

Risk Report - GT VFM Tracker 2019 2020

	Risk Ref	Risk	Uncontrolled Risk	Action Required (In progress Only)	Control Owner Review Date Target Date	Current Risk Score	Controlled Risk Assessment for Financial Year	Comments
	VFMY20011	<p>Risk Description: Risk Description: Demand for ASC is still rising nationally, and the service could improve their modelling for future activity. Younger Adults with complex needs as well as a growing over &%'s population could be areas for more strategic analysis/ thinking.</p> <p>Cause:</p> <p>Consequence:</p>		<p>◦ Consider the value of benchmarking against similar authorities to inform forward planning and transformation</p> <p><i>In Progress (75% complete)</i></p>	<p>Mel Lock 31/01/2020 31/12/2019</p>	<p>Likelihood : Impact :</p> <p>0</p>	<p>Likelihood : Impact :</p>	<p>23/12/2019 The service is currently analysing the themes and findings to emerge from the LGA's Use of Resources report for Somerset, which compares local performance to that of the wider ADASS region. The report is designed to support councils to identify areas for further exploration, where spend and/or performance is significantly different to regional or national averages.</p> <p>In addition, the service is currently undertaking a detailed self-assessment in preparation for a SW ADASS Peer Review activity in the early spring. This work will include benchmarking against similar/neighbouring authorities and is being informed by a range of analytical performance and finance reports.</p> <p>The Director for Adult Social Care will be presenting an assurance report to Scrutiny in Jan 2020 which will evidence how benchmarking data/tools have been to help set and inform next years budget, and offer the service confidence in its ability to manage within budgetary constraints.</p>

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	<p>VFMY20012</p> <p>Risk Owner: Mel Lock</p> <p>Next Risk Review Date: 31/01/2020</p>	<p>Risk Description: There is opportunity for the service to think further ahead in terms of service innovation and improvement of outcomes for SCC residents</p> <p>Cause:</p> <p>Consequence:</p>		<p>o To explore opportunities provided by Government initiatives to further transform Adult's Services</p> <p><i>In Progress (50% complete)</i></p>	<p>Mel Lock 23/01/2020 <i>31/01/2020</i></p>	<p>Likelihood : Impact :</p> <p>0</p>	<p>Likelihood : Impact :</p>	<p>23/12/2019 The Adults Transformation Programme continues to remain on track: milestones and benefits identified, and latest available national financial and performance benchmarking analysis is used to guide our transformation activity. The service is currently analysing the themes and findings to emerge from the LGA's Use of Resources report for Somerset, which compares local performance to that of the wider ADASS region, The report is designed to support councils to identify areas for further exploration, where spend and/or performance is significantly different to regional or national averages.</p> <p>In addition, the service is currently undertaking a detailed self-assessment in preparation for a SW ADASS Peer Review activity in the early spring. This work will include benchmarking against similar/neighbouring authorities and is being informed by a range of analytical performance and finance reports. The involvement in this process will assist the service in learning and exploring innovative approaches to improve outcomes for local residents.</p>

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	VFMY20008 Risk Owner: Julian Wooster Next Risk Review Date: 14/01/2020	Risk Description: Whilst there is positive benefit to an Improvement Partner, Council Officer ownership and accountability for savings and demand management will be vital and should be considered Cause: Consequence:		<ul style="list-style-type: none"> ◦ Implement the enhance budget management arrangements across all management levels in Children's Services (complete) ◦ Review the effectiveness of Children's Transformation arrangements (complete) 	Julian Wooster Julian Wooster	Likelihood : Impact : 0	Likelihood : Impact :	11/11/2019 The review is completed and ongoing arrangements are in place for an improvement partner.
	VFMY20010 Risk Owner: Julian Wooster Next Risk Review Date: 31/12/2019	Risk Description: More work is needed on placement sufficiency (i.e. markets) to ensure the councils gets best VFM in the context of dramatic increases (nationally) in the cost of placements Cause: Consequence:		<ul style="list-style-type: none"> ◦ Review the strategic approach to the care market incorporating regional and national initiatives <p><i>In Progress (10% complete)</i></p>	Julian Wooster 31/12/2019 31/01/2020	Likelihood : Impact : 0	Likelihood : Impact :	

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	<p>VFMY20001</p> <p>Risk Owner: Sheila Collins</p> <p>Next Risk Review Date: 15/02/2020</p>	<p>Risk Description: The council should review the format of its budget setting, monitoring and outturn reports to ensure they maximise the ability of both officers and members to understand the challenge delivery against budget. As part of this process, members should be consulted with to determine what they would like to see and, in particular, how risks of non-delivery will be flagged.</p> <p>Cause:</p> <p>Consequence:</p>		<ul style="list-style-type: none"> ◦ Continue the improved revenue and capital reporting to Officers and Members established during 2018/19. Continue improvements to the content and layout of information to improve accessibility and user friendliness. This improved reporting includes to SLT, Cabinet, Scrutiny Committees, Full Council. Ensure links between MTFP and in-year budget monitoring are reported as relevant. <i>In Progress (75% complete)</i> ◦ Develop the next phase of budget holder training to increase further financial literacy Develop a follow-up programme to that initiated in 2018/19 to increase the financial awareness among staff of their financial responsibilities and ensure they have the right tools / knowledge to carry these out effectively. <i>In Progress (30% complete)</i> ◦ Liaise with External auditors and LGA link officers to learn from their experience of best practice This learning likely to range from how to simplify our Statements of Accounts, to effective governance, to effective budget reporting and planning <i>In Progress (70% complete)</i> 	<p>Sheila Collins 15/02/2020 31/03/2020</p> <p>Sheila Collins 15/02/2020 31/03/2020</p> <p>Sheila Collins 15/02/2020 31/03/2020</p>	<p>Likelihood : Impact :</p> <p>0</p>	<p>Likelihood : Impact :</p>	<p>15/01/2020 The month 7 budget monitoring report to Cabinet (November 2019) included detailed tables for all service variations that reconciled to the supporting narratives. This made it simpler for members to focus on key areas of concern. These changes will continue in future reports. An additional, experienced qualified accountant is working temporarily (Jan - July) within the Finance team to support financial reporting, including the outturn reporting.</p>

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	<p>VFMY20002</p> <p>Risk Owner: Sheila Collins</p> <p>Next Risk Review Date: 15/02/2020</p>	<p>Risk Description: The Council should ensure that a robust MTFP is built for 2020-23, in particular ensuring that base budget for each service area are realistic and achievable, having regard to the previous year's performance. As part of this process, consideration should be given, if any, should be set aside for unexpected pressures versus direct service line allocation.</p> <p>Cause:</p> <p>Consequence:</p>		<ul style="list-style-type: none"> ◦ Ensure a robust MTFP process for 2020-23 Up-date the MTFP process to strengthen stakeholder engagement, service ownership of service pressures and savings, assessment of levels of confidence, review of reserves strategy and policy and consideration of appropriateness of levels of corporate contingency <i>In Progress (80% complete)</i> ◦ Continue to take opportunities to ensure Central Government departments are aware of Somerset CC's financial position Be actively involved in relevant government consultations (including Spending Round 2019, Comprehensive Spending Review, FFR, BRR, ASC Green Paper etc.) <i>In Progress (80% complete)</i> 	<p>Sheila Collins 15/02/2020 28/02/2020</p> <p>Sheila Collins 15/02/2020 31/03/2020</p>	<p>Likelihood : Impact :</p> <p>0</p>	<p>Likelihood : Impact :</p>	<p>15/01/2020 The MTFP process for 2020-23 has completed a number of activities to improve robustness of the budget proposals and underlying assumptions. Details were set out in the MTFP Strategy Report to Cabinet on 18 December 2019. These include: wider stakeholder engagement (including businesses, staff, unions, schools, all members - two briefings held and a third planned for 10 Feb 2020); detailed reports on budget proposals going to each Scrutiny Committee in Jan/Feb 2020 ahead of Cabinet and Council considering the budget. A lessons learned meeting has been planned for March 2020 to inform next years MTFP process. The Internal Auditor will attend this session and add their views on the scope for further improvements.</p>

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	VFMY20003 Risk Owner: Sheila Collins Next Risk Review Date: 15/02/2020	Risk Description: The Council should ensure that there is consistency of reporting between budget setting and monitoring with a clear approach to how savings are identified, quantified financially and monitored. Cause: Consequence:		<ul style="list-style-type: none"> Continue the sharp focus on tracking savings delivery introduced in 2018/19. Sustain the fortnightly reporting to SLT and the monthly inclusion in revenue budget monitoring report. <i>In Progress (80% complete)</i> 	Vikki Hearn 15/02/2020 31/03/2020	Likelihood : Impact : 0	Likelihood : Impact :	15/01/2020 99% of savings have been delivered or are on track to be delivered in 2019/20. This has been the position throughout 2019/20.
	VFMY20004 Risk Owner: Sheila Collins Next Risk Review Date: 14/02/2020	Risk Description: Committees and meetings responsible for monitoring financial delivery should explicitly minute the challenge and actions taken, where necessary.. These should be followed up at the next meetings to ensure proposed action is having the desired effect and to inform what further action, if any, is necessary. Cause: Consequence:		<ul style="list-style-type: none"> Continue to maintain effective minutes of challenges / discussions on financial matters and review at the next meeting. This includes keeping notes and minutes at officer and member meetings (including SLT, Cabinet, Scrutiny, Full Council, Audit Committee). notes should cover challenge and review and capture agreed actions. <i>In Progress (50% complete)</i> Continue to ensure that financial papers are presented regularly to appropriate meetings. This includes officer meetings (SLT, DMT's) and Members (Cabinet, Full Council, Scrutiny, Audit committee) <i>In Progress (80% complete)</i> 	Scott Wooldridge 31/03/2020 Sheila Collins 14/02/2020 31/03/2020	Likelihood : Impact : 0	Likelihood : Impact :	14/01/2020 Dem services endeavour to capture the key discussions at Audit committee and relevant items at Scrutiny Committees that involve the VFM tracker.

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				<ul style="list-style-type: none"> ◦ Continue to develop more effective scrutiny Consider the recommendations for improving the Scrutiny function from the Centre to Public Scrutiny report completed in Summer 2019. <i>In Progress</i> (80% complete) ◦ Ensure broader stakeholder engagement in financial position during MTFP (2020-23). Increase awareness of the council's financial position through stakeholder engagement at relevant stages of the MTFP process. <i>In Progress</i> (80% complete) 	Scott Wooldridge 14/02/2020 31/03/2020 Sheila Collins 14/02/2020 20/02/2020			
	VFMY20005	<p>Risk Description: Reporting of financial performance to members should be transparent and understandable and include greater analysis of areas such as use of reserves or grants and application and achievement of transformational projects through the use of capital flexibilities.</p> <p>Cause:</p> <p>Consequence:</p>		<ul style="list-style-type: none"> ◦ Continue to make improvements to reports to Committees (Cabinet, Full Council, Scrutiny) Seek regular feedback from Members on reports and take actions to improve understandability where helpful. <i>In Progress</i> (80% complete) 	Sheila Collins 15/02/2020 31/03/2020	Likelihood : Impact : 0	Likelihood : Impact :	15/01/2020 More detailed tables have been added to budget monitoring since month 7 which have made variations more visible for members to focus in the right areas. These have received positive feedback.

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	VFMY20006 Risk Owner: Sheila Collins Next Risk Review Date: 15/02/2020	Risk Description: Capital receipts flexibilities: ensure all identified projects are included in the MTFP process accompanied by business cases that are approved prior to the financial year along with achievement against prior year projects. In-year reporting should up-date for any changes including newly identified projects or those projects that are delayed or unlikely to deliver. Cause: Consequence:		<ul style="list-style-type: none"> ◦ Ensure full compliance with capital flexibilities Ensure report on the improvements as a result of transformation funded through capital receipts. Ensure any business cases for use of capital receipts included in MTFP (2020-23) as relevant. (complete) ◦ Continue reporting of use of capital receipts through budget monitoring (complete) 	Sheila Collins Sheila Collins	Likelihood : Impact : 0	Likelihood : Impact :	15/01/2020 No CRF are planned for the MTFP (2020-23). full details of how this has been achieved will be in the report to full council in February 2020.
	VFMY20007 Risk Owner: Sheila Collins Next Risk Review Date: 14/02/2020	Risk Description: The S151 Officer to articulate clearly in her / his report under Section 25 of the LG Act 2003 on the adequacy of reserves and balances, their view on the adequacy of both the General Fund and other reserves (earmarked), along with any proposed action to strengthen going forward. As part of this process, consideration should also be given to the appropriateness of holding negative reserves. Cause: Consequence:		<ul style="list-style-type: none"> ◦ Develop a strategy to eliminate negative reserves as part of the MTFP (2020-23) process. Ensure plans are built into the MTFP (2020-23) to eliminate any legacy negative reserves. <i>In Progress (75% complete)</i> ◦ Review approach for drawn down on reserves to ensure tighter control (complete) ◦ work closely with Schools Forum to progress the DSG deficit recovery plan Detailed plans are being further progressed via a Schools Forum task group in late Feb 2020. <i>In Progress (30% complete)</i> 	Sheila Collins 14/02/2020 28/02/2020 Sheila Collins Sheila Collins 31/01/2020 28/02/2020	Likelihood : Impact : 0	Likelihood : Impact :	14/01/2020 The Interim Director of Finance (Sheila Collins) and the incoming Permanent Director of Finance (Jason Vaughan), have shared their views on the financial sustainability of the Council in the medium term and will formally present their advice in the February 2020 Council report.

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	<p>VFMY20009</p> <p>Risk Owner: Sheila Collins</p> <p>Next Risk Review Date: 14/02/2020</p>	<p>Risk Description: In the context of the MTFP, ensure there is better understanding and analysis of highest risk pressures. Work on volatile cohort financial risk would give better direction to both transformation and financial management activity.</p> <p>Cause:</p> <p>Consequence:</p>		<ul style="list-style-type: none"> ◦ Review MTFP process to ensure effective challenge and evidencing of pressures and savings before adding to MTFP Challenge sessions held (Chaired by the Chief Executive) in August 2019 on emerging service pressures to ensure robustness over the MTFP period. Strategic Manager assurance statements prepared for all indicative budgets. On-going consideration given to impacts of in year monitoring position on future years. <i>In Progress (80% complete)</i> ◦ Consider the value of benchmarking against similar authorities to inform forward planning and transformation Evaluation of flexible external benchmarking tool underway to enable smart comparison between authorities to help inform potential areas for improvement. <i>In Progress (50% complete)</i> 	<p>Sheila Collins 14/02/2020 14/02/2020</p> <p>Sheila Collins 31/01/2020 14/02/2020</p>	<p>Likelihood : Impact :</p> <p style="text-align: center;">0</p>	<p>Likelihood : Impact :</p>	<p>14/01/2020 Throughout the MTFP process (2020-23), in-depth challenge has been applied to each service pressure to ensure robust budgets are prepared.</p>

Report Selection Criteria

Status Flag=ACTIVE - Business Unit Code=VFMY2 - ISNULL(Project Code)