	Northampton Partnership Homes (NPH) Rigorous budget and performance monitoring in place Regular financial reporting to Management Board, Portfolio-Holder & Cabinet	Reasonable	Plans to introduce client manager for better visibility and controls  Follow up on Audit January 21 report on NPH and recommendations to improve oversight. <b>An external, independent review of the working relationships and partnership between WNC and NPH has been commissioned. The review has been co-produced with NPH and the recommendations will be available by 31 March 2022.</b>

- 3.7 The next full update from all service areas will be undertaken during February and March to ensure a quarterly reporting date of 31 March 2022.
- 3.8 The number of strategic risks need to reflect the key risks the authority is currently facing but needs to be focussed to ensure those risks are properly managed and mitigated. Too many risks will lead to a lack of focus in addressing the key areas of risk.
- 3.9 The risk register highlights 12 strategic risks which will receive the focus of the executive leadership team to address.
- 3.10 The risk management uses a 5 x 5 risk assessment matrix highlighting the likelihood of each of the risks happening and the impact those risks will have if they do come to pass. The highest score a risk can be given therefore is 25.
- 3.11 Two risk scores are provided in the appendix for each of the risks. An 'inherent' risk score which is assessed as if no controls or mitigating actions were in place. Mitigations are then highlighted and each score is re-assessed taking into account those mitigating actions to provide a 'residual' score for each risk.
- 3.12 The residual score and the direction of travel for each of the risks is summarised in the table below:



Executive Leadership Risk	Residual Score	Direction of travel	Latest Update
E01 Financial Resilience & Sustainability	12 medium risk	↔	Ongoing impact of Covid-19 continues to affect all Council activities, mitigating actions and funding in place to reduce
E02 Statutory functions	12 medium risk	↔	
E03 Childrens Trust	12 medium risk	↔	Childrens trust live in Nov 20 and arrangements now with WNC & NNC from April 21
E04 Workforce Capacity and skills	9 Low risk	↔	
E05 West Strategic Plan	12 medium risk	↔	
E06 Economic Recovery	16 High Risk	↔	Recovery Planning commencing as national lockdown release confirmed and impacts can be assessed alongside wider initiatives & funding
E07 Strategic Community Partners	9 Low risk	↔	
E08 Critical Incidents	12 medium risk	↔	Significant resource still utilised in COVID response but moving to restore, recover and react stage
E09 Health & Safety	9 Low risk	↔	
E10 Information Security	15 medium risk	↔	
E11 Local Government Reorganisation closure	9 Low risk	↔	
E12 Corporate Governance	6 Low risk	↔	

3.9 These risks will be reviewed on a regular basis and reported back to the Audit and Governance Committee on quarterly basis. Any new and emerging risks will also be considered as part of this process.

#### **4. Implications (including financial implications)**

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##### **4.1. Policy**

4.1.1. There are no significant policy implications arising from this report.

##### **4.2. Resources and Risk**

4.2.1. The Council's strategic risks are contained within attached Appendix.

##### **4.3. Legal**

4.3.1. There are no significant legal issues associated with this report.

##### **4.4. Equality and Health**

4.4.1. There are no significant equality and health issues associated with this report.