

## Implementation of High Risk Mitigation Measures (Corporate PPB) – Quarter 2 to 30<sup>th</sup> September 2020

The purpose of this report is to provide an update concerning the implementation of mitigation measures for those areas of risk which have been assessed as high that are of relevance to the Board.

### Business Area – Financial Management

Assessment of current risk		Impact (Severity)	Likelihood (Probability)	Score (I x L)		
<b>ECR R1</b>	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	4	<b>16</b>		
Risk control measure(s)		Lead Officer	Timescale Review	Residual Impact	Residual Likelihood	Residual Score
R1 a	<i>Medium Term Financial Strategy is updated regularly as information is received from Government and other sources, and this informs the budget preparation process which is driven by Management Team and the Members' Budget Working Group.</i>	Operational Director (Finance)	Annually	4	3	<b>12</b>
R1 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>					
R1 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>					
R1 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>					
R1 e	<i>Detailed guidance is provided to all budget managers regarding the process and the timetable to be followed.</i>					
R1 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>					

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<i>R1 g</i>	<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 collection rates on future budget setting.</i>					

### Progress update

- R1a - The Medium Term Financial Strategy (MTFS) was reported to Executive Board on 19<sup>th</sup> November 2020. This will inform the budget preparation process being driven by Management Team and the Members' Budget Working Group.
- R1b - Given the Covid19 pandemic and the uncertainty regarding future Council funding, the process for developing the 2021/22 budget was delayed until there was more certainty. On 26<sup>th</sup> November 2020 the Budget Working Group considered the Medium Term Financial Strategy and agreed the process for identifying budget savings to meet the forecast budget gap for 2021/22.
- R1c/d - Budget proposals are currently being developed by Management Team, which will be presented to the Budget Working Group in January 2021. This will follow the Local Government Grant Settlement due in mid-December 2020, which will confirm the Council's funding for 2021/22 and thereby the budget gap. Budget proposals will then be considered by Executive Board on 25<sup>th</sup> February 2021 and recommended for approval by Council on 3<sup>rd</sup> March 2021 to deliver a balanced budget, along with the capital programme and setting the level of council tax.
- R1e - Detailed budget preparation guidance and a timetable has been issued to all Budget Managers, who are also being supported by their Finance Officers
- R1f - The estimated Council Tax Base for 2021/22 was approved by Council on 11<sup>th</sup> November 2020. All budget saving proposals are scrutinised by the Finance Department to ensure their robustness, prior to them being presented for consideration by the Budget Working Group. The Local Government Grant settlement in mid-December 2020 will provide details of the level of funding available to support the Council's budget. This will enable the S151 Officer to determine that a robust and sustainable budget is presented for approval by Council on 3<sup>rd</sup> March 2021.
- R1g – 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 throughout the year to assess the potential impact of Covid19 upon collection rates. A deficit position on the Collection Fund is forecast by year-end, which will impact upon budget setting for 2021/22 onwards. However, Government have announced through the Spending Review that they will fund 75% of such deficits, with the remainder being recovered over three years.

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Detailed guidance regarding these arrangements is awaited, so that any impact for 2021/22 budget setting can then be determined and Police and Fire will be notified as to their respective shares of the Collection Fund deficit.

Assessment of current risk - (Financial Management cont'd)			Impact (Severity)	Likelihood (Probability)	Score (I x L)	
<b>ECR R4</b>	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	<b>16</b>	
Risk control measure(s)		Lead Officer	Timescale Review	Residual Impact	Residual Likelihood	Residual Score
R4 a	Budget monitoring reports are prepared on a quarterly basis and reported to Management Team, Executive Board and Policy & Performance Boards.	Operational Director (Finance)	Annually	4	3	<b>12</b>
R4 b	A budget risk register is maintained with quarterly updates to Management Team.					
R4 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.					
R4 d	Early identification is sought of services, which are under pressure and appear likely to overspend significantly against budget. This enables action plans to be put in place as soon as possible and monitored, including regular monitoring of trends and forecasts for demand-led services.					
R4 e	Reasonable levels of general and earmarked reserves are maintained in order to minimise the impact of budget overspends.					

### Progress update

R4a - Departmental budget monitoring reports for quarters 1 and 2 have been reported to PPBs as appropriate. The Council wide quarter 2 budget monitoring report was presented to Management Team and then to Executive Board on 19<sup>th</sup> November 2020. Covid 19 related spending and income losses have been presented alongside the Council's core budget, to enable the financial impact of Covid19 to be separately identified and monitored.

R4b – The budget risk register was updated at the end of Quarter 2 and presented to Management Team.

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- R4c – Budget monitoring is being undertaken on a daily basis by Finance Officers in liaison with Budget Managers. The latter have been issued with budget monitoring reports for their areas on a monthly basis. Monthly returns are being provided to MHCLG regarding Covid19 related expenditure and estimated income losses.
- R4d - Team have received regular progress reports highlighting those areas currently spending over budget and the actions being taken by each Directorate to bring spending back in line with budget as far as possible by year-end.
- R4e - 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 19<sup>th</sup> November 2020.

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### Business Area – ICT Services

Assessment of current risk		Impact (Severity)	Likelihood (Probability)	Score (I x L)		
<b>ECR R5</b>	Network problems or failure prevents the delivery of Council Services. <i>(Strategic Priority: Corporate effectiveness and business efficiency)</i>	4	3	<b>12</b>		
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>	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

The continued virtualisation of server-based systems linked to the authorities active/active dual data centre strategy maintains both the DR/BCR plans for the council's ICT solutions. The council also utilises 3 internet connection locations again creating a level of resilience linked to supported multi vendor LAN and WAN networking strategies supporting both DR/BCR planning requirement. The authority operates and owns industry standard backup facilities holding multiple copies of data assets.

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### Business Area – Legal & Democratic Services

Assessment of current risk		Impact (Severity)	Likelihood (Probability)	Score (I x L)		
<b>ECR R8</b>	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	<b>12</b>		
Risk control measure(s)		Lead Officer	Timescale Review	Residual Impact	Residual Likelihood	Residual Score
<i>R8 a</i>	<i>Standard Report formats</i>	Operational Director (Legal & Democratic Services)	Annually	4	1	<b>4</b>
<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

Standard report formats remain in place and are kept under review to ensure that they continue to be fit for purpose.

The Constitution was approved in May 2020.

Access to information requirements are kept under constant review. Extensive work and training was carried out concerning the implementation of the General Data Protection Regulation in May 2018 and all staff were required to complete an e-training module.

Overview and Scrutiny arrangements continue to operate effectively and necessary amendments are made as & when required.

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### Business Area –Community and Environment

Assessment of current risk			Impact (Severity)	Likelihood (Probability)	Score (I x L)	
<b>ECR R29</b>	Cost of using the stadium to disadvantaged/community groups.		4	3	12	
<b>ECR R30</b>	Lack of knowledge of the benefits of the Halton Leisure card.		4	3	12	
Risk control measure(s)		Lead Officer	Timescale Review	Residual Impact	Residual Likelihood	Residual Score
R29 a	Ensure all community user groups are made aware of discounts available.	Operational Director	Quarterly	2	2	4
R30 a	Work closely with Sports Development team to actively promote the HLC to all low income/community user groups.			2	2	4

### Progress update

**R29a** There are a number of clubs and charities who use the stadium facilities currently and they are aware of discounts available, such as, Table Tennis, Karate, Ladies Gym, Kickboxing, Let's Go Club, Chemics Café. We also support with Widnes Vikings and a number of charitable organisations. Any discounts are discussed and agreed by Stadium Management.

**R30a** Despite the continued promotion of the offer, the uptake of the card has declined over the last few years. This could be down to the fact that the discounts and number of providers listed on the card has reduced.

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Assessment of current risk			Impact (Severity)	Likelihood (Probability)	Score (I x L)	
<b>ECR R31</b>	Financial pressures on the service to increase rate of return.		4	3	12	
<b>ECR R33</b>	The cost of a school lunch to low income families.		4	3	12	
Risk control measure(s)		Lead Officer	Timescale Review	Residual Impact	Residual Likelihood	Residual Score
R31 a	Look to source additional funding. Produce a healthy eating policy and have it formally adopted by the Council.	Operational Director	Quarterly			
R33 a	Look to seek external/internal funding to help reduce the burden of cost.					

### Progress update

**R31a** Due to Covid 19 a number of initiatives have been applied which has seen the introduction of free meal entitlement all year round rather than just term time only. ALL children in KS1 are entitled to a free school meal regardless of eligibility and when a child moves to KS2, the universal credit application has been short-circuited, allowing them to have a free school meal without waiting for the six week period.

**R33a** A fundamental review has taken place that has seen the introduction of every child in secondary school receiving a free, reusable water bottle.