

Audit Committee

Committee Date – 29 August 2024



Report Title: Strategic Risk Report for Somerset Council

Executive Member(s): Cllr Liz Leyshon, Deputy Leader of the Council and Lead Member for Resources and Performance

Lead Officer: Alyn Jones, Executive Director, Strategy Workforce & Localities

Author: Pam Pursley, Strategic Risk Manager

Contact Details: 01823 359062. Pam.pursley@somerset.gov.uk

Summary / Background

1. This report to Audit Committee provides an overview of Somerset Council's strategic risks identified as of August 2024.
2. The Corporate Leadership Team (CLT) along with the Performance, Risk & Budget Board have initiated steps to evaluate and update Somerset Council's strategic risks. The outcome will be an updated set of strategic risks complete with designated owners, assessments of risk levels, and plans for mitigation. The progress of this review will be communicated to the Audit Committee, including sharing the final updated strategic risks once approved.
3. Risk management has a direct link to the Council's Plan, interlinked with the Medium-Term Financial Plan, and it is a fundamental part of the Annual Governance Statement (AGS). Additionally, it plays a significant role in the assessment of Value for Money by the External Auditors, underlining its importance for effective corporate governance.

Recommendations

4. Audit Committee are asked to note the current strategic risks for Somerset Council set out in **Appendix One**

Reasons for Recommendations

5. At the 30 May Audit Committee meeting it was reported that the Risk Scoring Matrix had been updated. This updated matrix is now utilized within JCAD to

assess recorded risks. Risks that were once rated as 'High' with an 'Amber' colour at a score of 15 have been reclassified. The following two risks are impacted by this adjustment and are currently categorized as 'medium', although they maintain a score of 15:

- ORG0009 Protecting Children.
- ORG0080 Accumulative impact on services

Strategic Risk Update

6. Within the current strategic risk register, the 16 strategic risks have been assessed as:

- 9 red (very high risk)
 - 6 yellow (medium risk)
 - 1 green (low risk)
- **ORG0070 Budget Overspend;** since May this risk has seen two further changes to current score.
 - **20 June 2024** – The risks was assessed as Likelihood 5 x Impact 4 = 20 (High), this was an increase from the previous month. The risk owner’s justification for the increase is recorded as “The Impact on general reserves is “major” but is still within the council’s financial tolerance level”
 - **4 July 2024** – The risk was again assessed, and the current score was reduced to Likelihood 3 x Impact 2 = 6 (Low), the reason for change is recorded as “draft outturn shows a minor underspend for 2023/24
 - **ORG0057 Sustainable MTFP** has seen a reduction in the ‘impact’ score from 5 (critical) to 4 (major).
 - **ORG0079 ASC fail to implement national policy changes,** the current score has been increased on the 1st August from 3x5(15) to 4x5(20). The risk owner’s commentary reads: Following the election of 4th July 2024 and Labour's win, the new Secretary of State for Health & Social Care (Wes Streeting) indicated a commitment to keeping the cap on social care costs. On 19 July 2024, England's largest councils called for a delay in the introduction of the cap on adult social care costs warning they would be impossible to implement by October 2025: <http://www.countycouncilsnetwork.org.uk/download/5385/?tmstv=1721285981> This follows new analysis that revealed the costs of the new cap on care and more generous means-test have increased by a third, with the total costs of the reforms for older adults now totalling £30bn over the next decade - a figure that is unfunded. On 29 August 2024 the new Chancellor, Rachel Reeves, announced she was scrapping the policy as part of a wider push to save money with the Treasury saying the changes were 'now impossible to deliver in full to previously announced timeframes'.

7. Work is continuing to review and update the council's strategic risks. It is intended to seek agreement from Performance, Risk & Budget board (PRBB) at their September meeting followed by submission to Executive in October for approval.

Background Papers

All risk information compiled from JCAD Core.

Appendices

- Appendix One – Strategic Risk Management Report

Report Sign-Off

	Officer Name	Date Completed
Strategy, workforce & Localities	Alyn Jones	
Service Director	Sara Cretney	01/08/2024
Executive Lead Member	Cllr Liz Leyshon	