

Corporate Performance Report

2022/23 Quarter 1

Appendix D

Risks and Opportunities

1. Introduction

The risks and opportunities have been updated using information provided through directorate risk registers and by individual directors. Corporate Management Team (CMT) have reviewed the risks and opportunities and the key points are:

- **Family safeguarding** – this risk has now reached its target score as the family safeguarding model has been implemented and is being delivered as business as usual, so it has been removed from the corporate register. It is however, still being monitored at directorate level.
- **Covid-19 Impact on Services & Communities** – given that the county council has stepped down its specific response to the pandemic and we are now 'living with covid' this risk has been removed from the corporate register. However, we will continue to monitor the situation in Lancashire and use government guidance to help make difficult judgements based on the evidence regarding the impact on public health.

The following issues have been added to the corporate risk register:

- **School places** – Insufficient school places in some parts of the county leading to a risk that children and young people may miss out on education. This is a recent addition to the both the Education & Children's Services and Corporate registers.
- **Cyber Security** – As a result of recent security breaches this is a new risk that has been added to the Resources directorate register and the Corporate register.
- **Capital Investment Pressures** - This risk was on the corporate register previously but was then removed and managed at directorate level. However, given the current risk score of 16 and target risk score of 12, it has been escalated onto the corporate register due to increased costs associated with schemes.
- **Counter Terrorism** – This risk has a current risk score and target score of 16 to reflect the current UK threat level - 'substantial' meaning that an attack is likely. All the mitigations are in place, so this has previously been monitored at an operational level. However, after reviewing the position it has been escalated on to the corporate register.
- **Sub Regional Place Leadership and Governance** – this issue has been managed at directorate level but given the prominence of the issues it covers and the progress that has been made this issue has been added to the register as an opportunity. It focuses on the development of the Lancashire 2050 strategy and the business case 'Our new deal for Lancashire' that has been submitted to government. The current opportunity score is 12 and the target score is 16.

2. Delivering Better Services

2.1 Reshaping the County Council

Risk ID: Corp 1 Title: Reshaping the County Council	Current risk score: 16	Target Risk Score: 9
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Key to Scores

I M P A C T	CATASTROPHIC	5	10	15	20	25
	MAJOR	4	8	12	16	20
	MODERATE	3	6	9	12	15
	MINOR	2	4	6	8	10
	INSIGNIFICANT	1	2	3	4	5
		RARE	UNLIKELY	POSSIBLE	LIKELY	CERTAIN
LIKELIHOOD						

We are well on with making improvements and changes across the organisation and this work will continue to grow and develop over the next twelve months. There is progress across all the elements of this key risk. In terms of Our Improvement Journey, progress is set out in Appendix C, section 1.1

To improve communications with members, discussions continue to take place with the political groups and an action plan following the recent county councillor questionnaire has been developed. The constitutional changes agreed by Full Council at its annual meeting have been implemented and the Local Government Association Peer review action plan is being progressed.

We continue the work towards the development of strengthened partnership working through a joint long term strategic framework capturing the long-term shared priorities of pan Lancashire authorities ('Lancashire 2050') and 'Our New Deal for Lancashire'. A new director has been appointed to lead on this work going forward (this aspect of the risk has been added to the corporate register as an opportunity – see paragraph 4.5.1). Positive steps have been taken in relation to health and social care with the establishment of the NHS Lancashire and South Cumbria ICB (Integrated Care Board) on 1 July 2022 by the Integrated Care Boards (Establishment) Order 2022.

In terms of financial sustainability, the Council has an appropriate level of reserves available to manage the financial risks it is facing from 2022/23 to 2024/25. However, on current forecasts, reflecting the significant shifts in the national and global economies, it will be necessary that additional savings will be required to bring the council to a financially sustainable position. Therefore, a further targeted review process will be undertaken as part of the 2023/24 budget process.

2.2 ICT Provision

Risk ID: Corp 3 Title: ICT Provision	Current Risk Score: 16	Target Risk Score: 8
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Key to Scores

I M P A C T	CATASTROPHIC	5	10	15	20	25
	MAJOR	4	8	12	16	20
	MODERATE	3	6	9	12	15
	MINOR	2	4	6	8	10
	INSIGNIFICANT	1	2	3	4	5
		RARE	UNLIKELY	POSSIBLE	LIKELY	CERTAIN
LIKELIHOOD						

There are three elements to this risk – the implementation of Oracle Fusion, the development of core systems and the organisation's data requirements.

The Oracle Fusion programme that will replace the existing system for managing our money and people resources will go live during 2022/23 although the original go live date has been put back. To ensure smooth transition end user engagement sessions are being rolled out and we are identifying 'hard to reach' users in service areas. Business Readiness surveys and Business Readiness Assessments are being completed for each service area.

Work continues to ensure our core systems are fit for purpose and that the organisation's data requirements are met. A Digital Services transformation programme is progressing and is due to be completed by the end of 2022. This will adopt best practice to deliver a high performing Digital Service

2.3 Capital Investment Pressures

Risk ID: Corp 7 Title: Capital Investment Pressures	Current Risk Score: 16	Target Risk Score: 12
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Key to scores

I M P A C T	CATASTROPHIC	5	10	15	20	25
	MAJOR	4	8	12	16	20
	MODERATE	3	6	9	12	15
	MINOR	2	4	6	8	10
	INSIGNIFICANT	1	2	3	4	5
		RARE	UNLIKELY	POSSIBLE	LIKELY	CERTAIN
LIKELIHOOD						

This risk focuses on the County Council's ability to support all its capital investment requirements going forward. To mitigate this risk the Capital Strategy and capital delivery programme are approved annually at the Full Council in February and are managed by the Capital Board at an officer level to ensure that the development of the capital programme is carried out with due regard to risk management and prudent and sustainable resource management. The Capital Board meets fortnightly and has senior membership from all key service areas.

There is alignment with the property strategy review in that capital work is being focused on those buildings likely to remain operational and not surplus to requirements. This is in the context of different working arrangements going forward.

Grant levels have been confirmed for 2022/23, and the projects / schemes they will support have been agreed. The delivery programme for 22/23 is also being reviewed to reflect the impact of slippage / earlier than planned delivery in the final quarter of 2021/22 and costs associated with the current economic climate. Additional capital requirements for 2023/24 were provided by services for consideration by Corporate Management Team / Cabinet as part of the 2023/24 budget process.

3. Protecting our environment

3.1 Opportunities: Environmental Improvements

Opportunity ID: CO2 Title: Environmental Improvements	Current Opportunity score: 6	Target Opportunity Score: 16
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Key to Scores

I M P A C T	OUTSTANDING	5	10	15	20	25
	MAJOR	4	8	12	16	20
	MODERATE	3	6	9	12	15
	MINOR	2	4	6	8	10
	INSIGNIFICANT	1	2	3	4	5
		RARE	UNLIKELY	POSSIBLE	LIKELY	CERTAIN
LIKELIHOOD						

This opportunity focuses on reducing the authority's carbon footprint and reducing the impact on air quality from our operations especially in urban areas by removing or reducing tailpipe emissions of noxious gases and particulates which impact adversely on health. We are also replacing older significantly less environmentally friendly vehicles with newer lower emission vehicles and plant as part of the Capital Fleet Replacement Programme.

Funding of £1.98m has been made available to assist in the transition to an ultra-low emission vehicle (ULEV) fleet. This will include Electric Vehicles (EVs) and other technologies, especially hydrogen. Although EVs are the first commercially available low emission technology, it is not likely to provide a viable solution for all our fleet especially larger vehicles. To aid services accomplish the transition to ULEVs, demonstrations and longer user trials of EVs have been undertaken.

It is likely that ULEVs, especially larger ones, will have an initially higher capital cost for several years, although in the case of EV's, revenue costs of both maintenance and fuel over the life of the vehicle are expected to be lower than with an internal combustion engine vehicle. Funding of £1m has been made available for the installation of EV chargers on county sites and a joint working group is progressing this project.

At some locations the cost of electricity supply network upgrades makes the installation of adequate EV charging impractical at this stage. Initially, chargers are being installed at several depots and at County Hall where EVs are being adopted into service. The use of home chargers for some users, especially in highways, is also being considered. Additional capital will be necessary to meet expected future requirements for EV charging and other ultra-low emission infrastructure.

Small hand operated plant is increasingly now battery powered, replacing petrol models, with the additional benefits of lower noise levels and less potentially harmful hand arm vibration to the operator. Fleet Services have also actively undertaken trials with larger operated plant and with rapid advancement in battery capacity, these will now present a viable option in several cases.

We are also undertaking a premises review which will help reduce carbon emissions and identify properties for improvement. We continue to investigate opportunities for carbon reduction in our premises and seek sources of external funding.

4. Supporting Economic Growth

4.1 Sub Regional Place Leadership and Governance

Opportunity ID CO3 Title: Sub Regional Place Leadership and Governance	Current Opportunity score: 12	Target Opportunity Score: 16
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Key to scores

I M P A C T	OUTSTANDING	5	10	15	20	25
	MAJOR	4	8	12	16	20
	MODERATE	3	6	9	12	15
	MINOR	2	4	6	8	10
	INSIGNIFICANT	1	2	3	4	5
		RARE	UNLIKELY	POSSIBLE	LIKELY	CERTAIN
LIKELIHOOD						

There is an opportunity for Lancashire to secure appropriate sub-regional governance, powers, and resource to maximise shared outcomes and priorities (e.g. Combined Authority, Elected Mayor, County/Devolution Deal, or other appropriate arrangement) through Central Government legislation, negotiation, Local Government Reorganisation, or other mechanism.

Following publication of Levelling Up White Paper and devolution framework, Lancashire Leaders have agreed to seek a dialogue with Government on county deal/governance and to commence work on Lancashire 2050. The Leaders await a response from Government regarding further engagement on a county deal.

5 Caring for the vulnerable

5.1 Integration and Innovation

Risk ID Corp 2 Title: Integration & Innovation	Current Risk Score: 20	Target Risk Score: 6
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Key to Scores

I M P A C T	CATASTROPHIC	5	10	15	20	25
	MAJOR	4	8	12	16	20
	MODERATE	3	6	9	12	15
	MINOR	2	4	6	8	10
	INSIGNIFICANT	1	2	3	4	5
		RARE	UNLIKELY	POSSIBLE	LIKELY	CERTAIN
LIKELIHOOD						

Positive steps have been taken in relation to health and social care with the establishment of the NHS Lancashire and South Cumbria ICB (Integrated Care Board) on 1 July 2022 by the Integrated Care Boards (Establishment) Order 2022.

We will continue to work with health partners on our joint work programme and ensure continued senior county council representation. This is pivotal to ensuring local government context and opportunity is understood and reflected in all plans and priorities. We will also continue to hold regular internal health integration meetings (cross directorate) that are chaired by the Chief Executive to ensure clear and consistent approach to all meetings with NHS colleagues. Briefings for county councillors involved in NHS meetings will continue as will regular meetings with lead cabinet members.

We are exploring the opportunity to create an integrated approach to commissioning and the development of an integrated approach to service delivery, in particular the use of Lancashire County Council's residential care to prevent avoidable admissions and increase the offer for older people who are mentally ill or have dementia. Co-terminus boundaries have been agreed with health partners.

5.2 Demand Impact on Community and Services

Risk ID: Corp 4 Title: Demand Impact on Community & Services	Current risk score: 16	Target Risk Score: 12
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Key to Scores

I M P A C T	CATASTROPHIC	5	10	15	20	25
	MAJOR	4	8	12	16	20
	MODERATE	3	6	9	12	15
	MINOR	2	4	6	8	10
	INSIGNIFICANT	1	2	3	4	5
		RARE	UNLIKELY	POSSIBLE	LIKELY	CERTAIN
LIKELIHOOD						

Demand for client-based services continues to increase resulting in increased budget pressures that may lead to poor outcomes for those people in receipt of our services. Therefore, for Adult Social Care we will continue to work with a range of partners regarding social care reforms and look to strengthen the adult social care market capacity through fee adjustments and active engagement to identify creative solutions. In relation to Children's Social Care, we will continue to embed our family safeguarding model and expand our outreach services. For children and young people with special educational needs or disabilities (SEND) we will continue to invest in the service and deliver the priorities in our strategy.

5.3 School Places

Risk ID: Corp 5 Title: School Places	Current risk score: 12	Target Risk Score: 12
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Key to Scores

I M P A C T	CATASTROPHIC	5	10	15	20	25
	MAJOR	4	8	12	16	20
	MODERATE	3	6	9	12	15
	MINOR	2	4	6	8	10
	INSIGNIFICANT	1	2	3	4	5
		RARE	UNLIKELY	POSSIBLE	LIKELY	CERTAIN
LIKELIHOOD						

This risk focuses on insufficient school places in some parts of the county leading to a risk that children and young people may miss out on education. This is a recent

addition to the corporate register with a current and target risk score of 12. However, to minimise this risk we have implemented a School Place Sufficiency Strategy and we are monitoring admission preferences key performance indicators. We are also monitoring children missing education to identify localities where there are pressures, and we are undertaking proactive work with schools and settings to secure places and provide additional support to secure places for in-year admissions.

The Education Service is working with the Assets Team to ensure that the Directorate is informing and supporting the implementation of the plans set out in the School Place Sufficiency Strategy 2022-2025. There are ongoing discussions to identify further opportunities and mitigations.

5.4 Opportunity: Strengths based working

Opportunity ID: CO1 Title: Strengths Based Working (ASC)	Current Opportunity Score: 15	Target Opportunity Score: 20
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I M P A C T	OUTSTANDING	5	10	15	20	25
	MAJOR	4	8	12	16	20
	MODERATE	3	6	9	12	15
	MINOR	2	4	6	8	10
	INSIGNIFICANT	1	2	3	4	5
		RARE	UNLIKELY	POSSIBLE	LIKELY	CERTAIN
	LIKELIHOOD					

Covid has been a catalyst for several positive changes to the way we work. The 'lessons learned' have provided a platform for future ways of working. We have made a considerable number of changes that we will endeavour to maintain. The Adult Social Care leadership team continue to seek best practice examples and share learning across the directorate. Ongoing service review will capture potential financial savings and discussions with partners continue to focus on more joined up approaches and opportunities to improve outcomes.