

## **Slough Borough Council**

<b>Report To:</b>	Audit and Corporate Governance Committee
<b>Date:</b>	14 <sup>th</sup> December 2022
<b>Subject:</b>	Risk Management Update – Quarter 3 2022/23
<b>Chief Officer:</b>	Steven Mair – Director of Finance and Commercial (S151)
<b>Contact Officer:</b>	Mike Thomas Interim Financial Adviser
<b>Ward(s):</b>	All
<b>Exempt:</b>	No
<b>Appendices:</b>	Appendix 'A' – Corporate Risk Register

### **1. Summary and Recommendations**

- 1.1 This report is to update the Audit and Corporate Governance committee on the corporate risk register with an opportunity to comment. The register is shown below at Appendix A.

#### **Recommendations:**

- 1.2 The Audit and Corporate Governance Committee is recommended to:
- Note the revisions to the risk register and comment on the report

#### **Reason:**

- 1.3 Risk is inherent in all activities across the Council and risk management is an integral part of the Council's corporate governance arrangements. Managing risk improves the way we do business. It plays a key role in helping achieve our strategic objectives. It helps ensure decision making is better informed, precious resources are used efficiently and effectively and helps avoid unwelcome surprises. Good risk management is a key part of our everyday business.
- 1.4 It is good practice to review and update the Council's corporate risk register on a regular basis.

#### **Commissioner Review**

The identification, management and mitigation of risk is essential for the effective running of an organisation – it should inform the day to day running of services, planning and decision making.

The Commissioners are pleased to see this report on the agenda.

## **2. Report**

- 2.1 A review has been undertaken of the description of all risks, the consequences, current controls, actions and inherent risk score with the assistance of risk owners and action owners. The document at Appendix A is the current version of the Corporate Risk Register as at 30th November 2022. This will be updated on a monthly basis. This version was reviewed and updated by the Corporate Leadership Team at its meeting on 30 November.
- 2.3 Since the last meeting each of the risks has been shared with the allocated Risk Owner and Action Owners for comment and update. In some cases a meeting has been held to discuss the revised position.
- 2.4 The main changes and actions that need attention are as follows:

### **Risk 1 – Children’s Safeguarding**

The context, consequence and current controls sections have been amended to reflect the fact that the risk is more than a financial issue for the Children’s Company and that there are a number of partnership and service issues that need to be resolved to ensure they do not impact the safety of any child in the borough. There is a Safeguarding Risk register in place and this has been used to update the corporate risk register.

The key risks remain the financial viability of the Children’s Company, recruitment of social workers and the continuing increasing levels of demand post Covid. Actions are progressing to mitigate these risks and there is a separate report on the Committee’s agenda in relation to action against the governance review of SCF.

### **Risk 2 – Delivery of the Adult Social Care Transformation Programme**

Minimal changes to the risk narrative and main actions are focused on delivery by 31 March 2023. CLT reviewed progress against this risk as an agenda item on the October meeting. Regular review is taking place and is reported to the ASC Transformation Board. Key deliverable in 2023 is a revised Adults Strategy that aligns to the transformation programme. This is on track to be completed by end of February 2023 to inform 2023/24 and beyond

### **Risk 3 – SEND Local Area Inspection**

Minimal changes to the risk narrative. Written Statement of Action agreed with DfE and on-going discussion with department about Dedicated Schools Grant funding. Plan in place to reduce deficit subject to government support. Recruitment to key posts actively taking place. Expected re-inspection in late 2023. SEND Board monitoring taking place.

### **Risk 4 - Impact of Cost-of-Living Crisis on Slough Residents**

Action owner amended from CLT to Chief Executive to ensure corporate approach to response to increased demand and pressures is taking place. Actions relating to contract management aspects now complete and therefore moved to business-as-

usual controls. Revenues and Benefits team continue to respond to changes from Government regarding support measures and have successfully completed the first phase of payments under the Household Support Fund. A number of cost saving actions for the Council are still in train subject to disposal of council owned properties and development of various energy efficiency strategies early in 2023.

### **Risk 5 – Temporary Accommodation**

Minimal change as key action remains the need to recruit staff on a temporary and permanent basis to enable the service to progress and manage the statutory requirements. Potential impact on clients, reputation and financial subsidy if service improvement does not happen. Government review being undertaken during October which will inform plans. The department is also undertaking a fundamental review of the service and its processes as part of the wider Housing Strategy review. This is scheduled to complete by 31 December 2022.

### **Risk 6 - Recruitment and Retention**

Minimal changes to the narrative. A number of actions have completed and a number have been re-scheduled into 2023. Key actions that are in progress are the development of an overall recruitment strategy; introduction of a system to provide reliable data on the reasons for staff turnover; review of the current pay and reward structure; a recruitment plan for SCF which will follow agreement of a revised business plan. Progress has been made with the introduction of a new performance management system which is currently being rolled out. The financial impact is continuing high levels of spend on contractors which remains unsustainable.

### **Risk 7 – Health and Safety**

Progress is being made but a number of key actions remain to be completed by 31 March 2023 including development of a new corporate Health and Safety strategy; a gap analysis of training needs, provision and uptake; completion of all health and safety audit reviews and implementation of an appropriate software solution for monitoring and tracking health and safety incidents and providing information for learning for the future.

### **Risk 8 – Emergency Planning and Business Continuity**

Significant progress has been made on developing and approving key policy and strategy documents such as the Major Incident Plan and Business Continuity Plan and relationships with the Thames Valley Resilience Forum have been strengthened. Whilst recent events such as Operation London Bridge and the bus station fire have tested these arrangements there remains a recognised need to undertake a formal testing exercise across all agencies during 2023. Training for Gold Commanders ie CLT members is in hand during December but needs to be completed and a rota developed as a matter of urgency. Other training for Silver and Bronze is also still being completed.

### **Risk 9 – Cyber Security**

Minimal changes to the narrative, actions or risk score as defences have been put in place and there is on-going review of the Council's IT security. A number of key appointments have been made to strengthen security and compliance with GDPR

requirements including an experienced Data Protection Officer. A key mitigation will be the implementation of the security aspects outlined in the IT modernisation programme scheduled to complete by 30 June 2023. In the interim there remains an inherent risk of an attack that could impact ability to provide services. Arrangements have been put in place through the Emergency Planning group should this threat become a reality.

### **Risk 10 – Financial Management and Sustainability**

Progress continues to be made to implement the core actions required to improve financial management, financial reporting and internal control. Actions delivered have included the completion of the accounts for 2018/19 and 2019/20, the recruitment of a range of people following the restructure and further external advertising is currently happening; the 2022/23 budget is being managed and a large proportion of the savings for 2023/24 have already been identified; an improved budget monitoring and reporting process is in place; Members are kept up to date through the Finance Action Plan and regular briefings and the departmental business plan is to be refreshed alongside the Service Plan for 2023/24. The sale of assets is ahead of schedule which is beneficially impacting the scale of the overall capitalisation directive and the councils' ability to balance the budget within the medium term.

### **Risk 11 – Pace of sale and valuation of assets**

The pace and valuation of asset sales is in line or ahead of the potential identified in the Strategic Asset Review undertaken by Avison Young, £200m is forecast for 2022/23. Performance against the strategy is reported to the Cabinet and is monitored by the Asset Disposals Working Group. This is impacting the Council's Medium Term Financial position positively as it enables debt reduction to happen more quickly. Close monitoring and delivery of the strategy over five years remains crucial to future financial sustainability.

### **Risk 12 - Governance of Council Companies**

The narrative has changed little as progress continues apace. All dormant companies have been closed and the governance and reporting arrangements for the four main companies have been greatly altered and improved. Detailed plans are in place to manage the Council's interests to achieve the best outcomes and minimise liabilities over the next 18 months.

### **Risk 13 - Improvement and Recovery Planning**

The Council has responded positively to the Directions and implemented many actions. The reporting of these improvements are now being brought together in a more holistic manner to enable a more consistent and evidenced based dialogue to take place with the Commissioners. The recruitment of a programme management support office has provided focus and challenge. Reporting to the Improvement and Recovery Board continues to evolve but is greatly improved. The alignment of the Improvement and Recovery actions with departmental service plans is taking place before the year end.

### **Risk 14 – Digital Strategy**

Recruitment has taken place to key posts and the strategy is in development through the establishment of a sub-group of the Corporate Leadership Team which is giving oversight and co-ordination to this important strategic theme. Delivery of a robust digital

strategy will unlock inefficiencies and provide better customer service and service outcomes. This will be a key risk area for 2023/24 and beyond.

## 2.5 Revised Corporate Risk Register

2.5.1 The revised corporate risk register is shown as Appendix A which sets out all the actions by risk and progress against completion of all actions. The current scores attributed to the various risks are shown in Table 1 below:

Risk	Inherent Risk	Current Risk	Target Risk	Direction of Travel
Risk 1: Safety of Children and Young People	24	20	9	↔
Risk 2: Delivery of the Adult Social Care (ASC) Transformation Programme	18	6	4	↔
Risk 3: Special Educational Needs and Disability (SEND) Local Area Inspection	24	16	4	↔
Risk 4: Impact of the cost-of-living crisis on Slough's residents	24	18	6	↔
Risk 5: Risk of the failure of statutory duty for provision of temporary accommodation	18	12	6	↔
Risk 6: Service delivery risk due to workforce recruitment and retention issues	24	20	6	↔
Risk 7: The Council does not take adequate mitigation to reduce the risk of injury or death from incidents within the Council	20	12	6	↔
Risk 8: Business Continuity and Emergency Planning	24	8	6	↑
Risk 9: Cyber Security	15	9	6	↓
Risk 10: Financial sustainability	24	15	4	↑
Risk 11: Pace and evaluation of the disposal of assets	24	12	8	↑
Risk 12: Governance and financial implications of the council companies	20	9	2	↑
Risk 13: Recovery and Renewal Plan	24	15	6	↑
Risk 14: Failure to explore opportunities for more efficient operating models	16	12	8	↔

Note: ↑ indicates risk assessment has improved since last review; ↓ indicates risk assessment has deteriorated since last review

## 3 Implications of the Recommendation

### 3.1 Financial implications

3.1.1 There are no direct financial implications relating to the updates to the corporate risk register and the mitigating actions, but completion of the actions will improve the council's processes including those that underpin sound financial management, for example the council's accounts and budget.

## 3.2 Legal implications

- 3.2.1 Failure to address those risks associated with the Directions from the Department for Levelling Up, Housing and Communities will impact the ability to secure the Authority's compliance with the requirements of Part I of Local Government Act 1999. The Council has specific legal duties in relation to certain areas, such as managing health and safety risks and civil contingency. Effective risk management is a key part of good governance. As stated in the Council's Policy Statement on Corporate Governance:

"Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision-making activities."

## 3.3 Risk management implications

- 3.3.1 Failure to operate an adequate strategic risk register exposes the Council to risk across a wide variety of services because:

- Risks are not identified
- Actions are not planned and progress reported
- Members are not made aware of the serious risks facing the Council

- 3.3.2 There are a number of mitigations in place that currently rates the risk Amber and reflects the continuing work to develop management of strategic risk including:

- a pro active officer risk and audit board
- pro active management of the risk register
- a risk register that encompasses strategic risks with actions, milestones
- reporting that shows trends, update on actions and impact of actions

- 3.3.3 The council is working to rate the risk Green in the 2023/24 financial year by implementing the following actions:

- recruit to an in house Risk and Insurance Team to provide support, guidance, professional advice and the necessary tools and techniques to enable the organisation to take control of the risks that threaten delivery.
- implement an Enterprise Risk Management Framework and if necessary, an associated IT system to manage risk

## 3.4 Environmental implications

- 3.4.1 There are no direct environmental implications in this report

### 3.5 Equality implications

- 3.5.1 Section 149 of the Equality Act 2010 requires public bodies to have due regard to the need to:
- eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act;
  - advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
  - foster good relations between people who share a protected character.
- 3.5.2 The risks highlighted above affect service users and residents in different ways. Risks to services such as children's and adult social care are more likely to impact on children and young people and vulnerable adults and older people than the wider population. Failures in the SEND service will impact on children and young people with disabilities. Likewise failures in provision of temporary housing will affect certain population groups to a greater extent.

## 4 Background Papers

None

## **Risk 1: Safety of Children and Young People**

**Risk Owner: Executive Director Children**

**Direction of Travel: ⇄**

### **Description:**

Children and Young people are not kept safe through failure to meet our statutory and regulatory obligations

### **Context**

- If Slough Children First becomes financially unviable then the Council will need to divert resources to continue essential services for children and their families
- Slough Children First (SCF) are a wholly owned council company that provide children's safeguarding through a service contract. A business plan and budget is agreed by cabinet each year and managed via a strategic commissioning board. There is risk that the company fails to deliver safeguarding services to children within the approved budget due to additional demands.
- The company is reporting an in year overspend of £4m and has requested a further £1.3m to invest in Early Help to reduce costs in future years. There is a risk that the company could go into liquidation if it does not mitigate the loss or receive financial support from the council.
- The Department for Education (DfE) have notified the company that it will be substantially reducing the grant it provides for annual running costs of £2.2m pa to in the region of £0.8m in 2023/24 and potentially less in future years. This loss of grant will either need to be filled from additional savings or support from the council.
- Increasing demands in terms of referrals both pre and post the pandemic have put significant pressures on the Company's resources and its ability to meet agreed targets across a range of measures.
- The Company along with many service areas is finding difficulty in recruiting qualified and experienced members of staff.
- At the current time these challenges have not translated into any major child safety issues – but the increasing pressure on staff workloads and across the safeguarding partnership, more generally, means this remains a high-risk area.
- The volume of cases moving to referral is increasing as is the complexity of cases with a subsequent impact on resources.
- Inability to fund additional Early Help services increases the chance of referral and additional demand.

### **Consequence:**

- The risk that children's lives are being placed at greater risk due to the rising demands and not having sufficient resources to meet that demand, which could lead to risk of harm being missed.
- Inability to spend within budget
- Reputational damage to the council and the company if unable to meet its statutory duties



- If improvements to service delivery are not made in line with the Directions issued by the Department for Education there is a risk of further intervention

### **Current Controls:**

- The performance and financial position of the company is monitored on a monthly as is through the contract monitoring process and strategic commissioning board chaired by the Chief Executive.
- The financial position is reported to cabinet through the council's budget monitoring process and stand alone reports requesting in-year changes to the budget.
- The business plan is subject to a scrutiny task and finish group, which is focused on a specific area of the plan. The business plan will be approved by Cabinet as part of the budget setting process.
- The DfE have commissioned Mutual Ventures to review the SCF business plan to assess its effectiveness as a model for invest to save.
- Recruitment plan in place including overseas options
- Audits of the Front Door process show decision-making is sound
- Sustainable Early Help service business case is in development
- The Council and SCF board are working together on improvements to the governance arrangements in place and this is being monitored by the Audit and Corporate Governance Committee.

### **Strategic Objectives:**

A borough for children and young people to thrive

A council that lives within our means, balances the budget and delivers best value for taxpayers and service users

### **Actions Required:**

- Resolve the in-year financial position and establish medium term position
  - Actionee: Andrew Fraser/Matt Marsden
  - Target date: 19th December 2022
  - Latest update: Report to December Cabinet
- Review the recruitment plan and assess further options
  - Actionee: Andrew Fraser/ Incoming CEx/ DCS
  - Target date: 28th February 2023
  - Latest update: This is being reviewed by the People Scrutiny Task and Finish Group who will report in February
- Implement the Early Years strategy and plans and report regularly to the Safeguarding Partnership and CLT on progress.
  - Actionee: Andrew Fraser / Incoming CE/ DCS
  - Target date: 28 February 2023
  - Latest update: Draft business case with delivery plan will be updated and shared at the February Cabinet

	Inherent Risk	Current Risk	Target Risk
Likelihood	6	5	3
Impact	4	4	3
Score	24	20	9

Date last updated: **30<sup>th</sup> November 2022**

## **Risk 2: Delivery of the Adult Social Care (ASC) Transformation Programme**

**Risk Owner: Executive Director of People (Adults)**

**Direction of Travel: ⇄**

### **Description:**

If the adult social care transformation programme does not deliver changes in a timely and effective way there will be a negative impact on quality of service with residents directly affected, savings will not be achieved and a balanced budget will not be delivered.

### **Context**

- There are pressures across the adult social care service with regard to provider stability, increasing demand, partnership working and provider costs.
- The ASC Transformation Programme is on track to deliver a savings target of £9,121,000 which was set in 2021 and which was intended to be delivered over 3 years (2021-2024). Of this amount, £4,771,000 is expected to be delivered in the 2022-2023 financial year. This is being delivered through a range of improvement projects relating to adult social care. This is alongside an additional savings programme managed directly by the directorate – taking a likely minimum savings total of £14.7M being delivered over three years.
- Adult Social Care is currently experiencing a number of conflating pressures. These include the need to:
  - Implement Adult Social Care Reforms – including preparation for the new Assurance (Inspection) Regime.
  - Manage the market of social care providers within the context of inflationary pressures and a backdrop of economic uncertainty.
  - Maintain business as usual alongside improvement activity
  - Manage resourcing challenges

### **Consequence:**

- Increasing number of people waiting for assessment, service or review.
- Increasing number of safeguarding cases.
- Provider failures and reduced quality.
- Demand increasing.
- Use of agency staffing increasing.
- Budget not balanced, savings not delivered, cost and price increasing.
- Health funding to support the changes may be withdrawn
- Damage to reputation
- Ability to recruit suitably skilled workforce and manage the welfare of the workforce

### **Current Controls:**

- Adult Social Care business case and implementation plans
- Adult Social Care Transformation Board – reporting into Recovery and Renewal board
- Tracking of actions and savings
- Support and challenge from People Too consultant partners – regularly meet to monitor the programme
- 22/23 Funding for Transformation partner agreed at 21/03/22 Cabinet
- Directorate away days – to increase reliance and build relationships within the directorate

### Strategic Objectives:

- A council that lives within our means, balances the budget and delivers best value for taxpayers and service users
- An environment that helps residents live more independent, healthier and safer lives

### Actions Required:

- Manage additional income from client contributions. Based on the Financial Assessment and Charging Workstream,:
  - Backdated invoices raised to the value of **£889k last financial year**
  - Target for this year £560k - £231k already achieved
  - This is considered additional income over and above that budgeted
  - Actionee: Marc Gadsby
  - Target Date: 31/03/2023
  - Latest Update: Progress continues to be made – Provider Services now closed - monthly reporting of progress to ASC transformation programme board, monthly project report to Exec Board and weekly financial tracking progress to lead members and directors.
- Deliver the workstream actions in the adult social care transformation programme. Good progress is being made – monthly reporting of progress to ASC transformation programme board, monthly project report to Exec Board and weekly financial tracking progress to lead members and directors. Cashable savings 2022/2023 currently being ratified to the value of £2.8m.
  - Actionee: Marc Gadsby / Jane Senior
  - Target date: 31/03/2023
  - Latest update: Progress continues to be made – Provider Services now closed - monthly reporting of progress to ASC transformation programme board, monthly project report to Exec Board and weekly financial tracking progress to lead members and directors.
- Agree the Adults social care strategy at Cabinet which aligns to the transformation programme
  - Actionee: Marc Gadsby
  - Target date: 28 February 2023
  - Latest update: Alignment of strategy to be launched in 2023/24

	Inherent Risk	Current Risk	Target Risk
Likelihood	6	2	2
Impact	3	3	2
Score	18	6	4

Date last updated: **30<sup>th</sup> November 2022**

## **Risk 3: Special Educational Needs and Disability (SEND) Local Area Inspection**

**Risk Owner: Executive Director People (Children)**

**Direction of Travel:** ⇄

### **Description:**

If we fail to provide a fit for purpose SEND service then it puts service users at risk and provides poor value for money.

### **Context**

- The SEND Local Area Inspection took place in September/October 2021. The report highlighted significant areas of weakness.
- The local area includes the local authority SEND services, Children's Social Care and Health partners.
- The area was required to produce a Written Statement of Action (WSOA), which highlights how we will address the areas of concern. This was produced and sent to Ofsted/CQC on 18<sup>th</sup> February. It was approved by Ofsted and CQC as fit for purpose but with a letter of recommendations to add to the WSOA.
- There is an approximate timeline of 12-18 months for improvements to be demonstrated in which Ofsted are likely to be back for inspection again.
- Staff turnover and absence is impacting significantly on delivery of SEND services
- Current SEND service is not fit for purpose and additional resources are required.
- The High Needs Block is significantly overspent with a deficit of approximately £26 million.
- The LA is required to have a DSG (Dedicated School Grant) management programme to address this and reduce in-year spend to 0 within 4-5 years.

### **Consequence:**

- Reputational risk
- Failure to carry out statutory duties
- Vulnerable children not getting the full support they are entitled.
- Failure to reduce High Needs Block overspend
- Potential DfE intervention
- Negative Ofsted re-inspection outcome
- Deterioration of relationship with stakeholders/resident and partners
- Financial risk

### **Current Controls:**

- Extra funding has been agreed to expand the SEND service by 6FTE and recruitment is taking place. Expected start dates if recruitment successful will be End of January/Beginning of February 2023.
- Monthly SEND strategic board meetings
- DSG recovery plan is in place to reduce costs over 4-5 years.
- Bi-weekly meetings with DfE regarding Safety Valve Programme. LA is forecasting a balanced budget within 4 years.
- LA looking to submit papers to join safety valve programme by February 2023.

- Monthly SEND strategic board meetings
- Monthly DSG management plan meetings
- Slough Children First and the Clinical Commissioning Group have put in additional resources to address the areas highlighted in the Ofsted inspection
- Regular meetings are being held with the DfE – there are Slough specific advisors – monitoring and challenge the implementation of the WSOA
- A SEND LGA review was commissioned by the DCS and took place on 20-23<sup>rd</sup> September 2022

### **Strategic Objectives:**

- A borough for children and young people to thrive

### **Actions Required:**

- Exploring specific resources to implement the WSOA. Additional SEND staffing resources are needed to improve functioning of the team and secure improvement. Update: The new roles have been graded and will be going out to advert to recruit in September 2022
  - Actionee: Johnny Kyriacou
  - Target date: January and February 2023
  - Latest update: Interviews have taken place over October and the following have been recruited to: 4 Assistant SEND Officers, 1 SEND Officer. 4 candidate start dates throughout December and January with one candidate to be negotiated still. Recruitment to a Compliance and Partnerships Manager was unsuccessful and will go back out to advert in January so as to maximise interest.
- Implement the WSOA with all relevant partners, the WSOA
  - Actionee: Johnny Kyriacou
  - Target date: January 2023
  - Latest Update: Monthly board meetings continue to take place with all relevant partners. A project manager has been secured via the council PMO team who will be supporting delivery of the WSOA. Note this action is led by JK in the council but is a joint delivery between education, social care and health services.
  -
- Implement SEND LGA review recommendations with all relevant partners.
  - Actionee: Johnny Kyriacou
  - Target date: January 2023
  - Latest Update: The draft report has been reviewed and the LA will develop an action plan for implementation. A cabinet report is being prepared for January 2023.
- Implement Dedicated Schools Grant (DSG) recovery plan in partnership with the Department for Education (DfE). This is also known as the Safety Valve programme. Meetings are taking place with the DfE with two workshops in August 2022
  - Actionee: Johnny Kyriacou

- Target date: February 2023
- Latest Update: The LA is preparing a submission to the DfE in January and is currently working on its presentation documents. The DfE have commented on positive progress in working with the LA to date.

	Inherent Risk	Current Risk	Target Risk
Likelihood	5	4	3
Impact	4	4	3
Score	20	16	9

Date last updated: **30th November 2022**

## **Risk 4: Impact of the cost-of-living crisis on Slough's residents**

**Risk Owner: Chief Executive**

**Direction of Travel: ⇄**

### **Description:**

Rising inflation will impact the Council and residents ability to meet day to day essential needs.

### **Context**

- UK inflation (CPI) has increased to 9.6% - the highest since 1992, the bank of England is predicting further rises
- Energy price cap has increased by 54%, and is expected to increase further when it is revised in October 2022
- Increase in food and energy prices has led to a rise in food and fuel poverty
- This has led to an increase in residents and local businesses needing council support and services. Need is likely to continue increasing
- The Autumn statement announced increases in benefits and pensions of 10.1 per cent. In addition, there are changes to the Council Tax increases that can be applied by the Council and a range of other funding measures that will be built into the budget statement in March 2023.
- A number of one-off cost of living payments were announced from April 2023 as well as changes to the Governments energy support package which will be scaled back from April 2023.
- Benefits increased in April 2022 by less than the current level – or expected level – of inflation, which even with inflationary increases will put pressure on households relying on these payments.
- Failure to obtain energy at competitive prices will significantly impact savings targets and ability to provide services to residents.
- The estimate cost of energy supply contracts is now £5.24m in 22/23 against the (21/22 outturn of £3.14m). The budget for energy was set at £3.16m for 22/23. There is now an estimated £2million revenue pressure overall on energy costs across the Council corporate assets, street lighting, PFI school and housing.
- There are also historic energy debts and meter data charges, disconnection costs of approximately £0.2m in 22/23

### **Consequences**

- Financial difficulties impact on other areas of residents' lives (e.g., health) which could further increase pressure on services including social care services due to increase stress/mental health issues
- The council and its services will also be directly affected by an increase in its own costs, including contractors increasing prices for services provided to the council
- This will further increase pressure on SBC's limited finance and resources and affect the council's recovery process and response to policy changes
- Delivery of budget at greater risk due to costs rising faster than commercial income, grant income, council tax and business rates



- Capital budget estimates may prove to be understated, SBC cannot afford to put more money in and so there may need to be decisions about the quality/quantity/scale of what is being built/acquired
- Interest rates, impacting on borrowing costs, could rise beyond the level assumed in the budget
- Residents are forced out of the private rented sector due to rent increases and into homelessness
- Inability of residents to pay council tax
- Instability of business effects collection of business rates
- Residents fall into absolute poverty and have to make difficult decisions related to personal finances and may affect their ability to pay priority debt e.g. council tax
- Greater demand on welfare teams
- Schools, already facing constrained budgets and rising deficits, will also be hit with rising energy costs and have to make decisions around energy usage and how to prioritise spend
- Unions arguing for higher pay increases for staff, increase in cost of filling essential temporary posts
- Consequences for energy price rises include:
  - Cost of street lighting has nearly tripled
  - Cost of corporate assets have nearly tripled
  - Cost to tenants and leaseholder energy cost has tripled
  - Cost of PFI school energy costs has tripled
  - Overall revenue pressure of energy costs is £2m+

### **Current Controls:**

- Government support:
  - £500m new funding for the Household Support Fund (HSF), with £421 million to be distributed by local authorities in England
  - Tranche 2 of the HSF the Council received £1,177m in funding and spent £40k on administration of schemes
  - To date we have paid the following:
    - Support for food for families in receipt of Free School Meals - £681k for 6,488 children over May half term and Summer holidays
    - Support for residents have requested support - £49.3k for 251 claims
  - The guidance for latest batch of HSF funding for Oct 2022 – March 23 has been announced but not the value, once this is known we will make recommendations for the best utilisation of this funding.
  - A £150 non-repayable rebate for households in England in council tax bands A to D. The Core scheme has been completed, the final 13.7k rebates were paid onto council tax accounts on 2nd September
  - Rise in the National Insurance threshold and changes in personal taxation will help those at the bottom end of the earnings scale – those under £25k will pay less in direct taxes on income
- Monitoring of monthly trends/indicators of social poverty to demonstrate the extent to which Slough residents are affected e.g. households in receipt of council tax relief, free school meals, temporary accommodation etc. This is done through the Local Insight tool to monitor trends and reporting monthly to CLT, which includes service demand indicators such as temporary accommodation.

- Council website updated to help people understand what benefits they are entitled to
- Internal Energy group set up to monitor energy spend and consumption. Eenergy provide billing and metering services to ensure accurate billing. Arrange disconnections of unused meters and supplies, add new/existing meters under the energy corporate contracts. Claw back overpayments. Remove unused meters, add new/existing meters under corporate contract.
- Risk management strategy developed to determine when purchase energy volume under new flexi Gas and Energy (HH) contracts. Energy brokers Beond will advise on opportunistic purchasing (markets retrace). Assume future gas and energy volume at lower market rate during Q2, Q3 and Q4 – provisional estimate **£100k** saving but entirely dependent on market rates at time of purchase – going back to Cabinet with a revised purchase strategy in February 23.
- Housing recharge energy costs for communal heating and lighting to residents – needs a paper to determine the level of recharge and whether HRA reserve picks up some of this cost. **(currently estimated at £1.1m)**
- PFI School recharge energy costs negotiated and agreed and subject to the Government Energy Support Relief Scheme (currently estimated at £1m).
- Inflation policy agreed and communicated through staff training sessions.
- Review of contracts has been completed to challenge and seek to verify if procurement is necessary and to identify opportunities to maximise value for money through contract rationalisation and consolidation including identification of contracts which fulfil statutory responsibilities.

### Strategic Objectives:

A council that lives within our means, balances the budget and delivers best value for taxpayers and service users

### Actions Required:

- Implement government relief e.g., Household Support Fund, maximise use of the fund
  - Actionee: Group manager – revenues, benefits and charges
  - Target date: 31 March 2023
  - Latest update: Approach agreed for current tranche
- Change/amend heating/lighting/ventilation controls – for each 1% reduction in consumption across the portfolio of Corporate/community Buildings we would save approximately **est. £25k saving**
  - Actionee: Jonathan Tewson
  - Target date: 31<sup>st</sup> March 2023
  - Latest update: Working with the building management as well the FM service provider with an agreed action plan to deliver reductions in power usage (Electricity, Gas & Water), this includes removing unnecessary lighting, fine tuning programmable lighting (OH) using PIR switching systems, updating lighting LED (as & when required), constantly lowering power consumption

by the way of regularly checking timeclocks on boilers & other time monitored plant, also checking correct functionality & consumption during in regular PPMs across the SBC estate.

- Asset disposal program will see a reducing number of buildings provided with SBC funded heat, light and power – provisionally **est. £100k saving** in 2022/23 but entirely dependent on sales programme yet to be determined
  - Actionee: Fin Garvey
  - Target date: 31<sup>st</sup> March 2024
  - Latest Update: Corporate assets are not yet included in the assets identified for disposal, within the 22/23 financial year
  
- Temporary or part closure of existing assets to reduced consumption (changing rooms, other community buildings, SMP, Priors Close) **est. £50k saving**
  - Actionee: Kamal Lallian
  - Target date: 31<sup>st</sup> March 2023
  - Latest Update: Improvement of greater than £50k against 2021/22 budget. Will require Buildings Management review during 23/24.
  
- Re-Fit Programme Energy efficiency measures for remaining buildings will prove effective in reducing energy costs but requires capital investment and a longer return on investment. A business case will be developed.
  - Actionee: Jason Newman
  - Target date: 30<sup>th</sup> September 2023
  - Latest Update: In progress, future savings to be identified, contingent on assets disposal programme
  
- Paper on HRA recharge costs will be required on agreed rates to recharge tenants for energy costs for communal heating and lighting.
  - Actionee: Jason Newman/Trevor Costello
  - Target date: 31 March 2023
  - Latest Update: Being scoped
  
- Street Lighting timer controls to reduce lux levels require investigating to determine the consumption reduction and potential reduction of costs
  - Actionee: Jason Newman
  - Target date: February 2023 Cabinet
  - Latest Update: Feasibility study being undertaken, included in 23/24 savings tracker

	Inherent Risk	Current Risk	Target Risk
Likelihood	6	6	3
Impact	4	3	2
Score	24	18	6

Date last updated: **30<sup>th</sup> November 2022**

## **Risk 5: Risk of the failure of statutory duty for provision of temporary accommodation**

**Risk Owner: Executive Director - Housing and Property**

**Direction of Travel:** ⇄

### **Description:**

If we fail to manage the increasing demand for temporary accommodation it will cost us financially and damage our reputation.

### **Context**

- There are financial and reputational risks arising from the increasing demand for temporary accommodation. We have increasing numbers of UK nationals presenting as homeless now that evictions are being allowed. We have pressure to receive asylum seekers – currently 300 asylum seekers are in the borough awaiting immigration status and further to this the UK has specific commitments to Hong Kong and to Afghanistan and has “bridge head” infrastructure in place in Slough as a result of our existing cohort of asylum seekers
- The conflict in Ukraine is also likely to impact the demand for housing, particularly after scheme to host families ends after 6 months

### **Consequence:**

- Budget pressure
- People do not have a safe and secure home

### **Current Controls:**

- Housing Needs officers are being supported in taking an appropriate approach when assessing eligibility for temporary accommodation (number of units)
- Temporary Accommodation officers are being supported in negotiating better rates (cost/unit) with landlords and other housing providers
- DLUHC review being undertaken

### **Strategic Objectives:**

- An environment that helps residents live more independent, healthier and safer lives
- A borough for children and young people to thrive

### **Actions Required:**

- Address staffing shortages in the Temporary Accommodation team – temporary staffing
  - Actionee: Ian Blake
  - Target date: 31<sup>st</sup> December 2022
  - Latest update: Fundamental review of the team, its structure and processes being undertaken within the context of a revised Housing Strategy
- Address staffing shortages in the Temporary Accommodation team – permanent staffing
  - Actionee: Ian Blake
  - Target date: 31<sup>st</sup> December 2022

- Latest Update: Fundamental review of the team, its structure and processes being undertaken within the context of a revised Housing Strategy
- 

	Inherent Risk	Current Risk	Target Risk
Likelihood	6	4	3
Impact	3	3	2
Score	18	12	6

Date last updated: **30th November 2022**

## **Risk 6: Service delivery risk due to workforce recruitment and retention issues**

**Risk Owner: Chief Executive**

**Direction of Travel:** ⇄

### **Description:**

The Council is challenged in delivering high quality services in all areas for residents because of the inability to recruit and retain staff, including the right calibre of staff in specialist roles. This is also applicable to Slough Children First.

### **Context**

- The Council does not have appropriately qualified, skilled and experienced people to deliver necessary service levels and identify budget savings to allow the Council to live within its means.
- There are currently significant numbers of vacancies within the Council in key support professions such as Finance, IT, and HR. This is exacerbated by significant vacancies in key service areas such as Social Workers, planners and engineers.
- The Council has massive competition for employees within Berkshire and the Greater London area. It is located on the M25 and has excellent links into London offering greater choice of employer for its own and residents within its travel to work area.
- The reputational damage caused by the section 114 notice and the appointment of Commissioners will potentially impact recruitment and retention.
- The Directions include the requirement to implement a suitable officer structure and scheme of delegation for the Authority which provides sufficient resources to deliver the Authority's functions in an effective way, including the Improvement Plan and its monitoring and reporting, prioritising permanent recruitment and/or longer-term contract status of interim positions.
- Recruitment into posts to assist with the council's recovery has not happened quickly enough and as a result, an additional Direction came into effect on 1 September 2022. The Direction permits the Commissioners to define the structure for and to recruit staff to senior positions for the period of the Directions.

### **Consequence:**

- A higher reliance on agency staff has a direct impact on budgetary pressures
- Significant numbers of interims in leadership roles leads to staff uncertainty about future sustainability and continuity of management
- Higher costs due to cost of recruitment to replace staff who have left
- Loss of corporate memory leads to inefficiencies and additional costs
- Staff turnover includes hard to fill posts which has an impact on workloads in teams and increases staff absences, wellbeing and resilience
- Employee disengagement leading to reduced productivity
- Failure to maintain required levels of service delivery affecting our residents, especially statutory obligations
- Reduced staffing levels will impact the quality of service being provided
- Statutory roles are not permanently filled e.g. Returning Officer, Monitoring Officer
- Council is unable to delivery key improvement projects

- Fines for non-delivery of statutory services
- Judicial review and associated financial and reputational costs.
- Civil unrest due to inadequate / inappropriate response.
- Local and national media interest
- Reduced quality of service delivery
- Increase in safeguarding issues, impact on quality of life
- Securing qualified staff in the national context where resources are hard to recruit and retain

### **Current Controls:**

- Engagement with the workforce through regular communications and briefings to provide reassurance to staff of the development and then progress of the recovery process, including trade union colleagues. This is stronger with the appointment to Senior Management posts and the appointment of HOPS.
- Slough Children First continue to invest to recruit a permanent workforce including overseas recruitment and apprenticeships
- Development of functional capability action plans and transition into service plans
- Development of communications plan for staff briefings
- Implementation of Adults social care transformation programme to drive service improvements and efficiencies
- Appointment of chief information officer to drive forward digitisation of services
- Review of Performance Indicators to identify areas of concern

### **Strategic Objectives:**

- Corporate Health: Corporate Operations

### **Actions Required:**

- Development of a recruitment and retention strategy, to align with the future operating model
  - Actionee: Surjit Nagra
  - Target date: 31<sup>st</sup> January 2023
  - Latest Update: Data is being collated to support the introduction of a retention strategy i.e. analysing current recruitment episodes to ascertain the response rates, reviewing recruitment documentation; assessing the social media platforms to analysing the leaver information. HRBP Team reviewing monthly agency spend with Directorates; Request for DLT's to review monthly agency spend. Discussions with departments delayed due to restructures and HR capacity
- Tracking of staff turnover rates to Corporate Leadership Team and to workforce committee and Board within Slough Children First - monthly
  - Actionee: Surjit Nagra
  - Target date: 31 March 2023
  - Latest Update: Working on producing this data on a regular basis and review existing process from the Agresso system to ensure data accuracy. Staff turnover rates are being published monthly via the performance team
- Appraisals and performance management of staff – put in place revised processes and procedures

- Actionee: Surjit Nagra
  - Target date: 31<sup>st</sup> December 2022
  - ⊖ Latest Update: A new performance management framework has been agreed and is currently being implemented in the Council
- Review of current pay and reward structure of the council
- Actionee: Surjit Nagra
  - Target date: Ongoing to 31 March 2023
  - Latest Update: Council has legal requirement to comply, on equal pay and the National Minimum Wage, as well as reporting on the organisation's gender pay gap and including chief executive pay ratio. The pay policy statement for 22/23 has been approved and updated on the website which includes an update on the annual pay increase – this included the CX Pay ratio. The Gender Pay Gap 2021 reporting has also been approved and uploaded onto our external website with an action plan. Currently working on the 2022 figures. Payroll compliance deadlines with HMRC have all been met. The council has recently reported on gender pay gap and senior officer pay for 2021 – 2022, currently preparing a report on 2022 to 2023. The Council has begun review of pay as part of recent structure reviews.
- Tracking of specific issues through analysis of exit interviews
- Actionee: Surjit Nagra
  - Target date: 31<sup>st</sup> March 2023
  - Latest Update: Putting in place a system to capture this information. Working with Agresso HR reports are being updated to review analysis of exit interviews, reported to EAC committee on an annual basis
- Slough Children First are implementing a recruitment and retention measures as per the business plan
- Actionee: Kate McCorriston
  - Target date: 28 February 2023
  - Latest Update: In the process of writing the business plan and all supporting business cases for approval. Once these have been submitted and approved then SCF will be able to move forward with the recruitment and retention initiatives.
  - The business plan remains under review

	Inherent Risk	Current Risk	Target Risk
Likelihood	6	5	2
Impact	4	4	3
Score	24	20	6

Date last updated: **30<sup>th</sup> November 2022**



## **Risk 7: The Council does not take adequate mitigation to reduce the risk of injury or death**

### **from incidents within the Council**

**Risk Owner: Chief Operating Officer**

**Direction of Travel: ⇔**

#### **Description:**

If the Council does not meet its wide range of Health & Safety requirements, then there could be a risk to the safety of **staff and** citizens

#### **Context**

The profile of health and safety matters has not been given sufficient prominence in recent years however COVID has addressed the imbalance.

Key potential causes of health and safety risks are:

- Lack of understanding of roles and responsibilities
- Insufficient staff numbers to carry out work plans in a safe way.
- Lack of appropriate training.
- Lack of oversight and control by local management.
- Lack of information on the potential or known risks i.e. through lack of reporting, lack of risk assessments, staff turnover, etc.,
- Lack of learning from previous lessons
- Inadequate contract management arrangements. H&S legislation states you are still liable even if contractors undertake work.
- Lack of effective processes and systems consistently being applied.
- Lack of accountability and governance arrangements

The risk of injury or death is increased in certain circumstances and for high-risk activities such as:

- lone working
- violence
- use of machinery
- inadequately managed buildings
- inadequate contract management

#### **Consequence:**

- Corporate manslaughter charges
- Significant reputational damage
- Death/injury to individuals and/or non-compliance with relevant legislation resulting in prosecution and civil claims.
- Staff sickness through accidents/incidents/stress
- Increased insurance premiums

#### **Current Controls:**

- Interim Health and Safety Manager, Interim Health & Safety professional and Health & Safety adviser in post
- A health and safety management system (policy and codes of practice) in place. These are regularly reviewed and updated, clearly communicated and placed on SBC insite.
- Corporate health & safety strategy (2018-2021) in place with directorate plans dovetailing. New Health and Safety Strategy to be devised to align with new organisation structure.
- Accident reporting system and procedure in place and communicated. Investigations occur and are reported.
- Health & safety training programs in place, available face to face and online. Mandatory training identified and in place.
- Lone worker In-check and personal safety devices in place
- Monitoring of health & safety indicators at Health & Safety Committees (bi-monthly) and Health & Safety Board (bi-monthly).
- Trade Union consultation with health and safety trained representatives present (Corporate Consultative Forum)
- Compliance monitoring 'Building Compliance Group' (monthly) – this now falls under the Property and Housing Directorate.
- Health and Safety audit programme for 2022-2023

### **Strategic Objectives:**

- Corporate Health: Corporate Operations

### **Actions Required:**

- Online accident reporting for accurate monitoring and tracking.
  - Actionee: Surjit Nagra
  - Target date: 31<sup>st</sup> March 2023
  - Latest update: H&S currently working with IT Project Manager to look into possibility of utilising existing company Intec who can create several databases Council wide. Review to be undertaken by IT to identify other potential teams who may use a similar/require a database. As there is no uptake, a business case will be raised for H&S to upgrade to the corporate contract which will mean unlimited licenses and several databases will be created for H&S purposes. One of these databases will include accident and incident reporting. IT have confirmed this is no longer an option.
- Monitoring of actions from accidents and audits to ensure lessons are learnt and actions are implemented through an online system.
  - Actionee: Surjit Nagra
  - Target date: 31<sup>st</sup> March 2023
  - Latest Update: This action is aligned to the action above and will be completed once new system is implemented.
- Health & safety team will be auditing high risk areas of the council: asset management, environmental services, strategy and infrastructure and lone workers.

Lower risk areas to conduct self-audits. Responsibility of AD/GM's. Corporate Leadership Team approved new audit format in November 21 following report from Health & Safety Board. Self-audits approved by Corporate Consultative Forum meeting on March 7<sup>th</sup> 2022.

- Actionee: Surjit Nagra
  - Target date: 31<sup>st</sup> March 2023
  - Latest Update: So far 19 responses have been received and H&S will be reviewing these and providing feedback. Due to current workload pressures and capacity issues within the team, health and safety internal audits are being reviewed on a weekly basis and the schedule is being realigned as required.
- Gap analysis of training needs, provision and uptake. Work commenced with Workforce Development in identifying risk assessment and accident investigation training. All managers and staff encouraged to complete mandatory H&S online training via communications issued to all staff and managers. All managers have been provided with instructions on how to determine the compliance status of staff.
- Actionee: Surjit Nagra
  - Target date: 31<sup>st</sup> March 2023
  - Latest Update: Training: The 'Risk Assessment' and 'Accident Investigation' Training has been split into blending learning. Delegates are required to undertake the theory session on Cornerstone prior to attending a practical session which will be delivered by the H&S team. Training dates have been scheduled for the practical sessions and has been communicated to the organisation via newsround, H&S Committees and the H&S Board. Both the theory and practical are 1.5 hours each and the aim is to increase the uptake as the sessions have been split to enable delegates to attend around their work schedule
- New corporate strategy to be developed for 2023 onwards and directorate plans to be developed H & S Board has requested a new strategy and this will be presented to Corporate Leadership Team (CLT) in March 2023
- Actionee: Surjit Nagra
  - Target date: 31<sup>st</sup> March 2023
  - Latest Update: A new strategy will be devised and finalised once the new structure is in place and the services/teams are reallocated to the 7 Directorates. Once devised, the strategy will be presented to the H&S Board and CLT for approval and subsequently rolled out via H&S Committees.

	Inherent Risk	Current Risk	Target Risk
Likelihood	5	3	3
Impact	4	4	2
Score	20	12	6

Date last updated: **30th November 2022**

# **Risk 8: Business Continuity and Emergency Planning**

**Risk Owner: Chief Executive**

**Direction of Travel: ↑**

## **Description:**

Failure to deliver and maintain emergency planning and business continuity response arrangements will lead to the Council at risk of being unable to continue its business should a serious event cause disruption or an emergency occurs.

## **Context**

The Council has not had in place a permanent qualified and experienced Business Continuity and Emergency Planning lead in order to enable it to respond to incidents and disruption since November 2021. However, this position has been filled by the an interim with the necessary skills, qualifications, experience and knowledge since November 2021. Some of the recent improvements include:

- Improved procedures for the response and co-ordination during an incident or disruption
- Strong links to the Thames Valley Local Resilience Forum.
- Finalisation of the Major Incident Plan (MIP)
- Business Continuity Plan now in place
- Arrangements to Exercise the Emergency Response Arrangements & Plans are being organised – a gap analysis has already been undertaken as a tabletop exercise.
- Arrangements to exercise the Business Continuity Plan are also being organised.

## **Consequences if the above was not in place:**

- No response to operational emergencies due to severe weather conditions, fire, or any other major incident.
- Council is not prepared to respond as directorate and service areas do not have an adequate or co-ordinated response in place
- Availability of staff to deliver key services if trained volunteers are taken away to deal with a major incident (the Council is a Category 1 responder under the Civil Contingencies Act).

## **Current Controls:**

- Business Continuity (BC) Plans in place
- Emergency Planning procedures in place
- Emergency planning and business continuity lead in place
- Sufficient Response Officers (Local Authority Liaison Officer (LALO) & Rest Centre Managers (RCM)) who can be utilised in the event of an emergency. Additional capacity in Adults would strengthen our response.
- Arrangements and links in place with TVLRF & Partner Organisations

- Utilising lessons learnt from Covid.
- Local and regional response arrangements in place

### **Strategic Objectives:**

- Corporate Health: Corporate Operations

### **Actions Required:**

- Exercising of Emergency Response Arrangements & Plans and the Business Continuity management & Plans – through tabletop testing
  - Actionee: Anthony-Mario Montana
  - Target date: 31<sup>st</sup> January 2023
  - Latest Update:
    - The Exercising of the Major Incident Plan and Emergency Response Arrangements will be undertaken by January 2023
    - 'Blu Nimbus' will be a live testing of the plans which is due to take place in October 2023.
- In person, one to one and online training to be completed for Gold, Duty Gold Officers, Duty Silver Officer/EOC Managers, LALOs & RCMs
  - Actionee: Anthony-Mario Montana
  - Target date: 31<sup>st</sup> December 2022
  - Latest Update:
    - Directors have all been scheduled to take the Strategic Coordination Group (Gold) Training due to take place by end of December 2022
    - The LALOs & RCMs have taken the JESIP Bronze Commander Training.
    - The LALOs & RCMs has commenced the Risk Management Training on Cornerstone
    - Other training course will be arranged, scheduled and/or designed at later stage.
- Securing more Rest Centre Managers (RCMs) from Adults and Children's services
  - Actionee: Anthony-Mario Montana
  - Target date: 31<sup>st</sup> March 2023
  - Latest Update: Work with the ED's in Children and Adults to secure resources for this duty.
- Recruit Volunteer Response Support Staff to staff and run the Emergency Rest Centres and the Emergency Operation Centre.
  - Actionee: Anthony-Mario Montana
  - Target date: 31<sup>st</sup> January 2023

- Latest Update: Now the plans are signed off work will begin to secure these volunteers. Process in place to secure volunteers during emergencies via the MOU through the LRF.
- Develop a robust prevention programme within the council supported by emergency planning
  - Actionee: Anthony-Mario Montana
  - Target date: 31<sup>st</sup> March 2023
  - Latest Update: Working with service areas to understand what prevention plans are in place, to reduce impact of risks identified. This action is with the Risk and Audit Board.

**Note:**

Emergency Planning (The Council) has a dynamic framework that can be utilised by the emergency planning team to respond to both a major incidents and business continuity interruption while the Major Incident Plan (MIP) & BC plans undergo the current review.

	Inherent Risk	Current Risk	Target Risk
Likelihood	4	4	3
Impact	4	2	2
Score	16	8	6

Date last updated: **30<sup>th</sup> November 2022**

## **Risk 9: Cyber Security**

### **Risk Owner: Chief Operating Officer**

#### **Direction of Travel: ↓**

#### **Description:**

- Failure to adequately protect our information and technology assets from an attack via the organisations internal network or the internet, that is either deliberate or because of non-compliance with policy and procedures.
- Failure to comply with the Data Protection Act 2018 (GDPR) legislation.

#### **Context**

- There is a continual risk of cyber-attack from a wide range of sources which if enacted could cause significant financial, service delivery and reputational damage to the Council and its partners – recent attacks on local authorities and NHS bodies have caused significant disruption and expense in rectifying the impact.
- Heightened risk of cyber-attacks in relation to the Ukraine conflict.
- The Council has continued to invest resources in strengthening its controls in this area.
- An action plan to achieve improvements in relation to the proper functioning of the Authority's IT is in the Directions from DLUHC.
- DPA 2018/GDPR came into force in May 2018. Policies and processes developed as our corporate and local response to the implementation of DPA 2018/GDPR. A full data flow analysis was undertaken across the organisation and is being refreshed as part of the 2022 audit.
- The team that manages information governance has had limited resource. The team has now recruited an interim DPO and the recently completed ICT restructure includes the proposed appointment of a permanent DPO and a Cyber security officer that will be progressed in the last quarter of 2022.
- Recruiting people with strong DPA 2018/GDPR understanding is challenging in the current market and especially difficult in the public sector.

#### **Consequence:**

- *Worst case:* Temporary or permanent loss of access to some or all of SBC data and / or IT systems leading to not being able to deliver business critical or statutory functions e.g. elections
- *Likely case:* (some of) loss of reputation in handling personal data, removal of access to PSN and DWP direct data connections, removal or penalties for bank payment handling and processing. Short term loss of access to data or systems.
- *Best case:* Isolated incident with minimal or no data loss and no loss of access to IT systems.
- If there is not an adequate response to DPA 2018/GDPR there is a chance that the following may arise:
  - fines
  - criticism from the information Commissioner
  - damage to corporate reputation
  - civil claims for damages

## **Current Controls:**

- Procured membership of SEGWARP and other government alert agencies. This provides regional alerting on vulnerabilities that SBC needs to be aware of intelligence sharing / threats / policy development. SBC have also registered with the Cyber Resilience Service for the southeast to enable a regional approach to cyber alerting.
- Ensure security patching is up to date and continues regularly. An interim resource has been engaged to check and apply security patching.
- Periodic and regular 3rd party penetration testing. ICT&D are part way through a sequence of testing.
- Cyber Security support from market leading 3rd party. Softcat are contracted to provide additional cyber security support. This covers the following
  - Quarterly Security Controls Assessment
  - Breach Assessment annually
  - Security Improvement Programme Leadership

Organisation and Execution of cyber essentials audit action plan. Actions to complete before the end of 2022

- Communications to staff has been increased through councils Newsround and subject specific emails in particular awareness on cyber security issues, including phishing emails, scam calls & data protection responsibilities.
- Documented and detailed security procedures have now been put in place for patching, testing and incident handling & testing of these is in progress
- DLUCH Funding obtained following application and workshops - £200k
- Cabinet approval for a continuous improvement programme for IT security hardware and software, for 3 years.
- Remedial / Modernisation programme has targeted security improvements under emergency funding and agreed
- The recent ICT&D restructure has assigned the formal Data Protection Officer (DPO) role for SBC to the ICT&D Service Manager.
- DPA 2018/GDPR training for new starters to minimise breaches
- External review of compliance by Internal Audit
- Initial data mapping completed by SBC supported by RSM
- The council has updated its information governance policy in November 21 and this has been signed off by the Information Governance (IG) board, the updated policy supports the process by which an organisation obtains and provides assurance that it is complying with its legal, policy and moral responsibilities in relation to the processing of information. Alongside this an IG Improvement plan has been developed and will be monitored through the Information governance board moving forward.
- All aspects and issues of DPA 2018/GDPR have been drawn into one place, a programme to confirm compliance or implement required controls where necessary is being developed and will report into the council's information governance board.
- DPO role assigned to the ICT&D Services Manager

## **Strategic Objectives:**

- Corporate Health: Corporate Operations



## **Actions Required:**

- Compliance - fortnightly monitoring audit actions
  - Actionee: Alex Cowen
  - Target date: 31<sup>st</sup> March 2023
  - Latest update: Newly appointed infrastructure manager and Data Protection officer are supporting on finalising Cyber 2022 audit and monitoring of actions
  
- Implement security solutions as per the IT modernisation programme
  - Actionee: Alex Cowen
  - Target date: 30<sup>th</sup> June 2023
  - Latest Update: Programme established and recruitment to programme manager, two project managers and three business analysts. Programme board established and highlight reporting being finalised

	Inherent Risk	Current Risk	Target Risk
Likelihood	5	3	2
Impact	3	3	3
Score	15	9	6

Date last updated: **30<sup>th</sup> November 2022**

## **Risk 10: Financial management and sustainability**

### **Risk Owner: Executive Director – Finance and Commercial (S151)**

#### **Direction of Travel: ↑**

#### **Description:**

If the Council fails to significantly improve its financial planning and management and its internal control and financial reporting in the medium to longer-term the Council will not become a financially self-sustaining council.

#### **Context**

##### **Financial Management, Planning and control**

- The S151 officer issued a statutory S114 notice in July 2021. Expenditure controls have been in place since in order to limit the Councils spend to the minimum. A capitalisation direction (CD) was approved in principle by DLUHC in March 2022 for £307m in order to enable the Council to set a balanced budget for 2022/23. Cabinet approved the budget on 9 March 2022. Initial forward planning indicated that the CD could increase to c £800m, this has since been reduced to c £400m. The revenue budget savings have also been reduced from £20m pa for 7 years to £20m, £23m and then £14m pa for 5 years
- 

The DLUHC Directions include the requirement to put in place an outline action plan to achieve financial sustainability and to close the long-term budget gap identified by the Authority across the period of its Medium-Term Financial Strategy (MTFS).

The Council has also actioned the following:

- Asset sales agreed by Cabinet Sept 21 - £162m generated to date, £200m planned for 22/23, £100m planned for 23/24
  - 18/19 and 19/20 accounts submitted
  - 22/23 budget forecasting to be balanced, capital programme greatly reduced, treasury management correctly prepared
  - £20m out of £23m 2023/24 revenue savings identified
  - Comprehensive updates of financial recovery presented to Cabinet and every Council from September 2021
  - 5 companies closed, 3 radically reviewed, no further expenditure on them and sales being prepared, governance greatly improved
  - Internal audit recommendations now being addressed, procurement greatly improved
  - Delivering DSG in year balanced budget plan and management plan highly regarded by DfE and likely to lead to £26m write of historic debt
- 
- The seriousness of the financial situation and how the Council found itself in this position remain of significant concern. This has been acknowledged and the financial recovery strategy agreed and actioned from July 2021. The availability of significant future support is a key assumption underpinning the 2022/23 budget and will be for several future years.

## **Financial Control**

Many of the Councils financial processes are not fit for purpose. These include by way of example:

- financial systems – the Agresso system is not fully used or documented
- financial capacity and skills – the number and skills of permanent staff in the team have in some cases considerable room for improvement
- financial processes – basic processes such as reconciliations are not documented or up to date
- insurance and other provisions were inadequate

## **Financial Reporting**

- The accounts originally provided for audit in 2019 were inadequate and contained significant errors. The 2018/19 were finally completed in September 2022. The 2019/20 were given to the auditors at the end of October 2022. The accounts for 2020/21 and 2021/22 accounts will be completed during early 2023. These audits may identify further issues that the Council needs to consider.
- As a result of the investigations by the new Finance team there have been significant amendments made to the 2018/19 accounts plus many working papers, figures and narrative statements have had to be fundamentally corrected. In total there have been 24 material errors made that have affected over 60 per cent of the figures in the core statements and 80 per cent of the disclosure notes. The changes made have impacted the General Fund balances available to the Council and the Balance Sheet. The changes have decreased the net value of the balance sheet by nearly 40 per cent. Significant weaknesses in respect of the information to support journal entries within these statements will impact the auditor's opinion.

## **Consequence:**

- The Council will be unable to set a legal budget with a consequential impact on the Council's ability to provide services to residents.
- The Section 151 officer could be required to consider issuing further s 114 notices
- If the Council continues to fail to produce its annual accounts then the Council will be in breach of their responsibilities to provide proper financial stewardship and control.
- The Council has no properly prepared or audited financial base line since 1 April 2018 and thus has challenges preparing its budgets and financial planning going forward.
- It has also not fulfilled its requirements to properly account for its stewardship of public monies.
- It will face increased external audit fees and is having to have its staff spend a great deal of time "looking backwards" rather than planning forwards.
- The Council faces significant reputational damage which may impact its ability to borrow money and secure adequate insurance

- The Directions include the potential for Commissioners to impose their own budget in total or detail if they consider it necessary
- Reputational damage caused by an adverse audit opinion

## **Current Controls:**

### **Financial Management and Planning**

- The Council approved a series of budget reports at its meeting on the 10<sup>th</sup> March 2022 including:
  - Revenue budget
  - Capital programme
  - Treasury management
  - S25
  - DSG
  - Council Tax Support

These reports included a wide range of proposals that will set a new start for the Council moving forward on its ambition for financial sustainability.

- Expenditure controls in place throughout 2022/23 financial year.
- Commissioners' approval for all budget changes.
- Regular budget monitoring and reporting is now in place.
- A Finance Board has now been put in place to monitor key aspects of financial management, planning, risks and controls.
- The budget process for 2023/24 began earlier than ever before and is progressing in line with plans.

### **Financial Control**

- Specialist resources have been brought in to understand the nature and scale of the problems and to address them
- Finance action plan reported to full Council for each meeting (with the exception of March when the budget papers will be tabled)
- Finance and Commercial service business plan has been developed to ensure future sustainability of the service.

### **Financial Reporting**

- The Council has implemented a structured and well tested method for preparing its accounts using a whole team approach involving as many of the existing finance team as possible in order to upskill permanent members of staff and to spread the workload.
- The standard approach is that individual officers have been assigned a disclosure note to prepare (the preparer) and that each disclosure note will be subject to first line QA review by a reviewer.
- For the 2019/20 and 2020/21 accounts standard closing folders for both years have been set up with folders for each core statement and disclosure note
- All working papers are being filed on these folders so that there is a clear trail back from the accounts to centrally filed working papers rather than information filed on personal folders which seems to have been the experience in the past

- For each core statement and disclosure note standard template workbooks are being used to collate information and produce the relevant disclosure. The purpose of using the standard template workbooks is to ensure there is a clear audit trail between the information reported in the accounts back to source documentation, and to provide clear evidence of quality assurance in the accounts preparation process

### **Training**

- Regular training sessions are now taking place for Members on a range of topics including Local Government Finances.

### **Strategic Objectives:**

- A council that lives within our means, balances the budget and delivers best value for taxpayers and service users

### **Actions Required:** The immediate actions include:

- Ensure 2022/23 budget can be delivered –
  - Actionee: Steve Mair, Steve Muldoon, Liton Rahman
  - Target date: 30<sup>th</sup> June 2023

Latest update: A list of potential savings risks and budget pressures (energy costs, lack of rent income re OH, scf placements) relating to the delivery of the 22/23 budget has been drafted and regularly reported to Lead Members and Executive Directors. The 2022/23 forecast year-end position for the General Fund, taking account of use of all capitalisation direction amendments, is a fully balanced position. However, within this, there is an overspend of £7.322m across service areas, comprising a shortfall on in-year savings after mitigations of £4.309m against the total target of £19.958m, and including the loss set out in the latest SCF business plan. This is then balanced through an improvement in the collection fund position, the application of settlement monies received, the impact of capital receipts on MRP and a reduction in the use of capitalisation.

Work up options for 23/24 savings – a schedule of savings options has been identified and further work is required to meet the overall target. Ensuring that budget savings can be delivered for each Directorate.

- o Actionee: Exec Directors, Steve Mair, Steve Muldoon
- o Target date: 15th January 2023
- o Latest update: 22/23 savings shortfall of £6.386m before service mitigations, £4.309m after service mitigations. 23/24 £2.8m shortfall against an overall MTFP target of £22.4m, work is still ongoing to close this gap and subject to the outcome of the local government settlement due in late December 2022.

- Regular communications to officers and members continue on the financial situation
  - Actionee: Steve Mair
  - Target date: ongoing
  - Latest update: Very regular reports have been provided since May 2021. Links to Culture change needed for the organisation to live within budgets.
- The 2018/19 accounts have been completed and made available for audit as at the end of September 2022, Further sets of accounts for the following years will then become available on a quarterly basis during the rest of the year.
  - Actionee: Liton Rahman
  - Target date: 30 th April 2023
  - Latest update: 2018/19 and 2019/20 accounts completed and available for audit. Others to follow during 2023.
- To feed the outcome of these accounts into the Council's forward financial planning
  - Actionee: Liton Rahman
  - Target date: Post audit completion for 2018/19 estimated as December 2022
  - Latest Update: Awaiting audit completion to assess the impact of any additional accounting changes.

#### Recruitment to vacant posts in the restructured department.

- Actionee: Steve Mair, Mike Thomas
  - Target date: 31 December 2022
  - Latest update: Internal recruitment completed at the end of October and external recruitment is on-going until the end of November 2022. Interviews and assessment centres scheduled for December 2022 and possibly January 2023.
- The finance action plan is reported to Cabinet and Finance Board and sets out in detail the current position on key financial matters and the actions being taken. This is updated on a bi-monthly basis and reported to Cabinet. The report shows the significant progress that has been made in all areas during 2021/22 and 2022/23.
  - Actionee: Steve Mair, Mike Thomas
  - Target date: Bi-monthly update
  - Latest update: Last update provided in revised format for November Cabinet and Council
- A business plan has been developed for the service for 2022-23 which includes a range of key performance indicators and targets for delivery of key change initiatives.
  - Actionee: Steve Mair, Mike Thomas
  - Target date: Business Plan completed and now being refreshed for 2023/24
  - Latest update: Formal launch to take place at Departmental Away Day on 13th December 2022.

	Inherent Risk	Current Risk	Target Risk
Likelihood	5	3	1
Impact	5	5	4
Score	25	15	4

Date last updated: **30th November 2022**

**Risk 11: Pace and valuation of the disposal of assets**  
**Risk Owner: Executive Director – Place and Executive Director –**  
**Finance and Commercial (S151)**  
**Direction of Travel: ↑**

**Description:**

**If the Council does not dispose of sufficient assets to realise capital receipts we will be unable to set a balanced budget or deliver long-term financial sustainability.**

**Context**

- The council's long-term sustainability is dependent on the sale of between £400 and £600m of assets. In September 2021 the Cabinet agreed to assess the options during 2022/23 and to begin asset disposals as soon as prudently possible, given the Council's responsibility to obtain best value.  
The Housing & Property has a strategy in place to drive the asset disposal programme forward

**Consequence:**

- Without a programme of asset disposals to finance reduction of external debt, the Council's external borrowing per head of population will remain one of the highest in the UK and debt charges will increase to a significant proportion of the net revenue budget.
- If Cabinet either delay or do not accept the disposal programme this will lead to failure to meet the budget targets and risk more intervention
- Without significant asset disposals the Council's long-term financial position is not sustainable and will compromise the Council's ability to:
  - finance the anticipated capitalisation direction and
  - to allow the Council's external borrowings and debt charges to be reduced
  - provide existing levels of services in the future.

**Current Controls:**

- A new department of Housing and Property has been established to enable the recruitment and retention of suitable senior leadership and professional expertise to manage the asset disposal programme to best effect
- Multinational consultant Avison Young have been retained as strategic property advisers and other professional services like valuers and auctioneers are being procured.
- An Asset Disposals Sub-Committee has been established and meets on a regular basis to review asset disposal proposals and updates



- All out of borough assets have been marketed and the last one is due to be sold before Christmas. In addition, one significant in borough asset has been sold and another is due to be sold within next few weeks. As a result we are on track to deliver £200m of sale income in year 22/23. A further £100m of sales are planned for 23/24

### **Strategic Objectives:**

- A council that lives within our means, balances the budget and delivers best value for taxpayers and service users

### **Actions Required:**

Continue to monitor and report the asset sales position to CLT, as the continued sale of assets during 2023/24 and beyond will remain crucial to the Council's medium to long term financial sustainability.

- Action Owner: Pat Hayes
- Target Date: 31 March 2023 (year-end update position) then quarterly thereafter
- Latest position: On track for 2022/23.

	Inherent Risk	Current Risk	Target Risk
Likelihood	6	3	2
Impact	4	4	4
Score	24	12	8

Date last updated: 30 November 2022

## **Risk 12: Governance and financial implications of the council companies**

**Risk Owner: Executive Director – Finance and Commercial (S151)**

**Direction of Travel: ↑**

### **Description:**

If we fail to review the relevance and rationale for each of the Council's Companies, we open the Council up to potential financial losses, reputational damage and legal challenge.

### **Context**

- The Council has a number of subsidiaries and a joint venture that deliver a range of services or address specific issues. Given the Council's current financial and operational circumstances, and issues that have been identified to date, the rationale for continuing to have these companies needs to be reviewed. This was highlighted by both CIPFA and DLUHC in their reports in October 2021 and the Council started to consider this in summer 2021.
- In addition, a wide range of governance, management, operational and financial issues have been identified over a number of years and had not been addressed. These need to be (a) reassessed to reflect the latest available information relevant to the companies and (b) revised actions implemented. There is a risk of poor service delivery, ineffective decision making, poor oversight, poor value for money and additional reputational and financial risk for the Council (e.g. additional costs, non-repayment of loans, grant clawback)
- There is a Direction in place regarding the Commercial Companies including consideration of the roles and case for continuing with each subsidiary company of the Authority (except Slough Children First).

### **Consequence:**

- Additional financial pressure on existing Council budgets that are not within plan
- Inefficient service delivery by the Council, especially in relation to housing, due to poor contract management and controls
- Potential grant clawback across a range of companies which may have implications for the Council. e.g. James Elliman Homes, Ground Rents Estates 5
- Reputational damage to the Council as a result of the failure of a number of high profile initiatives with a national interest. e.g. Nova House
- Key strategic sites are not developed – failure to achieve the Council's strategic objectives and key outcomes. e.g. Slough Urban Renewal
- Improved governance arrangements should enable the Council to make timely informed decisions on key strategic and financial matters that are critical to the Council's capitalisation directive. These include:
  - the Council's capital programme has been reduced (e.g. SUR programme reduced by c £50m and the JEH acquisition programme has been stopped reducing the capital programme by a further £15m);
  - increased loan repayments to the Council improving cash flow and

borrowing costs (e.g. a significant reduction in the SUR loan facility from £9m to £2m this year);

- capital receipts have been accelerated (e.g. SUR opted site disposals of c £40m in the next few years);
- reduced cost exposure on key development sites;
- reduced operational losses for JEH due to the change to its acquisition strategy and improved Council operational oversight and additional sources of funding have been identified and approved to reduce the Council's overall financial exposure (e.g. Homes England funding of at least £9m for GRE5 as a contribution towards the ACM programme and additional First Homes grant funding to accelerate the sales of apartments at the Old Library Site).

### **Current Controls:**

- Establishment of a new corporate oversight board for Slough Urban Renewal
- Development of role profiles for Directors and appointment of new directors and senior responsible owners with clarity on roles and reporting
- Regular Board meeting cycle to be established at all active companies
- Establishment of shareholder oversight group for GRE5
- Improved board reporting including performance reporting across all company Boards
- Establishment of monthly financial reporting from key companies into the Council
- Internal audit tracker for key issues to monitor progress through to issues getting closed down
- All Dormant Companies have been closed down
- Revised governance arrangements have been introduced across all companies (with the exception of DISH which has not been prioritised for action in FY 22/23 as it is a much smaller scale compared to the other entities, is not a trading company and has limited risk (it has a lease with the Council for 54 properties dating back to 1988 when it was established) and is lower risk rated by Internal Audit compared to other entities. DISH revised governance will be introduced in early FY 23/24 following a review).
- Establish appropriate governance and reporting arrangements for GRE5 and JEH

### **Strategic Objectives:**

- A council that lives within our means, balances the budget and delivers best value for taxpayers and service users

### **Actions Required:**

A wide range of workstreams are underway with the immediate actions focused on:

- Ground Rent Estates 5 – execution of Council loan; continue to support litigation proceedings; further strengthen performance, risk and financial reporting, development of exit strategy.
  - Actionee: Steven Mair / Carmel Booth
  - Target date: 31 December 2022
  - Latest Update:

- Loan is now fully approved by all parties and has been fully executed (done by 31<sup>st</sup> August). Cash flow requirements continue to be monitored and an updated GRE5 progress report was provided to Cabinet in November 22.
  - A new finance manager was recruited in August 2021 with responsibility across all Companies for the continued development of tailored reporting.
  - Litigation proceedings continue to take place and have pushed back due to additional structural issues identified. Following scope and cost confirmation, a date will be agreed for revised POC and mitigation. Expected to be late 22 / early 23.
  - It is expected that the Council will exit from GRE5 following the completion of the works programme to Nova House (early 2024). Legal advice will be taken to consider the mechanism for achieving this and the timing for action. This work is expected to take place in Q4 2022 to enable an exit plan and timetable to be approved in early FY 23/24.
- Slough Urban Renewal – in principle agreement obtained for the restructuring of the Council’s commercial relationship with Muse. Progression with negotiations and Heads of Terms for the SUR key sites (Montem, Wexham, Haymills and Stoke Wharf). Due diligence completed re NWQ for potential disposal/partnership change – transaction negotiations and heads of terms in development. Agree changes to the Partnership Agreement including revised business plan (all FY 22/23).
- Actionee: Steven Mair / Carmel Booth
  - Target date: 31 December 2022
  - Latest Update:
    - Cabinet agreement to phased exit from SUR and the disposals of a number of key sites that are currently opted to SUR (done by 31<sup>st</sup> July). This is initially focused on NWQ, Montem and Stoke Wharf.
    - NWQ: agreed Heads of Terms. Best consideration and disposal report to be provided to Cabinet for approval Oct/Nov 22. Legal and financial planning across Sept – Dec 22.
    - Montem: BAFO stage. Anticipating exchange /completion in Nov/Dec subject to Cabinet approval of best consideration case/disposal report. Legal planning Sept – Dec 22.
    - Other disposals: to be considered following conclusion of NWQ/Montem with target dates in early FY 23/24 and FY 24/25. Further due diligence and legal planning required throughout 2023.
    - Agreed a revised SUR operating model and cost base. Costs significantly reduced reflecting winding up following final site disposal.
    - All Directors replaced. New Directors recruited, inducted and engaged regularly in SUR governance.
    - Corporate Oversight Board continues to meet on a biweekly basis reflecting the status of key developments and required for effective oversight and decision making.

- James Elliman Homes – undertake further work/analysis as recommended in the Options Review (led by Local Partnerships); approve revised Service Level Agreement between the Council and JEH; undertake review of rental levels/tenants across the portfolio; strengthen financial reporting and related board reports; service improvements plan to be developed by the Council (to be underpinned by the SLA), continued improvements to governance and performance reporting and oversight.
  - Actionee: Steven Mair/ Carmel Booth
  - Target date: 31 December 2022
  - Latest Update:
    - SLA was fully updated, approved and signed by all parties by 31<sup>st</sup> August. Arrangements to be put into place by the Council to provide regular SLA performance reporting to JEH to be done by (31<sup>st</sup> March 2023). This will inform the development of the Council's service improvement plans for key services provided to JEH).
    - Board meetings continue to take place on a monthly basis (as reinstated from January 2022). This includes the development of new Board Packs including performance reporting. Board reporting will remain in review at each Board meeting.
    - Rental level and tenant data is now available and has been presented to the Board on a monthly basis since 31<sup>st</sup> August.
    - New finance manager appointed with responsibility across all companies as at 31<sup>st</sup> August. They will be responsible for aligning accounting treatment across the Council companies where it is relevant. E.g. treatment of rental income and bad debt provisions (accounting treatment alignment of key areas for FY 22/23 accounts).
    - The Options Review recommended the potential phased exit from JEH however it recommended that further analysis and data should be undertaken before exit plans can be developed for (a) street properties and (b) temporary accommodation. The approach to both sets of properties is likely to be different due to landlord responsibilities and tenant rights. It is highly likely that some properties may be transferred to the Council and some may be sold (to be done by 31<sup>st</sup> March 2023 with an exit strategy agreed in early 2023).
  
- DISH – establish regular performance reporting to the Board, commence high level options review to explore the potential to transfer DISH properties into the HRA, commercial review of DISH lease, preparation of a service level agreement to reflect the services the Council is providing (action plan programmed for the end of FY 2022/23).
  - Actionee: Steven Mair / Carmel Booth
  - Target date: 31 March 2023
  - Latest Update: Local Partnerships were commissioned to undertake a high-level assessment of governance and reporting arrangements of DISH to establish the level of risk and requirement for immediate action. This is considered to be low risk although it is recognised that further consideration should be given to the ability to transfer these properties to the Council. Given the risk profile, scale of DISH and opportunities presented by the other

companies, it is proposed that DISH will not be considered further until early FY 23/24.

- SCF – an update on actions and risks is covered in Risk 1. There is a monthly corporate oversight group including the Council's contract manager, "shareholder" representative and finance lead, as well as governance meetings with the Chief Executive and s.151 officer. There is regular reporting to cabinet due to the level of risk. A regular report will be taken to Audit and Corporate Governance Committee on progress against the governance review recommendations, with the first report in December 2022.

	Inherent Risk	Current Risk	Target Risk
Likelihood	5	3	1
Impact	4	3	2
Score	20	9	2

Date last updated: **30<sup>th</sup> November 2022**

## **Risk 13: Improvement and Recovery Planning**

**Risk Owner: Chief Executive**

**Direction of Travel: ↑**

### **Description:**

Failure to deliver on the wide range of improvement and recovery actions specified in the Directions and various Government reports leads to further intervention.

### **Context**

- The Council has put in place a wide range of improvement and recovery actions to respond to the various reports it received. The council has carefully considered the timing and delivery of improvement and recovery actions so they are completed in line with Government Directions.
- The Council has delivered a wide range of the required actions but only recently brought these together in a holistic manner in communication with the Commissioners, for example:
  - An outline action plan to achieve deliver financial sustainability and to close the long-term budget gap identified by the Authority has been developed through completion of the capitalisation direction, the 2018/19 and 2019/20 accounts and the ongoing work on the budget.
  - An action plan to achieve improvements in relation to the proper functioning of democratic services has been implemented.
  - An action plan to achieve improvements in relation to the proper functioning of the scrutiny function has been implemented.
  - An action plan to achieve improvements in relation to the proper functioning of internal audit has been developed subject to the successful recruitment of an in-house team. The addressing of outstanding management actions is taking place on a regular basis and being reported to CLT and Finance Board. A fully costed plan for establishing an internal audit function that reflects best practice has been completed.
  - An action plan to achieve improvements in relation to the proper functioning of the procurement and contract management function has been completed and recruitment is taking place
  - An action plan to achieve improvements in relation to the proper functioning of the Authority's IT – initially reported to Cabinet in December, restructure at Cabinet on the 18/7/22. Recruitment is taking place.
  - A restructure of the senior management team was announced in early July. A number of departments are also in the process of restructuring most notably Finance and Commercial, IT, Libraries and Public Health. Once the various changes have been finalised this will be reflected in the scheme of delegation for the Authority and revised Financial Procedure Rules. Revised FPR's are being approved by Council on 21 November 2022.

- Full Council received and approved the revised Corporate Plan 2022-25 on 19 May 2022. The Plan 'Doing Right by Slough' also acts as the Council's Improvement and Recovery Plan. Systems are being set up to manage, monitor and report on progress in implementing the plan.
- The senior management restructure has been implemented, with interviews for all executive posts having taken place and offers made. Associate Director vacant roles are currently being advertised internally and externally. Expanded leadership capacity is providing the council with greater grip and drive in the implementation of the corporate plan.
- Finalised service delivery plans have been completed with the actions identified feeding into an overall action plan for each recovery theme. The new Associate Director for Transformation will ensure the necessary programme structure and governance are in place to ensure delivery.

### **Consequence:**

Failure to deliver a robust Improvement and Recovery Plan will lead to further intervention and Directions from DLUHC

Preparing these plans will enable the Council to set its strategic direction and set the Council on its way to recovery.

Failure to put in place a programme management function risks being unable to deliver the plan to the satisfaction of the Commissioners as required by Directions.

### **Current Controls:**

The Commissioners' Improvement and Recovery Board now receives monthly updates on progress in delivering the plan, alongside other reports on the council's finances and performance, which includes detail on any risks and issues that have been identified against delivery of the plan's four strategic priorities and seven recovery themes.

There is now regular reporting on progress to Cabinet and Scrutiny, this will continue quarterly.

A Programme Management office led by the Associate Director for Transformation has been formed to provide programme management assurance for the Improvement and Recovery Plan. The PMO was agreed as part of the review of the senior management structure approved by Cabinet in July 2022.

A consistent corporate approach to reporting on all improvement actions arising from the costed action plans corporately. Services have been asked to liaise with the IT, HR and Comms teams to identify co-dependencies. This will be updated following the conclusion of service planning.

### **Strategic Objectives:**

- A council that lives within our means, balances the budget and delivers best value for taxpayers and service users
- An environment that helps residents live more independent, healthier and safer lives



- A borough for children and young people to thrive
- Infrastructure that reflects the uniqueness of Slough's places and a new vision for the town centre

### **Actions Required:**

- Continue to refine the Improvement and Recovery Board reporting and monitor implementation of the required actions
  - Actionee: CEO / AD Transformation
  - Target date: 31/12/2022
  - Latest Update: Monthly review through the Improvement and Recovery Board
- Deliver the revised Corporate Plan and finalise service delivery plans
  - Actionee: All EDs
  - Target date: 31/12/2022
  - Latest Update: First drafts have been completed, Plans are now being reviewed to ensure alignment and provide an opportunity for constructive challenge.
- Manage the communications with Commissioners in a positive manner and implement any further actions arising from the Commissioners Reports as required
  - Actionee: CEO / AD Transformation
  - Target date: 31/12/2022
  - Latest Update: Will respond based on Commissioner report due in December 2022.

	Inherent Risk	Current Risk	Target Risk
Likelihood	6	4	3
Impact	4	3	2
Score	24	12	6

Date last updated: **30th November 2022**

## **Risk 14: Risk that the lack of an agreed council-wide vision, principles and governance for building digital access for residents continues to lead to incoherent and poor-quality digital services**

**Risk Owner: Chief Operating Officer**

**Direction of Travel:** ⇄

### **Description:**

- There is a risk that the Council is unable to meet its ambition for more efficient digital services due to insufficient resources, poor governance and engagement across services, and poor understanding of the tools in place and the work done to-date.

### **Context**

- The Council has not had an integrated Digital and Customer service strategy that is focused on delivery of more efficient and effective customer service.
- The Council has not transferred the point of access of enough of its services to a coherent digital platform resulting in significant capacity and customer service issues in many frontline services.

### **Consequence:**

- The Council cannot switch to lower cost transactions that are easier for residents, leading to an inability to make savings and poorer quality of interactions for the public

### **Current Controls:**

- A paper proposing a reset to the approach to Digital Customer engagement has been written and has been shared with Cllr Ajaib (lead member for ICT & Digital), COO, CEO and Director of Finance.
- The ICT & Digital Team restructure has been completed and both internal and external recruitment has commenced.
- Remaining contract resources have been extended to the end of the financial year to provide continuity.

### **Strategic Objectives:**

- Corporate Health: Customer engagement

### **Actions Required:**

- Establish Digital working group as a subgroup of SLT
  - Actionee: Simon Sharkey Woods
  - Target Date: 31/12/2022
  - Latest Update: Currently building the terms of reference and data inputs to ensure the meeting is meaningful

	Inherent Risk	Current Risk	Target Risk
Likelihood	4	3	2
Impact	4	4	4
Score	16	12	8

Date last updated: **30th November 2022**