



Business Efficiency Board

**Wednesday, 21 November 2018 at
6.30 p.m.
Civic Suite, Town Hall, Runcorn**

A handwritten signature in black ink that reads 'David Wall'.

Chief Executive

BOARD MEMBERSHIP

Councillor Martha Lloyd Jones (Chair)	Labour
Councillor Andrea Wall (Vice-Chair)	Labour
Councillor Marjorie Bradshaw	Conservative
Councillor Ellen Cargill	Labour
Councillor Alan Lowe	Labour
Councillor Andrew MacManus	Labour
Councillor Tony McDermott	Labour
Councillor Ged Philbin	Labour
Councillor Norman Plumpton Walsh	Labour
Councillor Joe Roberts	Labour
Councillor John Stockton	Labour

Please contact Angela Scott on 0151 511 8670 or e-mail angela.scott@halton.gov.uk for further information.

The next meeting of the Board is on Wednesday, 27 March 2019

**ITEMS TO BE DEALT WITH
IN THE PRESENCE OF THE PRESS AND PUBLIC**

Part I

Item No.	Page No.
1. MINUTES	1 - 3
2. DECLARATION OF INTEREST	
<p>Members are reminded of their responsibility to declare any Disclosable Pecuniary Interest or Other Disclosable Interest which they have in any item of business on the agenda, no later than when that item is reached or as soon as the interest becomes apparent and, with Disclosable Pecuniary interests, to leave the meeting during any discussion or voting on the item.</p>	
3. EXTERNAL AUDIT UPDATE REPORT	4 - 21
4. GENERAL DATA PROTECTION REGULATION	22 - 26
5. CORPORATE RISK REGISTER BIENNIAL UPDATE 2018/19	27 - 51
6. SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AND THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	
PART II	
<p>In this case the Board has a discretion to exclude the press and public and, in view of the nature of the business to be transacted, it is RECOMMENDED that under Section 100A(4) of the Local Government Act 1972, having been satisfied that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 3 of Part 1 of Schedule 12A to the Act.</p>	
7. INTERNAL AUDIT PROGRESS REPORT	52 - 154

In accordance with the Health and Safety at Work Act the Council is required to notify those attending meetings of the fire evacuation procedures. A copy has previously been circulated to Members and instructions are located in all rooms within the Civic block.

BUSINESS EFFICIENCY BOARD

At a meeting of the Business Efficiency Board held on Wednesday, 26 September 2018 at the Civic Suite, Town Hall, Runcorn

Present: Councillors M. Lloyd Jones (Chair), E. Cargill, A. Lowe, MacManus, McDermott, Philbin, N. Plumpton Walsh and Joe Roberts

Apologies for Absence: Councillors Wall and John Stockton

Absence declared on Council business: None

Officers present: I. Leivesley, M. Murphy, A. Dalecki and A. Scott

Also in attendance: None

**ITEMS DEALT WITH
UNDER DUTIES
EXERCISABLE BY THE BOARD**

Action

MINUTE'S SILENCE

The Board stood for a minute's silence in memory of John Whittaker, who was the Mayoral attendant, and who had recently passed away.

BEB10 MINUTES

The Minutes of the meeting held on 25 July 2018 were taken as read and signed as a correct record.

BEB11 FRAUD AND CORRUPTION - UPDATE REPORT

The Board considered a report of the Operational Director, Finance, which provided an update on the Council's anti-fraud and anti-corruption arrangements.

It was reported that the Board was responsible for the monitoring and review of the Council's anti-fraud and anti-corruption arrangements. The Board was advised that the level of identified fraud in Halton remained relatively low compared to other authorities of a similar size and profile. The main areas of the Council's business thought to be susceptible to fraud and corruption were detailed in the report and included insurance claims; cash handing and

accounts; Council Tax discount/reduction schemes; blue badges; business rates; and adult social care financial assessments. Members were informed that details of frauds/attempted frauds detected, had been reported to CIPFA in their annual Fraud and Corruption Tracker.

It was further noted that the Council's Whistleblowing Policy allowed for employees, agency workers and contractors to raise concerns confidentially through a variety of channels. Five such complaints had been received during 2017/18 and these were detailed in the report with the outcomes alongside. In addition to this, the Council operated a confidential reporting system through which members of the public could submit concerns relating to fraud, misconduct or other issues. There had been an increase in the number of referrals in 2017/18, with a summary of details set out in the report.

It was reported that the Council was in the process of submitting datasets for the 2018/19 National Fraud Initiative (NFI) exercise. Outcomes from the previous exercise undertaken in 2016/17 were reported to the Board in November 2017. Data for the Business Rates pilot had been submitted to the Cabinet Office with results on matches expected by the end of September 2018.

Following a restructure of the Finance Department in July 2017, two Fraud Officers were now located within the Audit and Investigations Team. It was reported that the arrangement had worked well and that the team had developed an ongoing plan of work. The Council's Fraud Sanction and Prosecution Policy, approved by the Board in November 2017, allowed the Council to impose a financial penalty where a person had supplied incorrect information. To date, nine penalties had been issued totalling £840.

RESOLVED: That the report be noted.

BEB12 PROCUREMENT STRATEGY - UPDATE REPORT

The Board considered a report of the Strategic Director, Enterprise, Community and Resources, which provided an update on progress with the delivery of the Council's Procurement Strategy 2016/19 (the Strategy).

The Strategy, approved in June 2016, followed the format commended by the Local Government Association, and was based around four key themes. These were noted as being:-

- Making Savings
- Supporting Local Economies
- Leadership
- Modernising Procurement

An update on progress against the Strategy was attached to the report at Appendix 1. It was reported that a number of the areas contained within the Strategy were ongoing activities and would develop over time. The Procurement Team continued to work with partners, in particular across the Liverpool City Region, to make best use of the combined procurement resource so as to improve efficiency, innovations and achieve better outcomes from procurement.

It was noted that the Council's Procurement Strategy would need to be updated to take account of the Local Government Association's recently published document entitled 'Delivering Ambition'. This built upon the previous national strategy with three key themes of Achieving Community Benefits; Showing Leadership; and Behaving Commercially. It was planned that an update version of the Strategy would be presented to the Board in 2019.

The report outlined the wider impact of procurement activity and the benefit to the local economy, with opportunities for a wide range of local suppliers by creating jobs and generating income. Appendix 2 attached to the report, provided details of the current social value gains delivered as a result of procurement activity in the local community.

RESOLVED: That the progress achieved to date in delivering the Council's Procurement Strategy 2016/19, be noted.

TRAINING FOR BOARD MEMBERS

The Chair reminded Board Members that there would be two planned training sessions and encouraged everyone to attend.

The training would take place prior to the next two meetings of the Business Efficiency Board and would cover the topics of Fraud Awareness and Procurement.

Meeting ended at 6.55 p.m.

REPORT TO:	Business Efficiency Board
DATE:	21 November 2018
REPORTING OFFICER:	Strategic Director – Enterprise, Community & Resources
PORTFOLIO:	Resources
SUBJECT:	External Audit Update Report
WARDS:	Borough wide

1.0 PURPOSE OF THE REPORT

- 1.1 The purpose of the report is for the Council's external auditors, Grant Thornton, to update the Board on progress made in delivering their responsibilities as the Council's external auditors and to provide a summary of emerging national issues and developments which may be relevant to the work of the Board.

2.0 RECOMMENDATION: That the report be noted.

3.0 SUPPORTING INFORMATION

Grant Thornton will attend the meeting to present the report shown in the Appendix.

4.0 POLICY IMPLICATIONS

None

5.0 FINANCIAL IMPLICATIONS

- 5.1 There are no financial implications arising directly from this report.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

None.

6.2 Employment, Learning and Skills in Halton

None.

6.3 A Healthy Halton

None.

6.4 A Safer Halton

None.

6.5 Halton's Urban Renewal

None.

7.0 RISK ANALYSIS

This report is for information only. There are no risks arising from it.

8.0 EQUALITY AND DIVERSITY ISSUES

There are no equality and diversity issues arising from this report.

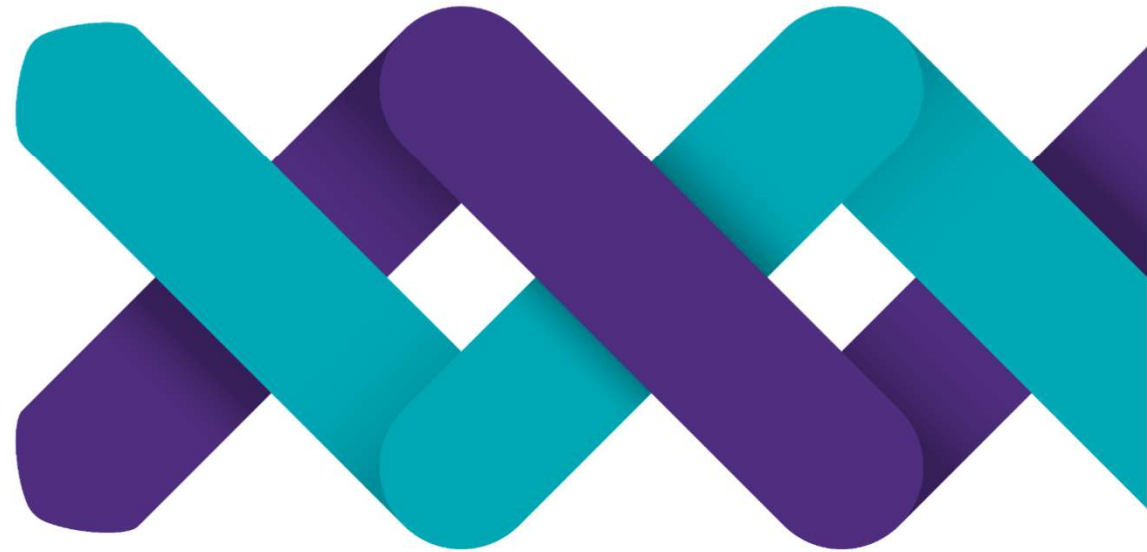
9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None under the meaning of the Act.

Audit Progress Report and Sector Update

Halton Borough Council
Year ending 31 March 2019

November 2018



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Introduction

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This paper provides the Business Efficiency Board with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you as a local authority; and
- includes a number of challenge questions in respect of these emerging issues which the Board may wish to consider (these are a tool to use, if helpful, rather than formal questions requiring responses for audit purposes)

Members of the Business Efficiency Board can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications www.grant-thornton.co.uk..

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

Progress at November 2018

2017/18 Audit

We have completed our audit of the Council's 2017/18 financial statements. Our audit opinion, including our value for money conclusion and certificate of audit closure was issued on the 31 July 2018.

We issued:

- An unqualified opinion on the Council's financial statements; and
- An unqualified value for money conclusion on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources.

We have issued all our deliverables to date for 2017/18 and have concluded our work on the 2017/18 financial year.

2018/19 Audit

We have begun our planning processes for the 2018/19 financial year audit.

Our detailed work and audit visits will begin later in the year and we will discuss the timing of these visits with management. In the meantime we will:

- continue to hold regular discussions with management to inform our risk assessment for the 2018/19 financial statements and value for money audits;
- review minutes and papers from key meetings; and
- continue to review relevant sector updates to ensure that we capture any emerging issues and consider these as part of audit plans.

Other areas

Certification of claims and returns

We are required to certify the Council's annual Housing Benefit Subsidy claim in accordance with procedures agreed with the Department for Work and Pensions. This certification work for the 2017/18 claim will be concluded by November 2018.

The results of the certification work are reported to you in our certification letter.

Meetings

We have regular meetings with Finance Officers as part of our ongoing liaison. We continue to be in discussions with finance staff on emerging developments and to ensure the audit process is smooth and effective.

Events

We provide a range of workshops, along with network events for members and publications to support the Council. Our annual accounts workshop is expected to take place early in the new year. We will be inviting key members of your finance team to this.

Further details of the publications that may be of interest to the Council are set out in our Sector Update section of this report.

Audit Deliverables

2017/18 Deliverables	Planned Date	Status
Annual Certification Letter This letter reports any matters arising from our certification work carried out under the PSAA contract.	December 2018	Not yet due
2018/19 Deliverables	Planned Date	Status
Fee Letter Confirming audit fee for 2018/19.	April 2018	Complete
Accounts Audit Plan We are required to issue a detailed accounts audit plan to the Audit and Governance Committee setting out our proposed approach in order to give an opinion on the Council's 2018-19 financial statements.	February 2019	Not yet due
Interim Audit Findings We will report to you the findings from our interim audit and our initial value for money risk assessment within our Progress Report.	March 2019	Not yet due
Audit Findings Report The Audit Findings Report will be reported to the July Audit and Governance Committee.	July 2019	Not yet due
Auditors Report This is the opinion on your financial statement, annual governance statement and value for money conclusion.	July 2019	Not yet due
Annual Audit Letter This letter communicates the key issues arising from our work.	August 2019	Not yet due

Sector Update

Local government finances are at a tipping point. Councils are tackling a continuing drive to achieve greater efficiency in the delivery of public services, whilst facing the challenges to address rising demand, ongoing budget pressures and social inequality.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider NHS and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

- **Grant Thornton Publications**
- **Insights from local government sector specialists**
- **Reports of interest**
- **Accounting and regulatory updates**

More information can be found on our dedicated public sector and local government sections on the Grant Thornton website

CIPFA consultation – Financial Resilience Index

The Chartered Institute of Public Finance and Accountancy (CIPFA) has consulted on its plans to provide an authoritative measure of local authority financial resilience via a new index. The index, based on publically available information, will provide an assessment of the relative financial health of each English council.

CIPFA has designed the index to provide reassurance to councils who are financially stable and prompt challenge where it may be needed. To understand the sector's views, CIPFA invited all interested parties to respond to questions it has put forward in the consultation by the 24 August.

The decision to develop an index is driven by CIPFA's desire to support the local government sector as it faces a continued financial challenge. The index will not be a predictive model but a diagnostic tool – designed to identify those councils displaying consistent and comparable features that will highlight good practice, but crucially, also point to areas which are associated with financial failure. The information for each council will show their relative position to other councils of the same type. Use of the index will support councils in identifying areas of weakness and enable them to take action to reduce the risk of financial failure. The index will also provide a transparent and independent analysis based on a sound evidence base.

The proposed approach draws on CIPFA's evidence of the factors associated with financial stress, including:

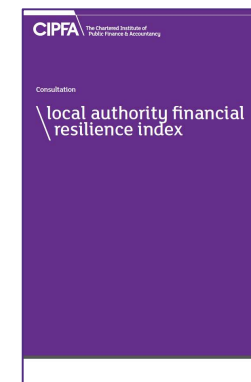
- running down reserves
- failure to plan and deliver savings in service provision
- shortening medium-term financial planning horizons.
- gaps in saving plans
- departments having unplanned overspends and/or undelivered savings.

Conversations with senior practitioners and sector experts have elicited a number of additional potential factors, including:

- the dependency on external central financing
- the proportion of non-discretionary spending – e.g. social care and capital financing - as a proportion of total expenditure
- an adverse (inadequate) judgement by Ofsted on Children's services
- changes in accounting policies (including a change by the council of their minimum revenue provision)
- poor returns on investments
- low level of confidence in financial management.

The consultation document proposes scoring six key indicators:

1. The level of total reserves excluding schools and public health as a proportion of net revenue expenditure.
2. The percentage change in reserves, excluding schools and public health, over the past three years.
3. The ratio of government grants to net revenue expenditure.
4. Proportion of net revenue expenditure accounted for by children's social care, adult social care and debt interest payments.
5. Ofsted overall rating for children's social care.
6. Auditor's VFM judgement.



MHCLG – Social Housing Green Paper

The Ministry of Housing, Communities and Local Government (MHCLG) published the Social Housing Green Paper, which seeks views on government's new vision for social housing providing safe, secure homes that help people get on with their lives.

With 4 million households living in social housing and projections for this to rise annually, it is crucial that MHCLG tackle the issues facing both residents and landlords in social housing.

The Green Paper aims to rebalance the relationship between residents and landlords, tackle stigma and ensure that social housing can be both a stable base that supports people when they need it and also support social mobility. The paper proposes fundamental reform to ensure social homes provide an essential, safe, well managed service for all those who need it.

To shape this Green Paper, residents across the country were asked for their views on social housing. Almost 1,000 tenants shared their views with ministers at 14 events across the country, and over 7,000 people contributed their opinions, issues and concerns online; sharing their thoughts and ideas about social housing,

The Green Paper outlines five principles which will underpin a new, fairer deal for social housing residents:

- Tackling stigma and celebrating thriving communities
- Expanding supply and supporting home ownership
- Effective resolution of complaints
- Empowering residents and strengthening the regulator
- Ensuring homes are safe and decent

Consultation on the Green Paper is now underway, which seeks to provide everyone with an opportunity to submit views on proposals for the future of social housing and will run until 6 November 2018.

The Green Paper presents the opportunity to look afresh at the regulatory framework (which was last reviewed nearly eight years ago). Alongside this, MHCLG have published a Call for Evidence which seeks views on how the current regulatory framework is operating and will inform what regulatory changes are required to deliver regulation that is fit for purpose.

The Green Paper acknowledges that to deliver the social homes required, local authorities will need support to build by:

- allowing them to borrow
- exploring new flexibilities over how to spend Right to Buy receipts
- not requiring them to make a payment in respect of their vacant higher value council homes

As a result of concerns raised by residents, MHCLG has decided not to implement at this time the provisions in the Housing and Planning Act to make fixed term tenancies mandatory for local authority tenants.

The Green Paper is available on the MHCLG's website at:
<https://www.gov.uk/government/consultations/a-new-deal-for-social-housing>



MHCLG – Business rate pilots

The Secretary of State has invited more councils to apply for powers to retain the growth in their business rates under the new pilots. The pilots will see councils rewarded for supporting local firms and local jobs and ensure they benefit directly from the proceeds of economic growth.

From April 2019, selected pilot areas will be able to retain 75% of the growth in income raised through business rates, incentivising councils to encourage growth in business and on the high street in their areas. This will allow money to stay in communities and be spent on local priorities - including more funding to support frontline services.

This follows the success of previous waves of business rates retention pilots, launched in a wide range of areas across country in 2017 and 2018.

The current 50% business rates retention scheme is yielding strong results and in 2018 to 2019 it is estimated that local authorities will keep around £2.4 billion in business rates growth.

Findings from the new round of pilots will help the government understand how local authorities can smoothly transition into the proposed system in 2020.

Proposals will need to show how local authorities would 'pool' their business rates and work collaboratively to promote financial sustainability, growth or a combination of these.

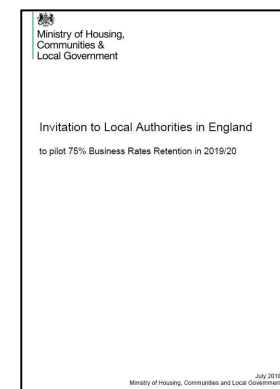
Alongside the pilots, the government will continue to work with local authorities, the Local Government Association, and others on reform options that give local authorities more control over the money they raise and are sustainable in the long term.

The invitation is addressed to all authorities in England, excluding those with ongoing business rates retention pilots in devolution areas and London. Due to affordability constraints, it may be necessary to assess applications against selection criteria, which will include:

- Proposed pooling arrangements operate across a functional economic area
- Proposal demonstrates how pooled income from growth will be used across the pilot area to either boost further growth, promote financial sustainability or a combination of these
- Proposal sets out robust governance arrangements for strategic decision-making around management of risk and reward and outlines how these support the participating authorities' proposed pooling arrangements

Any proposals will need to show that all participating authorities have agreed to become part of the suggested pool and share additional growth as outlined in the bid. The Section 151 officer of each authority will need to sign off the proposal before submission.

Proposals for new pilots had to be received by the MHCLG by midnight on Tuesday 25th September 2018.



Institute of Fiscal Studies: Impact of ‘Fair Funding Review’

The IFS has published a paper that focuses on the issues arising in assessing the spending needs of different councils. The government’s ‘Fair Funding Review’ is aimed at designing a new system for allocating funding between councils. It will update and improve methods for estimating councils’ differing abilities to raise revenues and their differing spending needs. The government is looking for the new system to be simple and transparent, but at the same time robust and evidence based.

Accounting for councils’ spending needs

The IFS note that the Review is seeking a less subjective and more transparent approach which is focused on the relationship between spending and needs indicators. However, like any funding system, there will be limitations, for example, any attempt to assess needs will be affected by the MHCLG’s funding policies adopted in the year of data used to estimate the spending needs formula. A key consideration will be the inherently subjective nature of ‘spending needs’ and ‘needs indicators’, and how this will be dealt with under any new funding approach. Whilst no assessment of spending needs can be truly objective, the IFS state it can and should be evidence based.

The IFS also note that transparency will be critical, particularly in relation to the impact that different choices will have for different councils, such as the year of data used and the needs indicators selected. These differentiating factors and their consequences will need to be understood and debated.

Accounting for councils’ revenues

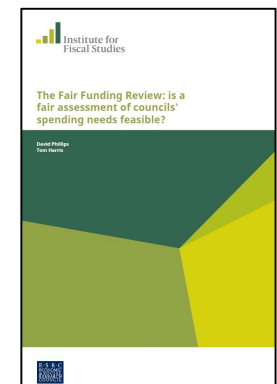
The biggest source of locally-raised revenue for councils is and will continue to be council tax. However, there is significant variation between councils in the amount of council tax raised per person. The IFS identify that a key decision for the Fair Funding Review is the extent to which tax bases or actual revenues should be used for determining funding levels going forward.

Councils also raise significant sums of money from levying fees and charges, although this varies dramatically across the country. The IFS note that it is difficult to take account of these differences in a new funding system as there is no well-defined measure of revenue raising capacity from sales, fees and charges, unlike council tax where the tax base can be used.

The overall system: redistribution, incentives and transparency

The IFS also identify that an important policy decision for the new system is the extent to which it prioritises redistribution between councils, compared to financial incentives for councils to improve their own socio-economic lot. A system that fully and immediately equalises for differences in assessed spending needs and revenue-raising capacity will help ensure different councils can provide similar standards of public services. However, it would provide little financial incentive for councils to tackle the drivers of spending needs and boost local economics and tax bases.

Further detail on the impact of the fair funding review can be found in the full report <https://www.ifs.org.uk/uploads/publications/comms/R148.pdf>.



National Audit Office – The health and social care interface

The NAO has published its latest ‘think piece on the barriers that prevent health and social care services working together effectively, examples of joint working in a ‘whole system’ sense and the move towards services centred on the needs of the individual. The report aims to inform the ongoing debate about the future of health and social care in England. It anticipates the upcoming green paper on the future funding of adult social care, and the planned 2019 Spending Review, which will set out the funding needs of both local government and the NHS.

The report discusses 16 challenges to improved joint working. It also highlights some of the work being carried out nationally and locally to overcome these challenges and the progress that has been made. The NAO draw out the risks presented by inherent differences between the health and social care systems and how national and local bodies are managing these.

Financial challenges – include financial pressures, future funding uncertainties, focus on short-term funding issues in the acute sector, the accountability of individual organisations to balance the books, and differing eligibility criteria for access to health and social care services.

Culture and structure – include organisational boundaries impacting on service management and regulation, poor understanding between the NHS and local government of their respective decision-making frameworks, complex governance arrangements hindering decision-making, problems with local leadership holding back improvements or de-stabilising joint working, a lack of co-terminus geographic areas over which health and local government services are planned and delivered, problems with sharing data across health and social care, and difficulties developing person-centred care.

Strategic issues – include differences in national influence and status contributing to social care not being as well represented as the NHS, strategic misalignment of organisations across local systems inhibiting joint local planning, and central government’s unrealistic expectations of the pace at which the required change in working practices can progress..

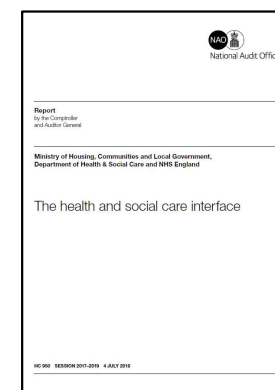
This ‘think piece’ draws on the NAO’s past work and draws on recent research and reviews by other organisations, most notably the Care Quality Commission’s review of health and social care systems in 20 local authority areas, which it carried out between August 2017 and May 2018. The NAO note that there is a lot of good work being done nationally and locally to overcome the barriers to joint working, but often this is not happening at the scale and pace needed.

The report is available to download from the NAO’s website at:
<https://www.nao.org.uk/report/the-health-and-social-care-interface/>

The health and social care interface

Challenge question:

Has the Business Efficiency Board considered the 16 challenges to joint working and what can be done to mitigate these?



Care Homes for the Elderly – Where are we now?

It is a pivotal moment for the UK care homes market. In the next few months the government is to reveal the contents of its much-vaunted plans for the long-term funding of care for older people.

Our latest Grant Thornton report draws together the most recent and relevant research, including our own sizeable market knowledge and expertise, to determine where the sector is now and understand where it is heading in the future. We have spoken to investors, providers and market consultants to showcase the diversity and innovation that care homes can offer.

Flourishing communities are not a 'nice to have' but an essential part of our purpose of shaping a vibrant economy. Growth simply cannot happen sustainably if business is disconnected from society. That is why social care needs a positive growth framing. Far from being a burden, the sector employs more people than the NHS, is a crucible for technological innovation, and is a vital connector in community life. We need to think about social care as an asset and invest and nurture it accordingly.

There are opportunities to further invest to create innovative solutions that deliver improved tailored care packages to meet the needs of our ageing population.

The report considers a number of aspects in the social care agenda

- market structure, sustainability, quality and evolution
- future funding changes and the political agenda
- the investment, capital and financing landscape
- new funds and methods of finance
- future outlook.

The decline in the number of public-sector focused care home beds is a trend that looks set to continue in the medium-term. However, it cannot continue indefinitely as Grant Thornton's research points to a significant rise in demand for elderly care beds over the coming decade and beyond.

A strategic approach will also be needed to recruit and retain the large number of workers needed to care for the ageing population in the future. Efforts have already begun through education programmes such as Skills for Care's 'Care Ambassadors' to promote social care as an attractive profession. But with the number of nurses falling across the NHS as well, the Government will need to address the current crisis.

But the most important conversation that needs to be had is with the public around what kind of care services they would like to have and, crucially, how much they would be prepared to pay for them. Most solutions for sustainable funding for social care point towards increased taxation, which will generate significant political and public debate. With Brexit dominating the political agenda, and the government holding a precarious position in Parliament, shorter-term funding interventions by government over the medium-term look more likely than a root-and-branch reform of the current system. The sector, however, needs to know what choices politicians, and society as a whole, are prepared to make in order to plan for the future.

Copies of our report can be requested on our website



Grant Thornton

Challenge question:

How effective is the Council's engagement with the social care sector?



A Caring Society – bringing together innovative thinking, people and practice

The Adult Social Care sector is at a crossroads. We have yet to find a sustainable system of care that is truly fit for purpose and for people. Our Caring Society programme takes a step back and creates a space to think, explore new ideas and draw on the most powerful and fresh influences we can find, as well as accelerate the innovative social care work already taking place.

We are bringing together a community of influencers, academics, investors, private care providers, charities and social housing providers and individuals who are committed to shaping the future of adult social care.

At the heart of the community are adult social care directors and this programme aims to provide them with space to think about, and design, a care system that meets the needs of the 21st Century, taking into account ethics, technology, governance and funding.

We are doing this by:

- hosting a 'scoping sprint' to determine the specific themes we should focus on
- running three sprints focused on the themes affecting the future of care provision
- publishing a series of articles drawing on opinion, innovative best practices and research to stimulate fresh thinking.

Our aim is to reach a consensus, that transcends party politics, about what future care should be for the good of society and for the individual. This will be presented to directors of adult social care in Spring 2019, to decide how to take forward the resulting recommendations and policy changes.

Scoping Sprint

This took place in October. Following opening remarks by Hilary Cottam (social entrepreneur and author of Radical Help) and Cllr Georgia Gould (Leader of Camden Council), the subsequent discussion brought many perspectives but there was a strong agreement about the need to do things differently that would create and support a caring society. Grant Thornton will now take forward further discussions around three particular themes:

1. Ethics and philosophy: What is meant by care? Should the state love?
2. Care in a place: Where should the power lie? How are local power relationships different in a local place?
3. Promoting and upscaling effective programmes and innovation

Sprint 1 – What do we really mean by 'care'?

This will take place on 4 December. Julia Unwin, Chair of the Civil Societies Futures Project, former CEO of the Joseph Rowntree Association and author on kindness will provide her insight to spark the debate on what we really mean by 'care'

Find out more and get involved

- To read the sprint write-ups and opinion pieces visit: grantthornton.co.uk/acaringsociety
- Join the conversation at #acaringsociety

Challenge question:

How is your authority engaging in the debate about the future of social care?



In good company: Latest trends in local authority trading companies

Our recent report looks at trends in LATC's (Local Government Authority Trading Companies). These deliver a wide range of services across the country and range from wholly owned companies to joint ventures, all within the public and private sector.

Outsourcing versus local authority trading companies

The rise of trading companies is, in part, due to the decline in popularity of outsourcing. The majority of outsourced contracts operate successfully, and continue to deliver significant savings. But recent high profile failures, problems with inflexible contracts and poor contract management mean that outsourcing has fallen out of favour. The days of large scale outsourcing of council services has gone.

Advantages of local authority trading companies

- Authorities can keep direct control over their providers
- Opportunities for any profits to be returned to the council
- Provides suitable opportunity to change the local authority terms and conditions, particularly with regard to pensions, can also bring significant reductions in the cost base of the service
- Having a separate company allows the authority to move away from the constraints of the councils decision making processes, becoming more agile and responsive to changes in demand or funding
- Wider powers to trade through the Localism act provide the company with the opportunity to win contracts elsewhere

Choosing the right company model

The most common company models adopted by councils are:

Wholly
owned

Joint
Ventures

Social
Enterprise

Wholly owned companies are common because they allow local authorities to retain the risk and reward. And governance is less complicated. Direct labour organisations such as Cormac and Oxford Direct Services have both transferred out in this way.

JVs have become increasingly popular as a means of leveraging growth. Pioneered by Norse, Corserv and Vertas organisations are developing the model. Alternatively, if there is a social motive rather than a profit one, the social enterprise model is the best option, as it can enable access to grant funding to drive growth.

Getting it right through effective governance

While there are pitfalls in establishing these companies, those that have got it right are: seizing the advantages of a more commercial mind-set, generating revenue, driving efficiencies and improving the quality of services. By developing effective governance they can be more flexible and grow business without micromanagement from the council.

LATC's need to adapt for the future

- LATC's must adapt to developments in the external environment
 - These include possible changes to the public procurement rules after Brexit and new local authority structures. Also responding to an increasingly crowded and competitive market where there could be more mergers and insolvencies.
- Authorities need to be open to different ways of doing things, driving further developments of new trading companies. Relieving pressures on councils to find the most efficient ways of doing more with less in today's austere climate.

Overall, joint ventures can be a viable alternative delivery model for local authorities. Our research indicates that the numbers of joint ventures will continue to rise, and in particular we expect to see others follow examples of successful public-public partnerships.



[Download the report here](#)

Links

Grant Thornton website links

<https://www.grantthornton.co.uk/>

<http://www.grantthornton.co.uk/industries/publicsector>

<https://www.grantthornton.co.uk/en/insights/care-homes-where-are-we-now/>

National Audit Office link

<https://www.nao.org.uk/report/the-health-and-social-care-interface/>

Ministry of Housing, Communities and Local Government links

<https://www.gov.uk/government/news/social-housing-green-paper-a-new-deal-for-social-housing>

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728722/BRR_Pilots_19-20_Prospectus.pdf

Institute for Fiscal Studies

<https://www.ifs.org.uk/uploads/publications/comms/R148.pdf>

REPORT TO:	Business Efficiency Board
DATE:	21 November 2018
REPORTING OFFICER:	Strategic Director – Enterprise, Community and Resources
PORTFOLIO:	Resources
SUBJECT:	General Data Protection Regulation (GDPR)
WARDS:	Borough Wide

1.0 PURPOSE OF THE REPORT

- 1.1 This report provides an update regarding the implementation of the new GDPR Data Protection legislation and overall update on the Council's position regarding information governance.

2.0 RECOMMENDATION: That the Business Efficiency Board notes the content of the report.

3.0 BACKGROUND

- 3.1 The Senior Information Risk Owner (SIRO) is the officer responsible across the whole Council for Information Governance. The SIRO is responsible for the strategy, acts as an advocate for good practice in Information Governance and is required to provide a statement of assurance as part of the Council's Annual Governance Statement. The Strategic Director, Enterprise, Community & Resources is Halton Borough Council's SIRO and is supported by the Divisional Manager, Service Improvement who is the Assistant SIRO and the Council's Data Protection Officer.
- 3.2 Information governance means the effective management of information in all its forms and locations. It encompasses efficient ways of handling information, robust management of the risks involved in the handling of information, and compliance with regulatory and statutory guidance including Data Protection and Freedom of Information.
- 3.3 Information governance is about electronic and paper based information, about how it is held, used and shared. The importance of good information governance has been highlighted by the Information Commissioner (ICO) and the Permanent Secretary for the Department for Communities and Local Government. Members of this Committee will have read the stories of significant fines faced by other public sector bodies for failures to manage information properly.

3.4 Information governance is also concerned with keeping information safe and secure and ensuring it is appropriately shared when necessary to do so. This is a significant challenge for all organisations but particularly so for large complex public sector organisations, such as the Council, dealing with a wide range of functions.

4.0 The General Data Protection Regulation (GDPR)

4.1 Members were previously advised of the forthcoming General Data Protection Regulation (GDPR) which was intended to strengthen and unify data protection for individuals and became applicable to this Council and Members from 25th May 2018. It heightens the standards required as well as imposes new obligations.

4.2 Among the regulations, there are changes to the potential legal justifications for processing data, significant changes to the requirements for consent, heightened requirements for privacy notices and increased rights for the data subjects.

4.3 GDPR required various modifications to how the council processes its data across the organisation and with its partners, providers and members of the public and work is ongoing across directorates to facilitate this. In recent months, the ICO has been providing helpful guidance and clarity in relation to GDPR that is being used across the organisation.

4.4 The regulations allow for the ICO to impose administrative fines up to a maximum of 20 million Euros (approx. £18m) for infringements. The ICO, in recent months, have made it clear that they intend to proportionately regulate, notwithstanding their new and increased powers.

4.5 To prepare for the legislation, officers across the council have been looking at the readiness of directorates for the necessary changes. A number of progress reports were made to the Management Team and in the Autumn of 2017 and Spring 2018 and a significant number of meetings took place across the council in developing readiness for GDPR.

4.6 Changes to policies, in the light of guidance received from the ICO have been approved and overseen by the Information Governance Group and the ICT Strategy Board and have been circulated to all relevant staff.

4.7 It must be remembered that the organisation has not allocated additional resource to deliver this significant change and officers are delivering this in addition to their “day jobs”.

- 4.8 The council has adopted a proportionate response to compliance with GDPR and this will mean that work is on-going. As part of our learning culture, we will continue to reflect on decisions by the ICO and develop and amend our policies as the regulation begins to be enforced.
- 4.9 The Information Governance Service have worked in conjunction with the Corporate Communications team to raise awareness in relation to GDPR through updates in “News in Brief” to build knowledge and awareness.
- 4.10 Further updating of staff took place during the spring / summer with weekly updates on the necessary steps and preparation ahead of May.
- 4.11 Members received initial training on information governance and data protection as part of their induction sessions after the election in May. Given the impact of the new regulations on Members have been offered individual training on the GDPR.
- 4.12 Staff training was provided in the autumn and spring as an overview of GDPR and the repercussions of this new legislation on their particular areas of work.
- 4.13 Implementation of GDPR has now passed the intensive phase. The project is being led by Divisional Manager, Service Improvement supported by the Information Governance Service together with officers on an Information Governance Group.
- 4.14 The Information Governance Group was established in 2010 with representation from across the organisation and had been meeting on a monthly basis to work through the GDPR project plan to follow and implement the ICO guidance notes and to achieve readiness.
- 4.15 The Information Governance Service are supporting colleagues across the Council in the renegotiation of Information Sharing Agreements with the Council’s partners that underpin much of the multi-agency work in Halton – this again is on-going work.
- 4.16 GDPR requires organisations to appoint a Data Protection Officer. The DPO’s basic tasks are defined in Article 39:
 - a) To inform and advise the organisation and its employees about their obligations to comply with the GDPR and other data protection laws.
 - b) To monitor compliance with the GDPR and other data protection laws, including managing internal data protection activities, advise on data protection impact assessments; train staff and conduct internal audits.

- c) To be the first point of contact for supervisory authorities and for individuals whose data is processed (employees, customers etc).

4.17 The Board will also be aware that Internal Audit undertook a recent review of the Council's arrangements in preparation of the GDPR regulations and gave a 'substantial' rating.

5.0 Update on Information Governance Training

5.1 Members of this committee will be aware that officers are required on a mandatory basis to complete training on Data Protection and Information Governance. This mandatory training requirement has been extended to include GDPR and all officers will be required to undertake the training.

5.2 Given the enhanced obligations placed on the Council by GDPR, it is the view of the Monitoring Officer that consideration should be given to Members also being required to complete the training that is mandatory for staff.

5.3 The training is an online and interactive course that can be undertaken via the Council's intranet.

6.0 Data Breaches

6.1 Information Governance Service maintains a log of personal data breaches that have been investigated and referred to the SIRO to agree on the level of the breach and whether the breach should be reported to the ICO.

6.2 There are formal arrangements to identify and mitigate risk in accordance with Council's information governance requirements and there are effective mechanisms in place to report and manage serious untoward incidents.

7.0 Ongoing Work

7.1 A full review of Council's Information Governance requirements continues, includes:-

- Ongoing work required for the 2018 General Data Protection Regulation for the authority and schools
- Completion of a Corporate Information Asset Register
- Compiling a master set of GDPR Privacy Notices
- Training material on GDPR for members of the Council
- IG toolkit assessment for 2018/2019
- Follow up Internal Audit's recommendations following review of SAR process

8.0 POLICY IMPLICATIONS

8.1 There are no specific policy issues associated with this request.

9.0 OTHER IMPLICATIONS

9.1 As mentioned earlier in the report, no additional resources have been used to ensure the Council is prepared for the GDPR. All work has been undertaken within existing resources.

10.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

10.1 Sound information governance is important for the delivery of all of the Council's priorities.

11.0 RISK ANALYSIS

11.1 There are significant risks both financial and reputational if the Council does not have robust arrangements in place to use personal data only for the purposes it collects it for. Individuals trust the Council with their data and those individuals rely on the Council to use it appropriately. It is important that the Council keeps those arrangements under review and improves them in the light of experience and technological advances.

12.0 EQUALITY AND DIVERSITY ISSUES

12.1 There are no equality and diversity issues associated with the report.

13.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

13.1 None.

REPORT TO:	Business Efficiency Board
DATE:	21 November 2018
REPORTING OFFICER:	Strategic Director, Enterprise Community & Resources
PORTFOLIO:	Resources
SUBJECT:	Corporate Risk Register biannual update 2018/19
WARD(S)	Borough-wide

1.0 **PURPOSE OF THE REPORT**

1.1 To report on the biannual update of the Corporate Risk Register for 2018/19.

2.0 **RECOMMENDATION: That**

1) the progress of actions is noted; and

2) the Board reviews the robustness of the Corporate Risk Register and the adequacy of the associated risk management arrangements.

3.0 **SUPPORTING INFORMATION**

3.1 The report contains a progress commentary on the corporate risks for this year.

3.2 The Council recognises that it has a responsibility to manage both internal and external risks as a key component of good corporate governance.

3.3 Risk is defined as being the threat that an event or action will adversely affect an organisation's ability to achieve its objectives and to successfully execute its strategies. Risk Management is defined as the process by which risks are identified, evaluated and controlled.

3.4 At Directorate level arrangements are in place for the high-risk mitigation measures on the Directorate Risk Registers to be reviewed and updated at mid-year in line with Directorate Business Plans. Progress on these is reported to Management Team and Policy and Performance Boards.

- 3.5 Together with consultation with internal stakeholders, Directorate Risk Registers are central to any reviews and updates of the Corporate Risk Register. This ensures that the council maximises its opportunities whilst minimising and controlling the associated risks in delivering the council's vision and services for Halton.
- 3.6 The Risk Control Measures have been reviewed and updated in line with current changes within the Authority and as proposed by managers and internal stakeholders.
- 3.7 The risks have been grouped in order of priority and the scores relate to 'Unmitigated Risk Scores' and then to 'Mitigated Risk Scores'. As a result once the mitigation measures have been implemented, it reduces the scores and highlights the remaining 'Residual Risk Scores'.
- 3.8 In particular the risks have been reprioritised so that people, i.e. the community and staff, take priority. The headings and scores in order of priority are:
- i. Delivery of Services to Vulnerable Adults (16:12);
 - ii. Safeguarding Children and Adults (16:12);
 - iii. Capacity and Resilience (16:12);
 - iv. Budget Reductions (16:12);
 - v. Making Halton Community Safe (12:8)
 - vi. Changes to Government Arrangements (16:8);
 - vii. Mersey Gateway (12:8);
 - viii. Community Expectations (12:6);
 - ix. Partnerships (12:4);
 - x. Fraud (9:6); and
 - xi. Funding and Income Generation (9:4).

4.0 **POLICY IMPLICATIONS**

- 4.1 To provide a framework through which effectively manages the actual and potential opportunities and threats that may affect the achievement of the Council's strategic priorities and operational objectives.

5.0 **FINANCIAL IMPLICATIONS**

5.1 There are no financial implications.

6.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

6.1 Corporate Effectiveness and Business Efficiency

7.0 **RISK ANALYSIS**

7.1 Failure to review and monitor the performance of the Corporate Risk Management could result in service development opportunities being lost and existing service delivery being compromised.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 Within the risk register there are a number of implications for Equality and Diversity issues, e.g. Budget Reductions and Capacity and Resilience.

9.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

9.1 None under the meaning of the Act.

Corporate Risk Register

Lead Strategic Director: **Ian Leivesley**

Risk Management Coordinator: **Lynn P Ramsden**

Initial Register Completion Date: **November 2011**

Register Review Date: **March 2018**

Progress update: **September 2018**

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DELIVERY OF SERVICES TO VULNERABLE ADULTS

Item	Identified risk	Impact (Severity)	Likelihood (Probability)	Unmitigated Risk Score (I x L)	Council Priority Area(s)
1	Failure to deliver quality services to vulnerable adults could negatively affect their health and wellbeing	4	4	16	A Healthy Halton / A Safer Halton

Risk control measures	Residual score with measures implemented			Timescale / Review frequency	Lead Officer/s
	Impact (Severity)	Likelihood (Probability)	Mitigated Risk Score (I x L)		
<ul style="list-style-type: none"> • Effectively allocating and using available finances and resources in the delivery of services • Integration of Health and Social Care with a view to improving the outcomes for people using the services • Transformation of provider markets so that responsive and sustainable markets in adult social care can be developed and supported • Delivery of prevention and early intervention to vulnerable adults • Effective use of alternative funding streams and community assets • Joint approach with Health to ensure efficient quality assurance 	4	3	12	6 monthly	Strategic Director - People (Milorad Vasic)

SAFEGUARDING CHILDREN AND ADULTS

Item	Identified risk	Impact (Severity)	Likelihood (Probability)	Unmitigated Risk Score (I x L)	Council Priority Area(s)
2	Failure to support and protect children and adults could adversely impact on their health, safety and opportunity to reach their potential	4	4	16	A Healthy Halton / Employment, Learning and Skills / Children and Young People / A Safer Halton

Risk control measures	Residual score with measures implemented			Timescale / Review frequency	Lead Officer/s
	Impact (Severity)	Likelihood (Probability)	Mitigated Risk Score (I x L)		

<ul style="list-style-type: none"> Halton's Children's and Adult's Safeguarding Boards fully operational with appropriate resources and are operating within statutory guidance and towards identified priorities Representatives from the Children's and Adult's Safeguarding Boards to work in partnership through attending corresponding boards Children's and Adult's Safeguarding Board's to work with strategic groups within the Borough to ensure accountability and effectiveness of safeguarding Services regularly audit Children's and Adult's cases for quality and consistency of practices Comprehensive suite of performance reports for Children's and Adults are reviewed at least monthly and compared with regional and national benchmarks 	4	3	12	6 monthly	Strategic Director - People (Milorad Vasic)
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<ul style="list-style-type: none"> • Progress reports for Children’s and Adults are taken to the Board and Members for their attention • In order to provide a multi-agency response to the needs of children at risk of or being sexually exploited, multi agency team initiated overseen by project board • Improving the health and wellbeing of children and adults through early intervention and treatment services delivered in house and externally via a range of providers and partners • Providing efficient safeguards to support vulnerable adults who lack capacity and require the support of the Deprivation of Liberty Safeguards and the Court of Protection. 					
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CAPACITY AND RESILIENCE

Item	Identified risk	Impact (Severity)	Likelihood (Probability)	Unmitigated Risk Score (I x L)	Council Priority Area(s)
3	Inability of the Council to sustain the delivery of services and respond to emergency situations in line with Council Priorities as a result of the impact of budget cuts	4	4	16	Corporate Effectiveness and Efficiency

Risk control measures	Residual score with measures implemented			Timescale / Review frequency	Lead Officer/s
	Impact (Severity)	Likelihood (Probability)	Mitigated Risk Score (I x L)		
<ul style="list-style-type: none"> Maintaining a supportive working environment through shared service organisational ethos, pride and value across Members, staff, management, Unions and partners Focusing delivery of performance on the council's corporate vision and key strategic priorities leading to a clearly understood and shared set of priorities Emphasis on management and leadership standards with recognition of the challenges faced by the Authority leading to managers who are able to direct, inform, develop and support staff Maintaining a workforce that are skilled, informed, flexible and competent in order to ensure that they deliver efficient and effective services 	4	3	12	6 monthly	All Strategic Directors

BUDGET REDUCTIONS

Item	Identified risk	Impact ¹ (Severity)	Likelihood (Probability)	Unmitigated Risk Score (I x L)	Council Priority Area(s)
4	A significant reduction in the Council's funding from Government grant and/or locally raised business rates/council tax, leads to an inability to deliver the Council's key service priorities, especially those services essential for the support of the most vulnerable members of the community	4	4	16	Corporate Efficiency Effectiveness and

Risk control measures	Residual score with measures implemented			Timescale / Review frequency	Lead Officer/s
	Impact (Severity)	Likelihood (Probability)	Mitigated Risk Score (I x L)		
<ul style="list-style-type: none"> Financial Planning is undertaken to compare available financial resources with spending requirements over the medium term (3 years), resulting in preparation of the Medium Term Financial Strategy which allows overall budget gaps to be identified at an early stage and appropriate plans put in place to tackle them Proposed developments regarding the future funding of Local Government nationally are monitored, to assess the potential impact for the Council and take account of this within the Medium Term Strategy Effective Business Planning to ensure that appropriate resources are directed towards the Councils key strategic priorities 	4	3	12	6 monthly	Strategic Director - Enterprise Community & Resources (Ian Leivesley)

¹ For scoring mechanism see Appendix 'A'

<ul style="list-style-type: none"> • Budget setting is aligned to the annual Business Planning Cycle in order to ensure that the value of financial resources are maximised • Budget Risk Register works in conjunction with the Budget Setting Cycle to ensure that emerging budget risks are identified together with relevant mitigating measures • Exploring the potential for collaboration, shared services and partnership working with neighbouring Local Authorities 					
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KEEPING HALTON COMMUNITY SAFE

Item	Identified risk	Impact ² (Severity)	Likelihood (Probability)	Unmitigated Risk Score (I x L)	Council Priority Area(s)
5	A failure to monitor and appropriately manage the risks created by global, national and local events, and how these might impact on local community tensions, could potentially lead to a threat to security and have an adverse effect on the stability of Halton's communities.	4	3	12	A Healthy Halton / Environment and Regeneration / A Safer Halton

Risk control measures	Residual score with measures implemented			Timescale / Review frequency	Lead Officer/s
	Impact (Severity)	Likelihood (Probability)	Mitigated Risk Score (I x L)		
<ul style="list-style-type: none"> The Safer Halton Partnership (SHP) involves joint working, clear communications and information sharing across partner agencies, including emergency services, and assists to implement the Sustainable Community Strategy to ensure that there is community cohesion with safe and secure neighbourhood environments Multi agency Community Safety team that addresses anti-social behaviour and crime thus supporting the SHP agenda The Channel Panel is a multi-agency group which provides support for those who are vulnerable to be drawn into terrorism through a programme of early intervention and diversion 	4	2	8	6 monthly	Chief Executive (David Parr)

² For scoring mechanism see Appendix 'A'

<ul style="list-style-type: none"> • Emergency Planning team have developed and tested Multi-Agency Response plans in place for all risks within the borough • To respond to 'Major Accident' cloudburst incidents at Upper Tier COMAH sites; Emergency Planning Team have tested and validated Emergency COMAH Plans for all 9 sites • Emergency Planning Team work in partnership with the Cheshire Resilience Forum to provide an integrated approach for dealing with emergencies across Cheshire • Emergency Planning Team work with cross border organisations/agencies within Merseyside and the Liverpool City Region regarding cross border risks and resilience planning • Critical Incident Management procedures, including 'lockdown', have been developed, communicated and tested for Council buildings and schools • Security surveys conducted for main council buildings and schools 					
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CHANGES TO GOVERNMENT ARRANGEMENTS

Item	Identified risk	Impact (Severity)	Likelihood (Probability)	Unmitigated Risk Score (I x L)	Council Priority Area(s)
6	Changes to Government arrangements and other public sector organisations could potentially lead to a deterioration of local services	4	4	16	A Healthy Halton / Employment, learning and skills / Children and Young People / A Safer Halton / Corporate effectiveness and business efficiency

Risk control measures	Residual score with measures implemented			Timescale / Review frequency	Lead Officer/s
	Impact (Severity)	Likelihood (Probability)	Mitigated Risk Score (I x L)		
<ul style="list-style-type: none"> Ensuring that both Members and officers from the Council plays an active role in the Combined Authority for the Liverpool City Region The potential impact on resources of schools moving to Academy status is being monitored termly through early engagement to gain an understanding of the level of risk 	4	2	8	6 monthly	Chief Executive (David Parr)

MERSEY GATEWAY

Item	Identified risk	Impact (Severity)	Likelihood (Probability)	Unmitigated Risk Score (I x L)	Council Priority Area(s)
7	Lack of effective management of and adherence to governance arrangements / contractual requirements or disrupted journeys could lead to increased project costs. In addition these could also lead to adverse publicity and reputational risks to the Council	4	3	12	Environment and Regeneration / Employment, Learning and Skills

Risk control measures	Residual score with measures implemented			Timescale / Review frequency	Lead Officer/s
	Impact (Severity)	Likelihood (Probability)	Mitigated Risk Score (I x L)		
<u>Demand Management Participation Agreement (DMPA)</u> <ul style="list-style-type: none"> • Base line is realistic and achievable • Agreed contract is designed to incentivise an increase in volumes of traffic • Mersey Gateway Crossings Board has a role in managing the DMPA • Effective publicity around speed and reliability of bridge 	4	2	8	6 monthly	Strategic Director - Enterprise Community & Resources (Ian Leivesley)
<u>Tolling Risk</u> <ul style="list-style-type: none"> • In order to mitigate the risk of the project not delivering sufficient toll revenue each year to meet project costs, a liquidity reserve of £19m has been established jointly by the Department for Transport and Halton Borough Council (through borrowing funded from future toll 					

revenues). If necessary the reserve will be topped-up periodically by undertaking further borrowing.

Conclusion of Construction Phase to Subsequent Operating Phase

- Dedicated company (Mersey Gateway Crossings Board Ltd) now established, with suitably experienced staff and directors, both Executive and Non-executive, and supported by class leading professional advisers. The relationship between Council and MGCB is detailed within a Governance Agreement
- Routine project assurance monitored through external bodies including specialist non-executive directors and advisers on the Board of Directors of MGCB, external Gateway Reviews (4Ps) Department for Transport and HM Treasury scrutiny at specific project milestones
- Delivery within the Funding Framework agreed with Government that is reviewed at regular intervals and managed through the Mersey Gateway Crossings Board’s Risk Register, which is reviewed regularly by both the Audit Committee and the Board of Directors
- Maintenance of effective relationships with Government Departments (as co funders for MG) maintained by both Department for Transport and HM Treasury being represented on the Board of Directors of MGCB



COMMUNITY EXPECTATIONS

Item	Identified risk	Impact (Severity)	Likelihood (Probability)	Unmitigated Risk Score (I x L)	Council Priority Area(s)
8	Failure to effectively realise community expectations could lead to damage to the Authorities reputation and credibility resulting in negative views towards the transparency of the decision making process	4	3	12	Corporate Effectiveness and Efficiency

Risk control measures	Residual score with measures implemented			Timescale / Review frequency	Lead Officer/s
	Impact (Severity)	Likelihood (Probability)	Mitigated Risk Score (I x L)		
<ul style="list-style-type: none"> • Consultation and community engagement embedded in the partnership constitution • Utilising recognised mediums to identify, communicate and coordinate community expectations and priorities. These include: <ul style="list-style-type: none"> Surveys; Customer analysis; On line services; Local and social media; Target consultation exercises for specific projects; Service user groups; Elected member surgeries; and Other meetings • Conducting Equality Impact Assessments with new and revised Policies 	3	2	6	6 monthly	All Strategic Directors

<ul style="list-style-type: none"> • Honesty and integrity by the Authority in communicating with the public having regard to reducing budgets including promoting a self-help agenda • Any decisions to cease or amend service provision that has a significant impact on communities; early warning of intended actions through direct engagement with relevant communities to invite views 					
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PARTNERSHIPS

Item	Identified risk	Impact (Severity)	Likelihood (Probability)	Unmitigated Risk Score (I x L)	Council Priority Area(s)
9	Ineffective and poorly controlled partnerships with statutory and non-statutory organisations will lead to a lack of accountability and ineffective use of resources resulting in a failure to meet the needs of and improve outcomes for local communities. In particular partnership work could be at risk where funding streams have discontinued	3	4	12	A Healthy Halton / Employment Learning and Skills / Children and Young People / A Safer Halton / Environment and Regeneration

Risk control measures	Residual score with measures implemented			Timescale / Review frequency	Lead Officer/s
	Impact (Severity)	Likelihood (Probability)	Mitigated Risk Score (I x L)		
<ul style="list-style-type: none"> Having efficient and effective arrangements with external partners through a shared strategic vision and action plans enables and influences partners to deliver at local levels Maintaining financial probity with the 'pool' budgets, as appropriate, with partners through effective governance arrangements Engagement with communities and partners on service priorities in order to identify and design alternative forms of delivery, as appropriate, maximising opportunities for joint working Collaborating with partners to identify and address community issues 	2	2	4	6 monthly	Chief Executive (David Parr)

FRAUD

Item	Identified risk	Impact (Severity)	Likelihood (Probability)	Unmitigated Risk Score (I x L)	Council Priority Area(s)
10	Inadequate control systems lead to an increase in fraud and financial loss	3	3	9	Corporate Effectiveness and Efficiency

Risk control measures	Residual score with measures implemented			Timescale / Review frequency	Lead Officer/s
	Impact (Severity)	Likelihood (Probability)	Mitigated Risk Score (I x L)		
<ul style="list-style-type: none"> The Business Efficiency Board monitors and reviews the adequacy of the Council's anti-fraud and corruption policies and arrangements <p>External</p> <ul style="list-style-type: none"> The Authority is an active participant in the National Fraud Initiative Dedicated Fraud Investigation officers who focus on internal and external fraud The Council runs regular fraud awareness campaigns encouraging members of the public and employees to raise any concerns about fraud and corruption The Council collaborates with other local authorities across the region and shares best practice in regard to tackling fraud and corruption <p>Internal</p> <p>The Council maintains an effective system of internal control, which includes:</p> <ul style="list-style-type: none"> Relevant policies and systems, e.g. Procurement Standing Orders, Finance Standing Orders, etc. Rigorous pre-employment checks of new employees 	3	2	6	6 monthly	Strategic Director – Enterprise, Community & Resources (Ian Leivesley)

<ul style="list-style-type: none"> • Whistleblowing arrangements • Anti-Fraud, Bribery & Corruption Strategy • Fraud Response Plan • Fraud Sanction and Prosecution Policy • Fraud and bribery awareness training • A continuous internal audit of the Council's systems and services 					
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FUNDING AND INCOME GENERATION

Item	Identified risk	Impact (Severity)	Likelihood (Probability)	Unmitigated Risk Score (I x L)	Council Priority Area(s)
11	Failure to maximise and identify funding opportunities in light of government cuts resulting in a potential challenge of the Councils capacity to delivery its priorities	3	3	9	A Healthy Halton / Employment, Learning and Skills / Children and Young People / A Safer Halton

Risk control measures	Residual score with measures implemented			Timescale / Review frequency	Lead Officer/s
	Impact (Severity)	Likelihood (Probability)	Mitigated Risk Score (I x L)		
<ul style="list-style-type: none"> Continuing to identify funding streams and income generating options through horizon scanning, alternative untapped funding opportunities and shared partnerships with 3rd sector, private sector, and other public sector bodies During the budget setting process Directorates identify and prioritise funding requirements biannually including ensuring that there are systems to capture and report when funding comes to an end Corporate External Funding Team reports to Management Team twice a year to highlight services the Team can offer and meets with Departments to identify funding requirements; regularly signposts Council services to specific funding streams Commercially focussed through establishing trading and income generation possibilities in order to protect and effectively use funds; pilot Charging Policy for bid-writing to be introduced September 2018 for 12 months 	2	2	4	6 monthly	All Strategic Directors

Version Control Record

Version	Date Created	Date of Amendment:	Nature of Amendment	Date of Next Review:
1.0	13.10.11			
1.1		28.8.12	Progress Commentary	
2.0		13.3.13	Reviewed and updated	13.10.13
2.1		20.9.13	Progress Commentary	
3.0		31.3.14	Reviewed and updated in line with the Corporate Peer Challenge and the revised Business Planning Process and associated guidance notes	13.10.14
3.1		15.9.14	Progress Commentary	
4.0		10.4.15	Reviewed and updated	12.10.15
4.1		10.9.15	Progress Commentary	
5.0		01.4.16	Reviewed and updated	01.4.17
5.1		10.9.16	Progress Commentary	
6.0		01.4.17	Reviewed and updated	01.9.17

6.1		10.9.17	Progress Commentary	
7.0		01.4.18	Reviewed and updated	01.9.18
7.1		01.9.18	Progress Commentary	

Scoring Mechanism

Once the business risks are identified and analysed they are scored by multiplying the impact and likelihood. They will then establish a final score (or significance rating) for that risk:

Risk Score	Overall Rating
12-16	High
6-9	Medium
1-4	Low

Those that have been placed in the red boxes are the primary or **Top Risks** followed by the **medium** and **low** risks.

Measures to control the risks are identified from the following options;

1. Reducing the likelihood; or
2. Reducing the impact; or
3. Changing the consequences of the risks by,
 - Avoidance
 - Reduction
 - Retention
 - Transference; or
4. Devising Contingencies, i.e. Business Continuity Planning

The risks are scored again to establish the effects the measures have once implemented on reducing the risks and identify a score rating for residual risks.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
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