

Implementation of High Risk Mitigation Measures (Corporate Policy and Performance Board) – Quarter 2 to 30th September 2017

The purpose of this report is to provide an update concerning the implementation of mitigation measures for those risks relevant to the remit of this Board which have been assessed as high within the Directorate Risk Register(s) 2017 - 18.

Business Area – Finance

Assessment of current risk		Impact (Severity)	Likelihood (Probability)	Score (I x L)		
PR R2	Failure to set a balanced budget, capital programme and council tax in accordance with statutory requirements <i>(Strategic Priority: Corporate effectiveness and business efficiency)</i>	4	3	12		
Risk control measure(s)		Lead Officer	Timescale Review	Residual Impact	Residual Likelihood	Residual Score
R2 a	<i>Medium Term Financial Strategy is updated regularly and informs the budget preparation process which is driven by Management Team and the Members' Budget Working Group.</i>	Ed Dawson Operational Director (Finance)	Annually	4	1	4
R2 b	<i>Given the current scale of Government grant reductions, a strategy for development of budget proposals has been adopted by Management Team and the process for identifying proposals commenced as early as possible.</i>					
R2 c	<i>The budget timetable is structured to ensure the budget preparation process results in approval by Council and in advance of statutory deadline. Regular monitoring ensures the process is kept on track.</i>					
R2 d	<i>Initial budget proposals are presented to Council in December, with further proposals presented to Council in March, to ensure delivery of a balanced budget, capital programme and council tax.</i>					
R2 e	<i>Detailed guidance is provided to all budget managers regarding the process and the timetable to be followed.</i>					
R2 f	<i>The budget is prepared in accordance with statutory requirements and the S151 Officer ensures a balanced budget and council tax is presented for approval by Council.</i>					
R2g	<i>Collection Fund (Business Rates and Council Tax) balances are monitored on a monthly basis, so that early consideration can be given to the impact of actual</i>					

Implementation of High Risk Mitigation Measures (Corporate Policy and Performance Board) – Quarter 2 to 30th September 2017

Assessment of current risk			Impact (Severity)	Likelihood (Probability)	Score (I x L)
PR R2	Failure to set a balanced budget, capital programme and council tax in accordance with statutory requirements <i>(Strategic Priority: Corporate effectiveness and business efficiency)</i>		4	3	12
Risk control measure(s)			Lead Officer	Timescale Review	Residual Impact
<i>collection rates on future budget setting.</i>					
			Residual Likelihood	Residual Score	

Progress update

R2a – The Medium Term Financial Strategy has been updated and was reported to Executive Board on 16th November 2017. This will inform the budget preparation process being driven by Management Team and the Members’ Budget Working Group.

R2b – The process for identifying budget savings to meet the forecast budget gap for 2018/19 has been underway for a number of months via Management Team and with meetings of the Budget Working Group.

R2c & d – Initial budget proposals were considered by Executive Board on 16th November 2017 and recommended for approval by Council on 6th December 2017. Further proposals to deliver a balanced budget will be considered by Council on 7th March 2018.

R2e – Detailed budget preparation guidance and a timetable has been issued to all budget managers.

R2f – The estimated Council Tax Base for 2018/19 was considered by Executive Board on 16th November 2017 and recommended for approval by Council on 6th December 2017. All budget saving proposals have been scrutinised by the Finance Department to ensure their robustness, prior to them being presented for consideration by the Budget Working Group.

R2g – Business rates and council tax collection rates are being monitored regularly and are reported quarterly to Executive Board and Corporate Policy and Performance Board. The Collection Fund has been monitored closely and as a result the current surplus will be used as a one-off saving to assist with balancing the 2018/19 budget. Police and Fire have also been notified as to their respective shares of the Collection Fund surplus. The latest position on collection rates has been taken into account when preparing the Medium Term Financial Strategy.

Implementation of High Risk Mitigation Measures (Corporate Policy and Performance Board) – Quarter 2 to 30th September 2017

Assessment of current risk - (Financial Management cont'd)			Impact (Severity)	Likelihood (Probability)	Score (I x L)		
PR R5	Failure to contain overall spending for the financial year within the Council's annual net budget. <i>(Strategic Priority: Corporate effectiveness and business efficiency)</i>		4	4	16		
Risk control measure(s)		Lead Officer	Timescale Review	Residual Impact	Residual Likelihood	Residual Score	
R5 a	Budget monitoring reports are prepared on a quarterly basis and reported to Management Team, Executive Board and Policy & Performance Boards.		Ed Dawson Operational Director (Finance)	Annually	4	3	12
R5 b	A budget risk register is maintained with quarterly updates to Management Team.						
R5 c	Budget monitoring is undertaken on a day to day basis between Finance Officers and Budget Holders. Budget monitoring reports are sent monthly to all Budget Holders to assist them to check spend, highlight budget variances and review outstanding commitments.						
R5 d	Action plans put in place and monitored for services identified as potentially overspending significantly against budget, which includes regular monitoring of trends and forecasts for demand led services.						
R5 e	Reasonable levels of general and earmarked reserves are maintained in order to minimise the impact of budget overspends.						

Progress update

R5a – Quarter 2 budget monitoring reports were presented to Executive Board on 16th November 2017 and thereafter to the relevant Policy & Performance Boards.

R5b – The budget risk register was updated at the end of Quarter 2 and presented to Management Team on 31st October 2017.

R5c – Budget monitoring is being undertaken daily by Finance Officers in liaison with Budget Managers. The latter have been issued with budget monitoring reports for their areas on a monthly basis.

R5d – Management Team have requested progress reports from those Departments currently spending over budget, to outline the steps being taken to bring spending back in line with budget as far as possible by year-end. All Operational Directors provided details to Management Team on 28th November 2017, as to what steps they are taking to minimise spending within their Departments in order to generate underspends, to help offset those areas of the Council which are over budget.

R5e – The level of reserves is reviewed each quarter to ensure they remain reasonable given the spending pressures facing the Council and the outcome is reported to Executive Board. The Reserves and Balances Strategy has been updated and was presented to Executive Board as part of the Medium Term Financial Strategy on 16th November 2017.

Implementation of High Risk Mitigation Measures (Corporate Policy and Performance Board) – Quarter 2 to 30th September 2017

Business Area – ICT Services

Assessment of current risk			Impact (Severity)	Likelihood (Probability)	Score (I x L)		
PR R5	Network problems or failure prevents the delivery of Council Services. <i>(Strategic Priority: Corporate effectiveness and business efficiency)</i>		4	3	12		
Risk control measure(s)		Lead Officer	Timescale Review	Residual Impact	Residual Likelihood	Residual Score	
<i>R5 a</i>	<i>Business Continuity Plans / Disaster Recovery Plans in Place</i>		Simon Riley Operational Director (ICT & Admin)	Annually	3	2	6
<i>R5 b</i>	<i>Key Services identified so that when network problems occur those areas are given priority</i>						

Progress update

Work has now been completed following the purchase of software and hardware solutions and this has enabled both of the authorities data centres to work as one, enabling either data centre location and the associated services and applications to remain active at all times supporting the wider authorities Disaster Recovery and Business Continuity Plans.

Considerable changes have also been undertaken to upgrade and create resilience within the network's that support key services and the applications that support these services in order that they can be prioritised.

Implementation of High Risk Mitigation Measures (Corporate Policy and Performance Board) – Quarter 2 to 30th September 2017

Business Area – Legal & Democratic Services

Assessment of current risk			Impact (Severity)	Likelihood (Probability)	Score (I x L)	
PR R8	Failure to implement effective Corporate Governance Arrangements results in decision making which lacks transparency, accountability, and efficiency. <i>(Strategic Priority: Corporate effectiveness and business efficiency)</i>		4	3	12	
Risk control measure(s)		Lead Officer	Timescale Review	Residual Impact	Residual Likelihood	Residual Score
<i>R8 a</i>	<i>Standard Report formats</i>	Mark Reaney Operational Director (Legal & Democratic Services)	Annually	4	1	4
<i>R8 b</i>	<i>Adoption of a written Constitution reviewed annually</i>					
<i>R8 c</i>	<i>Implementation of statutory access to information requirements</i>					
<i>R8 d</i>	<i>Implementation of Overview and Scrutiny arrangements</i>					

Progress update

All staff are urged to follow standard report templates, which have recently been reissued for information.

The Constitution was reviewed on an annual basis as usual and the revised version was approved by Council in May 2017. Preparations have now commenced for the 2018 review.

The Information Governance Group continues to meet regularly to ensure compliance with access to information and data protection requirements and the FOI allocation and tracking system is well established. Arrangements are now in hand to integrate the new requirements of the new General Data Protection Regulation which comes into force in May 2018 and sessions have been organised for senior managers in January / February 2018 to explain the new requirements. This follows the publication of guidance from the Information Commissioners Office in May 2017 highlighting the steps that would need to be taken in preparation of the regulation coming into force and which is available [here](#)

Scrutiny committees meet frequently and operate effectively, and the Scrutiny Chairs Group meets regularly to ensure consistency of approach.