

ADDITIONAL RISK INFORMATION

Risk title:	<b>Risks to MTFs delivery due to pressures in Children's Services, Social Care Reforms and inflationary pressures</b>
Net Risk level:	Red 9
Risk impact:	Cost
Corporate priority affected:	All of the above
Risk owner:	Director of Resources & Deputy Chief Executive
Frequency of review:	1 month
Current direction of travel:	At the same level as last quarter
Speed of risk materialising:	Rapid - Impact of the risk would be evident in a quarter
External factors contributing to this risk and implications for the council:	Current economic climate, inflationary pressures, energy costs, demand pressures in Adults and Childrens Services.
Internal factors contributing to the risk:	Improvement Plan for Children's Services. Higher than budgeted local government pay award.
Recent developments and how the risk has changed in the last quarter:	October 2022 Cabinet received a report on the Medium Term Financial Plan for Children's Services which requests additional funding of £6 million - £7 million per annum in each of the next three financial years. This funding requirement will be considered by the Council's Member-led Budget Strategy Group. The Budget Strategy Group held its first meeting on 12th October. At that meeting, the Group received an updated three-year forecast of financial pressures. The Group will meet on two further occasions in November and will then propose a Budget Strategy at an all Members Budget Seminar, to be held on 1st December 2022.
Mitigation strategy - How are we addressing this risk, to prevent the risk materialising as well as manage impact post event:	After the all Members Budget Seminar has considered the updated Budget proposals, these will be presented to Scrutiny Boards in January 2023 and then Full Cabinet in February 2023. Full Cabinet will make a budget recommendation to Full Council on 23 <sup>rd</sup> February 2023. There is a statutory requirement for Full Council to approve a balanced budget for 2023/24. When this budget is approved, the risk level will reduce.
By when can we expect to see a reduction in the risk level:	23/02/2023
What else can we do - Are there any mitigations that we can implement/ have decided to not implement:	Through Finance Directors Groups and the Local Government Association, we continue to lobby for further funding for local government.

Risk oversight and reporting to other boards and committees:	Quarterly financial forecasts are reported to each Cabinet member, to Scrutiny Boards and to Full Cabinet.
Related Papers:	Quarterly Budget Monitoring reports to Full Cabinet.

Risk title:	<b>Failure to achieve a balanced budget in the context of unprecedented pressures, which could significantly limit the delivery of other services for Children</b>
Net Risk level:	Red 9
Risk impact:	Safeguarding / Safety
Corporate priority affected:	1. Improving outcomes for children and young people in Solihull.
Risk owner:	Director of Childrens Services
Frequency of review:	1 month
Current direction of travel:	At the same level as last quarter
Speed of risk materialising:	Rapid - Impact of the risk would be evident in a quarter
External factors contributing to this risk and implications for the council:	Increasing demand for statutory social care services due to escalating need of children, young people and families.
Internal factors contributing to the risk:	National shortage of social workers leading to inadequate staffing levels to meet demand.
Recent developments and how the risk has changed in the last quarter:	Increased pressure on placement and agency staffing costs. Cabinet received a report on the Medium Term Financial Plan for Children's Services in October 22 which requests additional funding of £6 million - £7 million per annum in each of the next three financial years. This funding requirement will be considered by the Council's Member-led Budget Strategy Group.
Mitigation strategy - How are we addressing this risk, to prevent the risk materialising as well as manage impact post event:	MTFS requesting additional resource to address the shortfall in funding. Improvement Board in place overseeing the Improvement Plan. Key mitigations include opening our own Childrens homes in borough to avoid high cost placements, providing career progression grade to attract/retain experienced social workers and creating early intervention teams to prevent escalation to, and allow step down from, statutory services.
By when can we expect to see a reduction in the risk level:	01/04/2023
What else can we do - Are there any mitigations that we can implement/ have decided to not implement:	Additional funding agreed by Cabinet, Children Service Improvement Plan in place and bringing forward early help arrangements
Risk oversight and reporting to other boards and committees:	Quarterly financial forecasts are reported to each Cabinet member, to Scrutiny Boards and to Full Cabinet. 6 weekly Improvement Board meetings.
Related Papers:	Update report to Cabinet/Scrutiny on Children's Services financial position for 2022/23 (in year) and the implications for the forthcoming Medium Term Financial Strategy (MTFS)

Risk title:	<b>Failure to meet statutory duties and deliver a balanced budget in the context of nationally recognised pressures facing Adult Social Care, including the impact of Covid 19 in 22/23.</b>
Net Risk level:	Amber 7
Risk impact:	Cost
Corporate priority affected:	2. Good quality, responsive, and dignified care and support for Adults in Solihull when they need it
Risk owner:	Director of Adult Social Care
Frequency of review:	3 months
Current direction of travel:	At the same level as last quarter
Speed of risk materialising:	Rapid - Impact of the risk would be evident in a quarter
External factors contributing to this risk and implications for the council:	The general landscape remains difficult, given the challenges for adult social care such as the extent of national reform, workforce issues, provider stability challenges and the pressures resulting from Covid-19 impact and ongoing NHS pressures.
Internal factors contributing to the risk:	Currently there are no internal factors driving the risk
Recent developments and how the risk has changed in the last quarter:	A number of the mitigations are activities that span the full year, and so these elements are continuing. Additionally, due to the recently increased uncertainty about whether the adult social care reforms will be deferred, we are engaged in regional and national groups on the matter, to remain informed of the latest changes. We will take these into account once these are known.
Mitigation strategy - How are we addressing this risk, to prevent the risk materialising as well as manage impact post event:	There is a low likelihood we will not achieve a balanced budget this year, after use of reserves. Mitigating for in-year unexpected expenditure is a key purpose of the contingency reserve. There is also a low likelihood we will be unable to meet statutory duties for the reasons outlined, because we have the financial resources to address those issues in-year and/or are implementing the additional mitigations to maintain quality and delivery, however, it remains an ongoing risk for the reasons outlined in the risk register.
By when can we expect to see a reduction in the risk level:	There is a low likelihood we will not achieve a balanced budget this year, after use of reserves, or have a serious failure to meet statutory duties. The risk is specifically for the 22/23 financial year and is unlikely to improve through the year, because after mitigations the likelihood is already scored as low (but the impact is high), hence the overall scoring.

<p>What else can we do - Are there any mitigations that we can implement/ have decided to not implement:</p>	<p>Some mitigation activities continue throughout the year, such as the DLT governance arrangements for providing oversight of all activity and other actions, such as implementation of service mitigations as and when needed. The plan is that a similar new risk will be completed for the new financial year, at that point. This maintains a fresh view of the risk and required mitigations each year, to make sure that a current understanding of the issues is taken into account.</p>
<p>Risk oversight and reporting to other boards and committees:</p>	<p>In terms of public reporting, oversight is provided through additional routes to those outlined above and in the risk register. For example, budget reports, key performance and complaints/compliments quarterly reports are provided for Cabinet Portfolio Holder Decision Sessions and reporting on adult safeguarding plans and activity is reported via Solihull Safeguarding Adults Board through to Health and Wellbeing Board. Health and Adult Social Care Scrutiny Committee also set a forward plan which covers many key areas of adult social care activity. In terms of officer forums, a Directorate risk and issues summary is reported to the Directorate Leadership Team monthly when risks and issues are considered in the round and this overarching risk would be adjusted as required, if the more detailed risk logs indicated a need to do so. Financial and performance reports are also a standing agenda item at Directorate Leadership Team, and so enable the oversight of the position on a monthly basis. Key projects also have individual risk logs, as required, with the same overarching monitoring arrangement via Directorate Leadership Team.</p>