

Audit, Risk and Governance Committee
Meeting to be held on Monday, 16 October 2023

Electoral Division affected:
(All Divisions);

Corporate Risk and Opportunity Register – Quarter 3 Update
(Appendices 'A' and 'B' refer)

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Brief Summary

This report provides an updated (Quarter 3 2023/24) Corporate Risk and Opportunity Register for the committee to consider and comment on. The register has been refreshed to reflect the council's current operating environment and is presented to this committee to provide a progress update and assurance that the current risk management arrangements are both robust and effective.

The updated Corporate Risk and Opportunity Register is attached at Appendix 'A'. The risk entries for Cyber Security, the Oracle Fusion Data Breach, Oracle Fusion Post Implementation Issues, and Building Schools for the Future contain private and confidential information, so are provided at Appendix 'B' and included in Part II of the agenda.

Recommendation

The Audit, Risk and Governance Committee is asked to consider and comment on the updated Corporate Risk and Opportunity Register.

Background

This report provides an updated (Quarter 3 2023/24) Corporate Risk and Opportunity Register for the committee to consider and comment on. The register has been updated to reflect the council's current operating environment and is now presented to committee to provide an update and assurance that the current risk management arrangements are both robust and effective.

In line with the council's Risk Management Framework, the Executive Management Team review the Corporate Risk and Opportunity Register on a quarterly basis, taking account of the current and predicted future internal and external environment in which the county council and its strategic partners operate. The Corporate



Register sets out the 'across the board' risks that could threaten the authority's core business and the way it operates.

Below this are directorate registers that are managed by the council's Executive Directors and identify risks that could threaten day to day activities. Where a new directorate risk has a score of 12 or above, it is automatically referred to the Executive Management Team for consideration for inclusion on the Corporate Register. However, the Executive Management Team may decide not to escalate such a risk onto the Corporate Register and ask that it is managed at an operational level. This may be because the Executive Management Team think that the risk does not threaten the core business of the organisation or that the score has been over inflated (scores are subjective).

This process was discussed at a previous meeting of the Audit, Risk and Governance Committee. Consequently, the committee has asked to be informed of future instances when a risk has been considered by the Executive Management Team but not included on the Corporate Register.

Quarter 3 Update - Summary of Key Points

The risks and opportunities have been updated using information provided through directorate risk registers. The updated register is attached at Appendix 'A'. For Quarter 3, two new risks have been added – Building Schools for the Future and Lack of Available Mental Health Beds.

In addition to this, the opportunity relating to New Ways of Working (in Adult Social Care/Public Health) has been removed from the register.

CORP1 Financial Sustainability

Indicative savings targets covering the updated Medium Term Financial Strategy position have been allocated to directorates to identify savings proposals to meet the forecast future gap. Budget proposals for 2024/25 are scheduled for November Cabinet along with a Medium Term Financial Strategy update. The outturn position for 2022/23 was reported to September Cabinet. This showed a £0.75m overspend (less than 0.1% of the revenue budget). The 2023/24 Quarter 1 monitoring position is to be presented to Cabinet in October.

CORP 2 Recruitment and Retention

A People Strategy has been developed which gives a coherent and cohesive direction of travel for the business in terms of attraction, recruitment, retention, and development with associated metrics. A new operating model for People Services has been agreed to support the business with key strategic people risks and activities. A full review of the contingent workforce is underway to identify the required staffing levels and skills via an agency/consultancy model. Recruitment process is to be redesigned and benchmarked against emerging and best practice and a talent attraction team is to be established as part of People Services operating model. Development of a leadership capability framework in people management and development is taking place and succession planning work commenced with the Executive Management Team.



CORP 3 Demand on Services

Whilst mitigating actions are being put in place, demand continues across Adult Social Care, Childrens Social Care and SEND. Rates for Child in Need, Child Protection, and Children Looked After continue to be tracked. Where our Children Live Capital Bid to the Department for Education was successful and plans to implement developed. Successful further bids to the Department for Education for children's home capital funding and proposals to develop additional in-house home supported by specialist NHS team. Exploitation workstream established through the Where Our Children Live project and there is strong oversight of high-cost homes. We have strengthened the interface between children's social care and CAMHS teams through NHS funded Risk Support roles. Work continues strengthening in-house fostering sufficiency.

The risk relating to demand on services in Adult Social Care has been redrafted to focus on an increase in waiting times. The risk now focuses on an increase in waiting times for assessments and reviews that are a consequence of high demand.

Additional Special Education Needs (SEN) Units continue to be established and there has been agreement to establish new SEN provision in the north. Staffing options have been developed and SEND Inspection readiness work continues to strengthen oversight. A refreshed Alternative Provision Strategy for 2023-26 was agreed by Cabinet in September 2023.

CORP 4 Our Improvement Journey

This risk has been updated to incorporate the new draft Change Plan, including the priority programmes and projects, an update of which will be presented to the Community, Cultural and Corporate Scrutiny Committee. Additional resource has been approved to increase change, project, and programme capacity to support delivery of the Change Plan. A service redesign proof of concept has commenced. This is a 12-week project to prove concept of service redesign, build the county council's skills and capacity, and roll forward into an organisation wide programme of service redesign (subject to recruitment of additional capacity).

CORP 5 School Places

The expansion of popular schools continues, and an Inquiry Day has been held to consider School Place Planning (Mainstream and SEND) and School Transport. The Inquiry Day Panel comprised members of the Children, Families and Skills Scrutiny Committee and the Scrutiny Management Board. Consultations have taken place in respect of primary and secondary schools in Preston and 11 secondary schools from across the county have increased their intake of pupils to reflect the growth in demand.

CORP 10 Lack of Available Mental Health Beds

Service transformation should support earlier intervention and support in times of crisis and is being rolled out. The Lancashire and South Cumbria NHS Trust have an ambitious capital and workforce plan phased over the next two years to significantly increase the overall impatient bed base to address this gap. The use of Out of Area Placements will continue throughout this period of transition.



Opportunities

No new opportunities have been added to the register.

New Risks Considered by the Executive Management Team

The committee has asked to be informed of instances when a risk has been considered by the Executive Management Team but not escalated onto the Corporate Register. For Quarter 3, the Executive Management Team considered a risk relating to the welfare rights service migration to a new database but agreed that it should be managed at a directorate level.

Appendices

Appendix	Title
Appendix A	Corporate Risk and Opportunity Register
Appendix B (Part II)	Risk entries for Cyber Security, Oracle Fusion Data Breach, Oracle Fusion Post Implementation Issues, and Building Schools for the Future

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

Good governance enables an authority to pursue its vision effectively as well as underpinning that vision with sound arrangements for control and management of risk. An authority must ensure that it has a sound system of internal control which includes effective arrangements for the management of risk. Failure to develop and maintain a Corporate Risk and Opportunity Register means the council would be negligent in its responsibilities for ensuring accountability and the proper conduct of public business.

Local Government (Access to Information) Act 1985

List of Background Papers

N/A

Reason for inclusion in Part II, if appropriate

Appendix 'B' to this report is included in Part II of the agenda because it contains exempt information as defined in Paragraphs 3 and 7 of Part 1 of Schedule 12A to the Local Government Act, 1972:

- Information relating to the financial or business affairs of any particular person (including the authority holding that information)
- Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.



