












Strategic risks Somerset Council – 30 May 2024

Produced – 20/05/2024







JCAD ref & Review date	Risk Description	Cause	Consequence	Inherent score		Mitigation & Target Date (TD) for completion	Current score & DOT		Desired risk score		Risk Owner
				L	I		L	I	L	I	
ORG0057 Review: 20/6/2024	Strategic Risk 2023 - Sustainable MTFP: There is a significant risk that the forecast costs of council services exceed the resources available resulting in a section 114 notice. Covers the budget years 2024/25 & 2025/26	In February 2024, the 2024/25 budget was set with the use of £81.4m of one-off funding including £36.9m of support from DLUHC in the form of a Capitalisation Direction. As a result gap for 2025/26 was estimated to be £103.9m with the overall gap increasing to £198.5m by 2028/29. It is estimated that the overall level of reserves held by the new Council will be £104.9m by March 2025. Taking out those reserves held on behalf others, shows that the forecast reserves position to £74.9m by the end of 2025/26 financial. The forecast budget gap for 2025/26 of £103.9m is in excess of the forecast level of reserves of £74.9m . <ul style="list-style-type: none"> Council funding not increasing at the same rate as costs Very high inflation, increasing interest rates, tight labour market, fuel, energy, care provider and external placement costs are adversely impacting upon service costs Housing Revenue Account and capital programme Income to the council doesn't increase at the same causing budget gap and potential overspends Deficit on the High Needs Block of £30m as at 31/3/22 and is projected to significantly increase by the time the DfE statutory override ends on 31/3/26. 	If there was no corrective actions taken then it would result in the S151 officer issuing a S114 notice. Council becomes unsustainable for 2025/26	5	5	<p>Existing controls</p> <ol style="list-style-type: none"> Updated MTFP 24/25 to 26/27 Review of High Needs Block Bright Sparks for staff to identify areas for savings Establishment of 3 boards to oversee spend – Establishment, Procurement, and Cost Control Review of transformation programme to include what is included and what savings will be generated as a result Regular budget monitoring to Executive supported by Budget Control Group MTFP Board <p>Controls Completed</p> <ol style="list-style-type: none"> Financial strategy 24/25 26/27 Deep dive into Children' and families using external experts Peopletoo Rebase of the ASC budget <p>In progress</p> <ol style="list-style-type: none"> 017-Review of pressures identified in 24/25 – TD: 30/09/2024 019-25/26-staffing reduction via the VR & CR process – TD: 31/03/2025 020-25/26 – Updated MTFP report to September 2024 Executive – TD: 31/03/2025 021-25/26 – 2023/24 outturn & Base Budget Review to be completed by end September 2024 – TD: 30/09/2024 022- 25/26 – Fees & Charges – Review of fees & Charges for future years – TD: 31/03/2025 023 – 25/26 – Review of 2025/26 budget pressure by end of October 2024 – TD: 30/10/2024 	4	5	3	3	Jason Vaughan
							<p>20 VH  </p>	<p>9 M </p>		<p>Corporate Priority A Fairer Ambitious Somerset</p>	
<ul style="list-style-type: none"> ORG0057 Risk Owners review summary: Financial Strategy – This is now in place and was geed by Council in April 2024. It sets out a clear plan with savings targets that shows how the budget for 2025/26 can be balanced Workforce programme – The current Voluntary Redundancy (VR) process will deliver £8m of ongoing savings, consultation on CLT staffing structure has started which will deliver another £1m of staff savings and timelines for the Compulsory Redundancies programme have been outlined Dedicated School Grant (DSG) – That there been a significant amount of work done to address the on-going in year financial deficit. The last forecast show that by taking the agreed actions we are getting closer to achieving in-year balance in future years DLUHC – they have confirmed that we amend our capitalisation direction request for 2024/25 and increase it if required. We have also seen another council put in a request for 2023/24 as well as 2024/25 in the last week. 											

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ORG0062 Review: 08/04/2024	Health and Safety Management, strategic planning and direction is not embedded across the council, including maintained schools, resulting in a fragmented management system with increased risk to staff, contractors and members of the public	Corporate service operating for a number of years without a strategic lead Inadequate staffing resource resulting in unsustainable demands Organisational LGR reprioritisation Uncertainty due to intended LGR service restructuring Insufficient resource to enable early identification of increasing risk and statutory breaches Reduced capacity to proactively and reactively engage with the workforce Emerging existence of multiple risk management systems across the organisation Limited H and S training to support	Death or serious harm (RIDDOR, excluding over 7-day incapacitation of a worker) to a service user, pupil, member of the public or member of staff Criminal prosecution and enforcement action under H&S/Fire/Corporate Manslaughter legislation Civil Claims and/or personal litigation claims for negligence Adverse publicity and damage to reputation for the council Increased audit inspection from enforcing bodies Increased costs and financial penalties Increased costs associated	5	5	Existing 1. Permanent strategic lead appointed 2. Service development – work has begun to plan for permanent post LGR restructuring of the H&S service 3. Service built chatbot in place 4. Culture/competency development – developing core mandatory H&S training courses 5. Additional Elearning courses to be published reducing the need for in-person delivery 6. Robust Governance structure implemented 7. H&S awareness – internal communication strategy 8. Series of briefing to elected Members 9. Strategic planning – establish a baseline, inform future strategies and initiatives enable growth of H&S culture Complete 1. 006-Engage external providers to deliver fire risk assessment programme – TD: 08/04/2024 2. 004-Planning interim recruitment measures to address resignations – TD: 08/04/2024 In progress 3. 014-H&S to produce e-Learning courses on Blackboard – TD: 31/12/2024 4. 010-Work with ICT on a dedicated organisational wide H&S system – TD: 30/09/2025 5. 013-Review of the H&S service governance structure for educational establishments – TD: 31/07/2024 6. 001-SWAP audit into H&S culture – TD: 31/07/2024	4	5	3	4	Daniel Thomas
<p>25 VH </p> <p>20 VH  ↔</p> <p>12 M </p> <p>Corporate Priority A Flourishing and Resilient Somerset</p>											
ORG0062 Risk Owners review summary: Review overdue											
ORG0070 Review 12/02/2024	Budget overspend – significant budget overspends in current financial year (23/24) that would have to be funded from council reserves reducing reserves to a dangerously low levels. The 23/24 budget set the minimum level of General	Drivers of potential overspend - Rising interest rates – impact costs of borrowing for longer term investments by predecessor councils - Labour market -increasing pay costs - Demand - increase in demand and complexity - Inflation – 40-year high inflation impacting costs and services - Economic environment – high	Services need to manage overspend and take corrective action within the service	5	5	Existing 1. Bright sparks for staff to identify saving areas 2. Corporate and resources scrutiny 3. Establishment of 3 boards to oversee spend 4. Regular budget monitoring to Executive supported by budget control group 5. MTFP board 6. Deep dive into Children’s service 7. Service challenge sessions 8. Review format of budget monitoring report	5	5	3	2	Jason Vaughan
<p>25 VH </p> <p>15 H  ↓</p> <p>6 L </p>											







VH-VERY HIGH / H-HIGH / M- MEDIUM / L- LOW/

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	Reserves to be in range of £20m to £50m reflecting the councils current risk environment	energy costs, cost of living crisis				In progress 1. 005-Financial training – TD: 31/10/2023 2. 002-Performance, Risk and Budget review board – TD: 29/03/2024			Corporate Priority A Fairer Ambitious Somerset		
ORG0070 Risk owners review summary: Review Overdue											
ORG0053 Review 18/11/2023	Resilience – organisational resilience – without minimum level of capacity and resource, the resilience of the organisation is comprised	Recruitment and retention competing with other public and private sector Loss of staff specific to in-house systems Competing priorities including LGR, transition, transformation projects and high service pressures Emerging financial pressures in 23/24 Assets and infrastructure, e.g. SAP Lack of Business Continuity planning Inability to recruit to backfill for large projects with need operational staff resource	Additional pressure on service delivery Fail to realise staff savings targets to consolidate legacy contracts	5	5	Controls Completed <ul style="list-style-type: none"> BCP annual corporate guidance BCP service level BC plans are updated annually ICT Mobile telecoms review CCU Delivery of annual training & exercise programme CCU Maintenance of the Somerset Local Authorities Civil Contingencies Partnership CCU Maintenance of community resilience capabilities CCU Participation & coordination with local multi-agency structures ICT increase awareness & understanding around suspicious & unsolicited email attachments CCU assess Somerset civil contingencies risks In progress 1. 011-Information Governance asset register – TD: 31/08/2023 2. 009-H&S – create common processes for staff can be interchanged – TD: 31/12/2023 3. 014-Delivery of annual civil contingency work programme – TD: 31/03/2024 4. 015-Deliver annual training and exercise programme for civil contingencies and business continuity – TD: 31/03/2024 5. 016-Annual update of corporate business continuity plans and service level plans – TD: TBA 6. 012-In-house replacement solutions and wider skills training – TD: 30/11/2023	4	5	2	5	Alyn Jones
				25 VH 				20 VH  ↔	10 L 	Corporate Priority A Flourishing & Resilient Somerset	
ORG0053 Risk Owners review summary: Last reviewed 18/10/2023											
ORG0065 Review 23/03/2024	Workforce – inability to recruit and retain staff	Pay and grading structure Lack of competitiveness with private sector and other local authorities especially around IT, legal, social workers, planners and H&S experts	Vacant posts hard to fill, effecting the realisation of benefits from LGR Increased budget pressures from hiring agency staff Staff wellbeing	5	5	In progress 1. 001-Develop workforce strategy – TD: TBA 2. 002-Review job evaluation, pay and grading – TD: TBA 3. 003-Maximise the potential of the apprenticeship programme – TD: TBA 4. 004-Create Somerset Councils Employer Value proposition – TD: 31/3/2025	4	5	3	4	Dawn Bettridge (Melissa Fairhurst)
				25 VH 				20 VH  ↔	12 M 		

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						5. 005-Staff communications and engagement programme – TD: TBA 6. 006-Establish effective staff networks – TD: TBA 7. 007-Fast track LGR restructure activity – TD: 30/06/2024			Corporate Priority A Flourishing & Resilient Somerset		
ORG0065 Risk Owners review summary: 03/04/2024 – Work continues across Social Care teams – comms campaign planned for Children’s. Increased the number of CSC apprentices to 7 this year to support pipeline as no students from Yeovil started this year. Adults progressing with Morgan Hunt contract from overseas but applicant pipeline stronger at present. Work being done on R & R allowances to continue these.											
ORG0061 Review 08/01/2024	Climate change – SC unable to take sufficient urgent action to mitigate and adapt to the current and future impacts of climate change		Reputational damage Potential financial loss through failing to deliver on one of the corporate priorities and take appropriate action to mitigate the threat of climate change and its associated impacts	5	5	Existing 1. 001-Deliver of climate change emergency strategy for transport In progress 1. 007-Delivery of climate change outcomes for farming and food workstream – TD: 29/04/2024 2. 006-Delivery of climate change outcomes for natural environment workstream – TD: 31/03/2023 3. 008-Delivery of climate change outcomes for water workstream – TD: 31/03/2023 4. 002-Delivery of climate change outcomes for transport – TD: 31/03/2023 5. 003-Delivery of climate emergency energy workstream outcomes – TD: 08/05/2024 6. 004-Delivery of climate change outcomes for built environment workstream – TD: 08/05/2024 7. 010-Delivery of climate change outcomes for communication workstream – TD: 28/06/2024 8. 005-Delivery of climate change outcomes for business and supply chain – TD: 31/03/2023	4	4	3	3	Kirsty Larkins
				25 VH 				9 M 		Corporate Priority A Greener More Sustainable Somerset	
ORG0061 Risk Owners review summary: 11/12/2023 – additional live actions											
ORG0063 Review 26/06/2024	Commercial investments – inability to achieve forecast income in the MTFP and a drop in the value of the investment. Market factors, valuation controls around properties, diversity of portfolio, geographical area of investments	Current economic climate with a downturn in economic conditions Rising interest rates which increase borrowing costs Previous approach of funding these investments from short term borrowing	Non-achievement of income budget Creation of financial pressures in the MTFP Loss in value of investment may make disposals difficult Potential negative media reporting, leading to reputational damage	4	5	In progress 1. 001-Regular review and asset management with external consultants appointed – TD: TBA	4	4	3	3	Oliver Woodhams
				20 VH 				9 M 		Corporate Priority A Fairer Ambitious Somerset	
ORG0063 Risk Owners review summary: 26/04/2024 – Tranche 1 of properties has been considered by for disposal and this is progressing											

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& Review date				L	I		L	I	L	I	
ORG0064 Review due 6/7/2024	General housing – failure to maintain delivery of affordable housing through third parties (registered providers) and direct council delivery	High demand for PRS and market homes due to HPC and market conditions Ecological challenges especially phosphates Impact of right to buy Impact of choices made by some PRS landlords to withdraw from the market Increased demand for affordable homes due to cost of living crisis Displaced people Homelessness	Reduction in homes available	4	5	In progress 1. Bio Diversity Net Gain – resolution to a s106 barrier for local authority development – TD: 31/5/2024 2. County wide RP partnership – TD: 29/8/2025 3. Housing options, children’s and Adults to fund opportunities to invest to save. – TD: 26/7/2024 4. Joint venture linked to use of corporate assets as a primer. TD: 26/7/2024 5. Restructure of housing options accommodation staff to secure accommodation from third parties or through HRA. TD: 26/11/2024	5	4	3	4	Chris Brown
<p>20 VH </p> <p>20 VH  ↑</p> <p>12 M </p> <p>Corporate Priority A Flourishing & Resilient Somerset</p>											
ORG0064 Risk Owners review summary: 10/5/2024. This is an issue, the risk of affordable supply and demand gap increasing is a reality. New risks include bio diversity net gain.											
ORG0068 Review due 15/04/2024	Increase in fraudulent activity including unauthorised release of, amendment of, use of, loss of and/or loss of access to, corporate/confidential information stored electronically	Transition and service alignment Housing - benefit and tenancy frauds, Council Tax fraudulent claims, financial transaction, Contract and procurement Recruitment and selection, Pension fraud Payroll/expenses, Business rates, Insurance costs, Grants, Blue badge		0	0	Existing 1. 002-SWAP baseline assessment In progress 1. 003-Additional resource needs to be identified and placed within financial structure – TD: 23/08/2024 2. 005-Succession planning from existing staff base and audit of qualification training requirements – TD: 08/04/2024 3. 004-Review of fraud policy and associated documents – TD: 30/04/2024 4. 001-Code of conduct training for all staff – TD: 31/03/2024	4	4	3	4	Nicola Hix
<p>16 VH  ↔</p> <p>12 M </p> <p>Corporate Priority A Fairer Ambitious Somerset</p>											
ORG0068 Risk Owners review summary: 15/01/2024 – Duplicate recovery systems in place											
ORG0009 Review due 30/09/2024	Protecting children – we fail to deliver our statutory duties and legal obligations in relation to vulnerable children	Systematic failure of corporate leadership including effective engagement in strategic partnerships Financial constraints Inability to recruit and retain sufficiently suitably qualified and experienced staff	Possible abuse, injury or loss of life to a vulnerable child through lack of service provision. Reduced public confidence. Emergency measures Increased inspection Personal litigation claims Negative publicity for both the council and partners Possible financial penalty or service is removed from council control	5	5	In progress 1. 057-Quality, review and performance (QRRM) meeting CSC – TD: TBA 2. 061-Quality, review and performance meeting – schools – TD: TBA 3. 060-Quality, review and performance meeting - commissioning – TD: TBA	3	5	3	5	Claire Winter
<p>25 VH </p> <p>15 H  ↔</p> <p>15 H </p> <p>Corporate Priority A Healthy & Caring Somerset</p>											











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ORG0009 Risk Owners review summary: 02/05/2024 – Risk reviewed with DCS QPRM meetings continue								
ORG0079 Review 05/04/2024	Future policy changes that affect funding in social care	National Government policy change	Reduced funding impacting service delivery	4 5 20 VH 	Existing 1. 001-Ongoing review of Government policy announcements In Progress None identified	3 5 15 H ↔	3 4 12 M 	Mel Lock
ORG0079 Risk Owners review summary: 15/04/2024 – This is an ongoing concern that is regularly highlighted with recurrent ministers at a national level by Councils and Leaders across the country								
ORG0080 Review 31/01/2024	The risk of increasing demands on services and the impact that this could have in services and budgets	Continued cost of living crisis Continued high rents across the county	Longer to provide the services needed Increase in budgets for statutory services	4 5 20 VH 	Existing 1. 001-Monitoring of service performance to identify areas of concern 2. 002-Monitoring of budgets to identify issues and concerns In Progress None identified	3 5 15 H 	3 4 12 M 	Alyn Jones
ORG0080 Risk Owners review summary:								
ORG0060 Review 02/05/2024	ASC fails to meet statutory obligations under the Care Act in relation to care providers market sufficiency and capacity	Insufficient/vulnerable adult social care market Supply/capacity to meet rising demand for care and support and population needs	Needs and outcomes for individuals are not met in a timely, effective way Hospital flow significantly affected due to insufficient intermediate care capacity High levels of unmet care need and	5 4 20 VH 	Existing 1. 001 implement winter plan commissioning intentions – will include new provision/capacity within care market 2. 003 Continue to invest in Proud to Care Somerset as a means of promoting job opportunities across the care sector 3. 004 Explore and establish a funding solution to support care sector as a wider health and care system 4. 006 Undertake assurance activity in relation to	3 4 12 M ↔	3 4 12 M 	Niki Shaw

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			package of care hand backs Rising levels of care provider business failure or closure Risk to and needs of, individuals awaiting care in the community increase Failure to adequately safeguard adults at risk Increase in out of area/respite/permanent residential/nursing placements Failure to meet our strategic aims			Commissioning duties under The Care Act 2014 ahead of inspection 5. 007 Establish a dedicated home closure / crisis response 'team' to help manage winter pressures 6. 008 Refresh Somersets ASC Market Position Statement for launch in April 2023 In progress 1. 009-Undertake and maintain a detailed self-assessment in relation to how the LA provides support (CQC assurance) – TD: 06/05/2024					
ORG0060 Risk Owners review summary:											
ORG0066 Review 15/04/2024	VCFSE – the continued risk of financial instability of the sector exacerbated by the financial pressure on Somerset Council and the requirements to make savings, lessening opportunity to make long term funding commitments	Removal of legacy grants from smaller VCFSE Expectation of VCFSE support as part of transformation	Impact on services Areas where VCFSE support the council may well not get delivered or customers supported Potential loss of some VCFSE groups	4	4	Existing 02 Executive agreement to fund 2 strategic VCFSE partners (Spark & CA) In progress 1. 001-VCFSE core group in place, monitoring spend, building business case for continued VCFSE funding and develop policy – TD: 31/10/2023 2. 003-Work with strategic VCFSE partners to mitigate budget impacts on communities – TD: TBA	3	4	2	3	Alyn Jones
				20 VH 		 12 M 		 6 L 		Corporate Priority A Fairer Ambitious Somerset	
ORG0066 Risk Owners review summary: 15/04/2024 – Owner re-assigned to Service Director											
ORG0071 Review 02/05/2024	The risk that the adults transformation programme (My Life, My Future) does not achieve its financial targets	Strategic partnership with Newton Europe to implement the next phase of Adult Social Care transformation ineffectively implemented, supported, or monitored	Failure to achieve MTFP savings – falls back to council to bridge the gap Failure to achieve key performance targets and strategic plan ambitions Negative impacts on external and internal assurance/CQC assessment Reputational damage	5	5	Existing 1. 001-Projected savings to be guaranteed using 100% contingent commercial fee model In progress 1. 002-Ensure rigorous approach in place to support tracking of benefits and financial impact – TD: 31/05/2024 2. 003-Ensure programme sufficiently resourced to deliver the full target benefits value – 31/05/2024	3	4	3	3	Niki Shaw
				25 VH 		 12 M 		 9 M 		Corporate Priority A Healthy & Caring Somerset	
ORG0071 Risk Owners review summary: 02/04/2024 – Fortnightly My Life, My Future Finance & Performance meetings in place, alongside a Steering Group meeting to support routine progress monitoring, risk and activity and contract monitoring meeting											

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ORG0075 Review 02/05/2024	LCN – failure to deliver the key commitment of the business case to deliver LCN's	Delays in recruiting permanent LCN team and reliance on interim resource	Failure to deliver key commitment to our communities to ensure engagement with SC and local influence on services Damage to relationships with stakeholders	4	5	Existing 002 Identify potential areas for savings that allow LCN team recruitment to commence 003 Seek to make an application for additional funding to support LCN In progress 1. 001-Review of existing community development spend across the council, seeking realign and repurpose of existing budgets – TD: 31/03/2024	3	4	3	2	Sara Skirton
				20 VH 			12 M  ↔		6 L 		
ORG0075 Risk Owners review summary: 6/12/2023 – Actions updated and reviewed											