

Potential impact if risk not mitigated		Controls	Control assessment	Mitigating actions (to address control issues)	Comments	Ongoing COVID impacts
<b>E01 - Financial Resilience – The Council's finances are not sustainable and stable as a result of economic shock, poor decisions or controls on investment or expenditure or unexpected demand</b>						
Inherent risk level		Lead Member - Finance Portfolio Holder (Councillor Malcolm Longley)		Residual risk level		
Likelihood	4	Risk Owner - Chief Executive (Anna Earnshaw)		Likelihood	3	
Impact	4	Risk Manager - Executive Director Finance (Martin Henry)		Impact	4	
Inherent risk score	16			Residual risk score	12	
		Put the date DD/MM/YY when reviewed in box below ↓		Direction of travel		
		14/04/22		←→		
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A1	COVID National emergency creates unfunded cost, demand and income pressures	COVID reserves brought forward from sovereign Councils to mitigate the ongoing impacts and risks of demand	Good	Finance have pulled together monitoring information on all COVID funds received so they can be tracked and monitored. COVID meeting held weekly which discusses the latest position on responding to the pandemic, considers business cases and tracks and monitors spend against some of the COVID funding.		
A2		Continuation of national grants to address loss of income, additional costs of social care and infection control measures.	Reasonable	Maintenance of central financial control and tracking for all COVID spend and income developed and being used to monitor and track COVID spend and remaining balances		
A3		Budget set for 21/22 includes provision for pressures on care and loss of income during the year	Good	Finance maintain tracking of pressures against assumptions and monthly financial reports of any new or emerging risks Covid contingencies continue to be held to deal with the pandemic.		
A4		Budget for 2022-23 includes re-assessment of COVID pressure but also realigns revenue earmarked reserves to create a risk reserve and builds further contingencies into the budget to deal with any further impact of COVID and other unknown impacts upon the budget	Good	Finance business partners meet regularly with service budget holders to run through their budgets in detail. Regular budget monitoring will highlight any emerging pressures and will provide advice on how these can be managed.		
B	Childrens demand rises leading to overspend in the Trust not visible to the Council and causes cost pressure on the budget of WNC	Regular and detailed financial reporting through the strategic and operational group meetings and use of contract mechanisms to hold trust to account and seek mitigations of pressures before Council support sought.	Good	Detailed financial report to be provided monthly from March 21	Trust advised on level of detail and assurance required. Currently no adverse pressure has been highlighted by the trust which will trigger the finance mechanism within the contract. WNC is in discussion with the trust about the allocation of COVID funding to them.	
C1	Inability to deliver financial efficiencies in line with budget assumptions	Savings slippage mitigated through COVID funding	Good	Savings tracker being implemented. The tracker was considered on the 24/05 for information. Finance will continually monitor the savings and report back to ELT regularly on them.	The budget monitoring process is also picking up and considering delivery of the efficiencies built into the base budget and will highlight any that appear to be off target. As we approach the end of the first year in existence the indication is that we will be in line with the budget that was set. This demonstrates that if individual savings have not been met they have been offset by variances and management action elsewhere.	
C2		Transformation plans in place to ensure that efficiencies from aggregation delivered	Good	The overall transformation budget is being scrutinised to determine its robustness. The budget will be re-cast to reflect the budget required to deliver transformation and an exercise is ongoing to gather up all of the different funding pots so they can be managed in one area.		
C3		Robust business planning process and savings monitoring to ensure savings deliverable and all dependencies are met	Good	Corporate business case process, robustness challenges and tracking to be put in place	Budget monitoring will highlight any service pressures and savings slippage and will seek to agree management action to bring any adverse variance under control.	
C4		Financial planning for 22-23 and 3 year MTFP starts as early as possible to ensure required efficiency or funding in place to meet predicted service costs and demands	Good	Financial planning cycle and steps to be set out and plans developed to quantify plans, improvements and savings for 3 year MTFP	Robust budget set for 2022-23 including the incorporation of a 'star chamber' process and 'budget robustness' challenge sessions.	

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D	Costs and pressures arise from LGR process and configuration of services as liabilities and costs not clear or stranded costs created	Robust budget disaggregation and prudent budget planning until steady state created and full cost base and income clear and stable	Good	Joint committee early cycle needs to resolve all outstanding budget uncertainty and IAAs need to be finalised with clear cost parameters and pressures reported into Budget reporting	Joint Officer Board and Joint Committee meetings have now commenced strengthening the previous governance arrangements that were in place.	
E	Reserves insufficient to address unexpected financial shock, demand or funding gap	Reserves built up from sovereign councils to provide a solid based and to be maintained at prudent levels	Good		Level of reserves greater than the amount assumed when the final budget for 2021-22 was set.	
F	Audits of 19/20 and 20/21 accounts for predecessor councils result in adjustments to WNC budgets	Closure team maintained with the knowledge of predecessor councils to support closedown and audits and ensure any risks are recorded and mitigated	Good	awaiting outcomes of the audits being completed within NCC and NBC prior to close and to check opening balance impacts in WNC	Closure of accounts going well. <b>Just two sets of accounts outstanding (NBC and NCC for 2020-21) with both sets due to be considered at the Audit and Governance Committee to be held on 28 April 2022.</b>	
G	Reduced medium and long term financial viability	Medium Term Revenue Plan reported regularly to members.  Budget monitoring timetable, robust financial management arrangements, close working relationship between finance, budget managers and directors, comprehensive financial reporting including the identification of budget variances, risk and mitigations when required. Monthly budget monitoring is now reporting separately on business as usual and Covid19 related spend	Good	Financial planning cycle and steps to be set out and plans developed to quantify plans, improvements and savings for 3 year MTFP		
H	Reduction in services to customers	Balanced budget with no service reductions already agreed and underway.	Good	ZBB exercise to ensure that detailed budgets reflect the agreed level of service provision and performance for all service areas.	Significant progress has been made in respect of the detailed budgets and ZBB process for 2021-22. <b>Star chamber and budget robustness session built into budget setting for the 2022-23 budget strengthening the budget process further.</b>	
I	Reduced income	Detailed income tracking, forecasting and modelling of income and early warnings of any variations to plan through budget reporting	Good	<b>Variances will be highlighted in the monthly budget monitoring reports.</b>		
J	Reduced financial returns (or losses) on investments/assets	Good networks established locally, regionally and nationally	Good	<b>Treasury management reported on a monthly basis and any variances are picked up as part of that exercise.</b>		
		Governance committee to be established for all capital plans and spend	Good	All potential investments to now be taken through ELT/Committee prior to formal sign off. Robust review and challenge of our investment options to be regularly undertaken through our usual monitoring processes.	Capital Assets Board set up and <b>meeting on a regular basis. Will be extended to include consideration of the HRA Capital Programme too.</b>	
K	Poor customer service and satisfaction	Performance and finance reviews of all services and robust transformation and service planning to avoid any deterioration on services as a result of financial pressures	Good	<b>Service performance monitored through the quarterly performance monitoring reviews and financial performance monitored through the monthly financial monitoring process.</b>		
L	Lack of officer capacity or skills to meet service demand and support robust financial management	Finance structure designed to ensure experienced support to all service areas and functions. Vacancies to be recruited asap.  Financial procedure rules are in place to ensure services follow good practice.  External advisors as required	Good	The interim finance structure has settled down well and the majority of vacant posts have been filled with experienced finance officers.	<b>The Finance Service is in the process of bringing in a permanent finance structure to provide greater certainty from staff. There are not expected to be significant changes to the current 'interim' structure.</b>	

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<b>M</b>	Decisions taken by legacy authorities will lead to significant financial pressures that have not been budgeted for in West Northamptonshire	As decisions come forward they are being scrutinised with more rigour to ensure ELT are supportive of those proposals.	Good			
<b>N</b>	Emerging issues such as the impact of the new Social Care Reforms.	This is being proactively managed within the relevant service area (Adult Social Care in this case) who are reporting regularly to ELT on matters. The financial impact is being assessed and will be brought forward as part of budget monitoring updates in this year and in budget formulation for future years.	Reasonable	As more details on the reforms emerge we are able to assess the financial and non-financial impact and begin to manage the potential pressures.		
<b>O</b>	Ukrainian and other humanitarian crises that have cause a global economic impact.	We are monitoring closely the impact of humanitarian crises on the local economy where we are seeing particular pressure at the moment (19 April 2022) on the cost of building materials, utilities and other raw materials. There are likely to be other consequences as householders feel the pinch which potentially will have an impact on Council Tax and Business Rates collection rates.	Reasonable	Information on the reality of the pressures being faced will emerge in the regular budget monitoring reports that take place. The budget for 2022-23 was set up with base budget contingencies and a risk reserve to be able to better manage unexpected pressures on the budget suchas these.		