



**Somerset  
Council**

# Strategic Risks

DRAFT V03 - October 2024

Appendix 2

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# Introduction

As part of the process to develop a new Council Delivery Plan, the Corporate Leadership Team (CLT) has reviewed and identified strategic risks and mitigations, considering national and global risk factors from the World Economic Forum alongside the existing risks on the Council's risk register.

An initial set of Strategic Risk themes were identified that applied to the delivery of the Council Plan as a whole, reflecting Somerset Council's unique context. Over the past few months, these risks have been refined by reviewing industry and sector best practices.

Using the revised set of Strategic Risk themes, we consolidated and mapped the current council risks into these themes. Where necessary, additional risk causes and consequences were identified. Each Risk Theme was then mapped to the Council Priorities, and the current council priorities from the Delivery Plan were integrated into the mitigations for each Risk Theme. Where possible key performance indicators have also been mapped to each Risk Theme.

The review process resulted in seven Strategic Risks, each described with its causes, consequences, inherent risk scores, mitigations, current risk scores, relevant key performance indicators, link to council priority, and strategic risk owner.

The seven Strategic Risk themes are:

1. Climate Change & Environment
2. Financial Sustainability
3. Governance & Accountability
4. Community Wellbeing (safeguarding, demographic challenges, healthy lives, and prevention)
5. Digital, Data, and Technology
6. Service Delivery, Commissioning, and Contracts
7. Social Mobility (Education for All and Skills) and Economic Growth.

Managing strategic risks is essential to align with new priorities and address emerging challenges. The approach involves systematically identifying, refining, and managing risks to ensure they are relevant and comprehensive, thus enabling effective governance and operational success.

# Climate Change & Environment

## Description:

Failure to prioritize and address climate change impacts.

## Causes:

- Ineffective plans for rising temperatures and extreme weather events, causing health, safety, and infrastructure challenges.
- Mismanagement of natural resources, biodiversity loss, and increased greenhouse gas emissions.
- Pollution from agricultural run-off and vehicle emissions.
- Limited healthcare and social services in rural areas.
- Climate-related disruptions to agriculture and rural employment.
- Insufficient investment in resilient infrastructure and emergency preparedness.
- Rising costs, increased insurance premiums, and regulatory compliance challenges.

## Consequences:

- Environmental degradation, including loss of biodiversity and increased pollution.
- Public health crises from climate issues like heat stress and respiratory diseases.
- Widening social inequality and economic instability.
- Infrastructure damage and economic disruptions.
- Budget pressures from emergency response costs and funding shortfalls.

## Mitigations:

- Partner with Peninsula Transport for climate-resilient infrastructure and rail projects.
- Deliver a Local Transport Plan aligned with strategic plans and climate emergency measures.
- Secure investment in bus services and climate-resilient infrastructure.
- Refresh the Climate and Ecological Emergency Vision with collaborative governance.
- Deliver the Climate Emergency Strategy outcomes.
- Collaborate with partners for sustainable land management and nature-based recovery.
- Develop integrated approaches to restore the natural environment.

<b>Inherent Risk Score</b>	<b>25 Very High</b>	<b>Current Risk Score: 4x4(16)</b>
<b>Council Priority</b>	A Greener, More Sustainable Somerset	
<b>Risk Owner</b>	Executive Director Community, Place and Economy	

# Financial Sustainability, Governance & Accountability

**Description:** The lack of financial sustainability, governance, and accountability leads to budget deficits, reduced quality of services, loss of public trust, and potential legal issues.

## Causes:

- Persistent budget deficits and funding shortfalls from government sources
- Economic vulnerability due to a limited economic base
- Inefficient decision-making and policy implementation
- Leadership turnover disrupting governance continuity
- Inadequate transparency and risk of non-compliance with legal requirements
- Insufficient engagement with residents and stakeholders
- Financial instability of the VCSFE sector

## Consequences:

- Reduced ability to provide essential services and increased financial instability
- Exposure to market and environmental shocks leading to economic downturns
- Delays in governance and policy implementation
- Erosion of public trust and potential legal fines
- Disconnect between Council actions and community needs
- Increase in fraudulent activity, including unauthorised release of confidential information and data

## Mitigations:

- Deliver Medium-Term Financial Plan savings
- Address in-year budget pressures
- Rationalize properties including commercial investments
- Implement Improvement and Transformation Programme

<b>Inherent Risk Score</b>	<b>15 Medium</b>	<b>Current Risk Score: TBA</b>
<b>Council Priority</b>	An Effective, Efficient and Sustainable Council	
<b>Risk Owner</b>	S151 Officer	

## Community Wellbeing

### Description:

The inability and ineffectiveness to address our statutory responsibilities to safeguard vulnerable groups.

### Causes:

- Insufficient support and accommodation for displaced individuals
- Ageing population increasing demand for health and social care services
- Workforce shortages
- Youth outmigration
- Health inequalities
- Mental health challenges

### Consequences:

- Higher vulnerability among at-risk populations
- Insufficient support and accommodation for displaced individuals
- Increased demand on health and social care services
- Economic challenges due to youth outmigration
- Worsening health inequalities
- Mental health issues exacerbated by social isolation and stress
- Weak relationships with key partners may lead to ineffective responses

### Mitigations:

- Strengthening early help services
- Reducing out-of-county placements for children
- Cutting down timescales for Care Act Assessments
- Supporting SEND children
- Reducing care home moves
- Supporting young carers
- Improving health outcomes through partnerships
- Through the Migration Board welcoming displaced people to Somerset, providing suitable accommodation, working with the government and the support provided by the council and partners.
- Developing social housing
- Ending B&B use for temporary accommodation
- Recruiting locum social workers, while permanent recruitment is established

**Inherent Risk Score** 20 High **Current Risk Score: TBA**

**Council Priority** A Healthy and Caring Somerset

**Risk Owner** Tbc

## Digital, Data and Technology

**Description:** The inability to effectively manage digital, data, and technology resources leads to operational disruptions, data breaches, compliance failures, and loss of trust.

### Causes:

- Lack of robust plans for technology disruptions.
- Use of outdated or incompatible technology.
- Insufficient security protocols including cybersecurity measures.
- Poor data management policies.

- Shortage of qualified IT staff.
- Limited financial resources for technology investments.
- Failure to keep up with legal and regulatory requirements.
- Challenges with managing third-party technology providers.

**Consequences:**

- Significant service delivery interruptions.
- Reduced operational efficiency.
- Exposure to data breaches and cyber-attacks.
- Poor decision-making due to inaccurate data.
- Ineffective technology management.
- Increased long-term costs due to outdated systems.
- Legal penalties for non-compliance.
- Suboptimal performance from third-party providers.

**Mitigations:**

- Develop a comprehensive technology resilience plan.
- Manage third-party technology suppliers effectively.
- Prioritise technology investments based on business-critical needs and ROI.
- Strengthen compliance monitoring.
- New inhouse Replacement solutions and wider skills training
- Compile information Governance Asset register

<b>Inherent Risk Score</b>	<b>20 (high)</b>	<b>Current Risk Score: TBA</b>
<b>Council Priority</b>	An Effective, Efficient and Sustainable Council	
<b>Risk Owner</b>	Executive Director Resources, Strategy and Transformation	

# Service Delivery, Commissioning and Contracts

## Description:

Inadequate management of commissioning, and contracts can lead to poor service delivery and outcomes, financial inefficiencies, and regulatory non-compliance.

## Causes:

- Lack of tools for effective performance tracking, leading to delayed issue identification and correction.
- Misalignment between strategic commissioning goals and service delivery due to unclear objectives or poor communication.
- Inadequate contract management and oversight mechanisms.
- Insufficient engagement with key stakeholders.
- Deficiencies in staff skills for commissioning and contract management.
- Inadequate allocation of resources.
- Frequent regulatory or policy changes affecting service delivery and contract management.
- External market changes impacting service cost, quality, and sustainability.

## Consequences:

- Poor service quality and increased costs due to inadequate performance tracking and contract management.
- Financial inefficiencies impacting the Council's sustainability.
- Legal penalties and reputational damage due to non-compliance.
- Operational disruptions and inconsistencies in service provision.
- Contractual disputes leading to legal action and financial penalties.
- Negative impact on staff morale and productivity.
- Harm to the Council's reputation and stakeholder relationships.

## Mitigations:

- Resolve contract issues for kerbside recycling to ensure value for money with minimal disruption.
- Implement the Improvement and Transformation Programme.
- Execute the Partnerships, Devolution, and Localities Programme.
- Follow the Savings Delivery Plan.
- Enhance Corporate Governance and Assurance.
- Strengthen risk and performance management oversight.

<b>Inherent Risk Score</b>	<b>15 (medium)</b>	<b>Current Risk Score: TBA</b>
<b>Council Priority</b>	An Effective, Efficient and Sustainable Council	
<b>Risk Owner</b>	tbc	

# Social Mobility (Education for all and Skills)

## Description

The failure to implement social mobility programmes, inclusive education and skills training will exacerbate socio-economic disparities, affect community cohesion, and create a workforce unprepared for future demands, undermining regional prosperity and equity.

## Causes

Failure to address:



- Partnerships with educational providers to enhance adult education and skills offerings, leading to a skills mismatch.
- Adequate financial resources to sustain education and skills initiatives.
- Comprehensive policies for social mobility and education.
- Engagement from educational institutions, businesses, and community groups.
- Quality data to identify needs, measure impact, and adjust strategies.
- Infrastructure and resources for inclusive education.
- Collaboration between councils, educational institutions, and organisations.
- Legal or regulatory barriers limiting implementation of initiatives.

### Consequences

- Skills mismatch and reduced competitiveness due to ineffective education and training.
- Limited growth opportunities from inadequate resources and infrastructure.
- Inefficiencies and duplicated efforts in education due to poor planning and coordination.
- Reduced impact of educational efforts from low stakeholder engagement.
- Poorly targeted interventions from lack of quality data.
- Service delivery gaps from lack of collaboration.
- Reduced impact of social mobility initiatives due to legal barriers.

### Mitigations

- Target disadvantaged communities.
- Improve educational standards and opportunities through the Education for Life Board.
- Enhance adult education and skills to meet employer needs and improve opportunities for residents.
- Support successful implementation of LCNs.
- Deliver affordable housing through third parties and direct council initiatives.

**Inherent Risk Score** 25 (very high) **Current Risk Score:** TBA  
**Council Priority** A Fairer, Ambitious Somerset  
**Risk Owner** tbc

# Economic Growth

## Description:

The inability to attract and retain investment, stimulate local business growth, and implement economic development strategies will result in stagnant or declining economic performance, reduced employment opportunities, and diminished public revenue, ultimately impacting the quality of local public services.

## Causes:

- Inadequate financial resources or delays in securing necessary funding.
- Lack of strategic coordination and benefits realisation of key strategic capital projects and programmes.
- Prolonged approval processes or regulatory hurdles for regeneration projects and developments such as the Gravity site.
- Volatility in the national or global economy.
- Failure to align workforce development initiatives with the needs of major projects such as HPC and Agratas.
- Poor engagement with local communities and stakeholders.
- Ineffective project management practices or lack of robust planning for legacy outcomes related to HPC and Agratas.

## Consequences:

- Failure to fully realise the anticipated economic benefits from projects like HPC and Agratas.
- Decreased public revenue affecting the quality of local public services.
- Delayed or ineffective regeneration and development outcomes, extending timelines for key projects such as the Gravity site and increasing costs.
- Negative impact on the financial viability and operational success of major projects like HPC and Agratas.
- Inability to meet the workforce demands of critical projects, leading to inefficiencies and delays.
- Community resistance and lack of support creating obstacles in implementing regeneration and economic initiatives.
- Disruptions in achieving project milestones and objectives, increasing financial and operational risks.

## Mitigations:

- Meet local and national objectives and timelines for funded regeneration projects.
- Develop a pipeline of potential projects to respond to future opportunities.
- Effectively influence the HPC project, including workforce uplift.
- Work transparently to deliver a plan for legacy.
- Realise the economic benefits for the County from the Gravity site, particularly facilitating the Agratas battery cell manufactory.

<b>Inherent Risk Score</b>	<b>12 (Medium)</b>	<b>Current Risk Score: TBA</b>
<b>Council Priority</b>	A Flourishing and Resilient Somerset	
<b>Risk Owner</b>	Executive Director Community, Place and Economy	