



# **Strategic Risk Register Report**

## **March 2022**

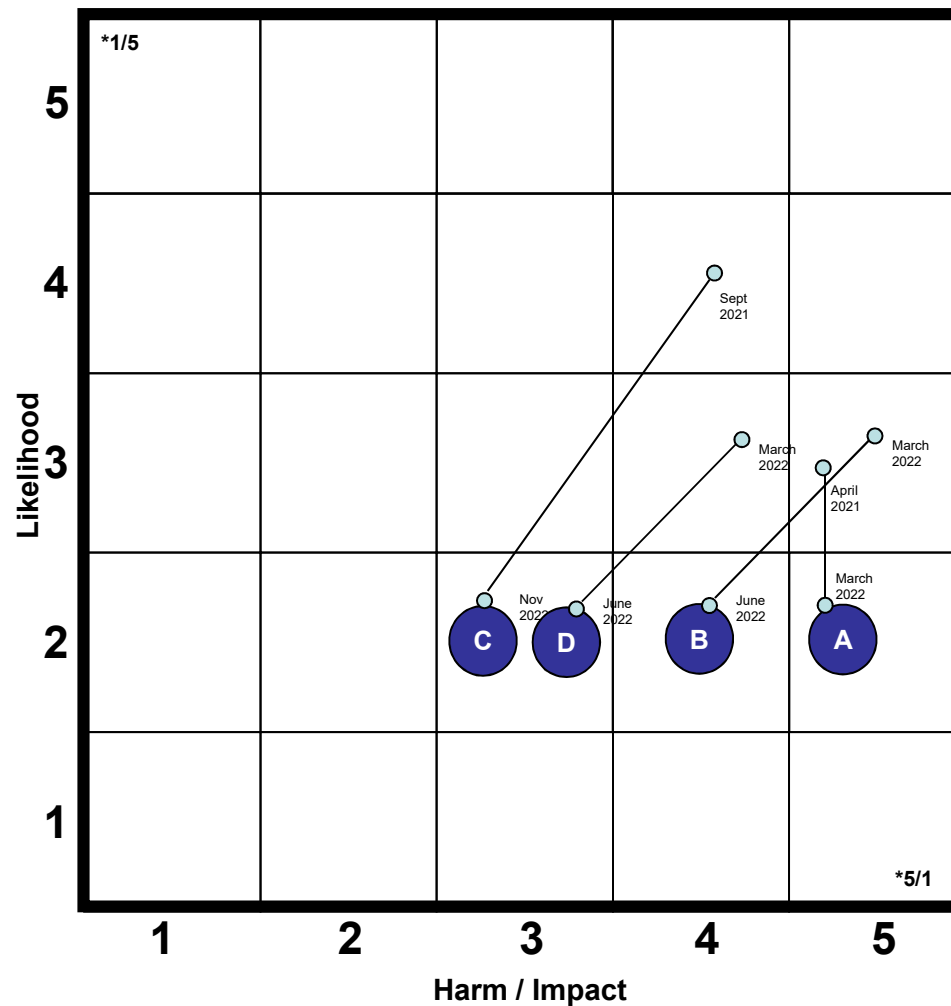
**This update sets out the current assessment of strategic risks that relate to the PCC**



## Strategic Risk Report – Agenda

The following Strategic Risks are recommended to be discussion points :

- A** The risk that there is a budget pressure that adversely impacts on service delivery.
- B** The risk that the Estates Strategy and Force Target Operating Model do not allow effective management of the Estate and the risk of an increasing maintenance deficit.
- C** The risk of shared service arrangements failing, impacting on the ability to deliver services.
- D** The risk of governance arrangements failing, due to the exit of the Chief Executive from the OPCC.



Risk rising, or is now an issue.



New risk for Treatment



Risk reducing, or to be Tolerated



**John Campion**  
Police and Crime Commissioner  
West Mercia



**A** The risk that there is a budget pressure that adversely impacts on service delivery.



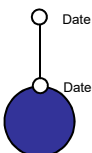
**B** The risk that the Estates Strategy and Force Target Operating Model do not allow effective management of the Estate and the risk of an increasing maintenance deficit.



**C** The risk of shared service arrangements failing, impacting on the ability to deliver services.



**D** The risk of governance arrangements failing, due to the exit of the Chief Executive from the OPCC.



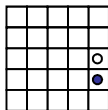
The date the risk entered the Risk Map

The date the risk reached this position / entered the Risk Map

The risks current position.



**The risk that there is a budget pressure that adversely impacts on service delivery.**



## June 2022 Update

The overall risk assessment has not changed since the November 2021 update.

The Council Tax Band D has been set following the PCP on the 4<sup>th</sup> February 2022. This has set the budget for the financial year at £260.485m

There is an increasing risk to the budget from inflation, The Staff pay award is agreed for the financial year which is higher than what was in budget assumptions. Police Officer pay award is yet to be determined. General Price inflation is currently running at 9% which is considerably higher than the budget assumption. Fuel inflation has been highest inflationary cost pressure. There has been additional resources put into reserves as a result of the reported outturn, and also additional funding into Revenue Contribution to Capital which has also resulted in a revenue saving. However the risks of budget overspend remains high.

## Previous Update

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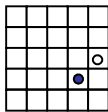
There is a risk to the budget from potential pay inflation, as the pay award is not yet agreed for the financial year. There is also the risk from general price inflation, with the emerging impact from the Ukraine crisis which may push prices, particularly energy, up further than the current 6% rate. The force has been asked to prepare for such eventualities.

The projection from 2021/22 Q3 MM is that there will be an underspend of £1.352m.



B

**The risk that the Estates Strategy and Force Target Operating Model do not allow effective management of the Estate and the risk of an increasing maintenance deficit.**



## **June 2022 update –**

Risk has been reduced

The Estates Strategy is still at formal public consultation stage after its approval at WMGB. The force has its 'plan on a page' and the Joint prevention strategy supported by their strategic assessment which sets its strategic direction with focus on primary and secondary intervention.

New M&E principal contractor in place who have completed a review of assets held at all sites to ensure that all equipment etc is being maintained in a reasonable . Backlog maintenance assessment has been undertaken to understand works required. Prioritisation plan in place for undertaking works

## **Previous update**

The overall risk assessment has not changed since the November 2021 update.

The Draft Estates strategy was approved at the February 2022 WMGB subject to public consultation. It is expected that the new estates strategy will be in place from July.

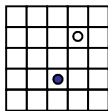
There has been a significant budget pressure in 2021/22 from a failure of power infrastructure at the Hindlip site, which has reinforced the need to understand the priorities in the backlog maintenance programme.

Additional resource has been included in the 2022/23 capital programme to be allocated to backlog maintenance.

There is further work to be done to ensure that the full maintenance deficit is understood and a plan is in place to manage the risk



**The risk of shared service arrangements failing, impacting on the ability to deliver services.**



## June 2022 Update

No Change in risk assessment

Warwickshire have given notice that they are ending the hosted service early with effect from the 30<sup>th</sup> June. They have settled the contract notification period, but it has created a budget pressure in year from the lost income for the second 6 months of the year. This is being managed with support from the PCC.

The plan for the end of the hosted service is on track, expectation that the risk will be removed from the strategic risk register when the agreement ends

## Previous update

The overall risk assessment has not changed since the November 2021 update.

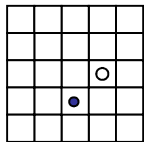
Warwickshire have approached West Mercia Police to request and early termination of the hosted services agreement. They have indicated that they would like to terminate the agreement 12 months early.

The positive outcome of this would be that West Mercia can priorities all resources solely to internal activities and drive forward the change programme.

However there is a revenue implication from the lost income from Warwickshire which needs to be considered and managed, to ensure that costs are offset as the hosted service ends.



## The risk of governance arrangements failing, due to the exit of the Chief Executive from the OPCC.



### June 2022 Update

Risk has been reduced

The OPCC has been operating with an interim Chief Executive from March 2022, and working arrangements are currently manageable and no governance issues have arisen.

Advert for new CE is currently live, with a 2 stage recruitment process in place, with final decision expected to be made by the PCC by Mid June.

Risk around whether a suitable candidate will be found, and the length of time to make an appointment, however current arrangements are deemed to be sufficient.

Risk will be removed once the new CE is appointed and is in post.

### Previous Update – New Risk

The PCC and Chief Executive agreed that effective from the 04<sup>th</sup> March 2022 the Chief Executive would leave his role.

The initial risk assessment was a score of 20 (likelihood 4 - Impact 5)

The revised risk assessment as a result of the implementation of mitigating actions is a score of 12 (likelihood 3 - impact 4)

The mitigating actions are:

- The Deputy Chief Executive (DCE) has been assigned the statutory responsibilities of the role of the Head of Paid Service and Monitoring officer for an interim period of 3 months. We continue to have access to the West Mercia Force Legal and HR services to ensure that we have access to appropriate professional advice.
- The Treasurer (as section 151 officer) continues to provide their statutory responsibilities to the PCC. The Treasurer has authorised appropriate increase in the DCE's financial approval limits to ensure contracts and spend can be authorised.
- The non statutory responsibilities are being reviewed and shared amongst the OPCC to ensure that we are continuing to attend all meetings that need OPCC representation.
- The scheme of corporate governance is still in operation and being followed.

The PCC with support from the office will consider how we can refocus and improve governance over the coming months to ensure that we are effective in delivering the priorities in the Safer West Mercia Plan.