

# Combined Assurance Status Report 2021/22



**Lincolnshire County Council  
February 2022**

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Adult Care & Community Wellbeing  
Children's Services  
Resources  
Commercial  
Place  
Fire, Rescue & Business Continuity  
Corporate

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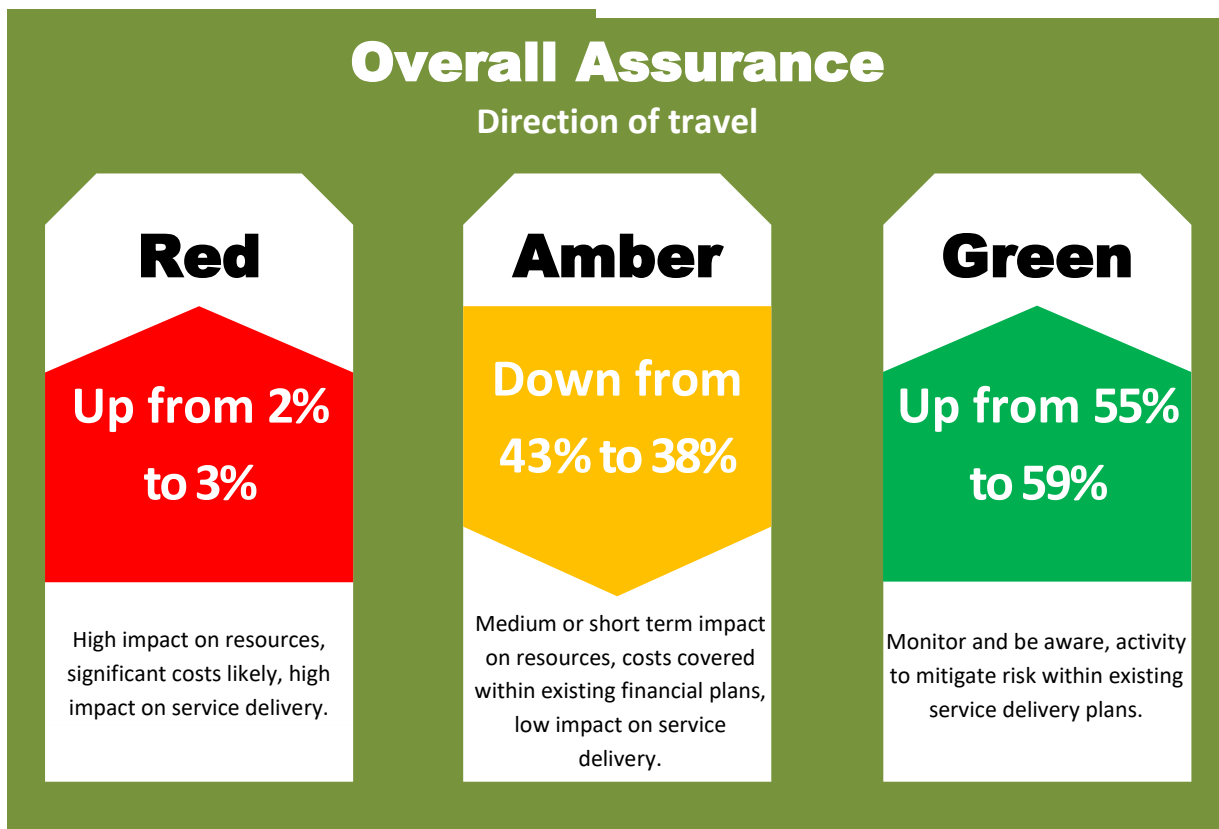
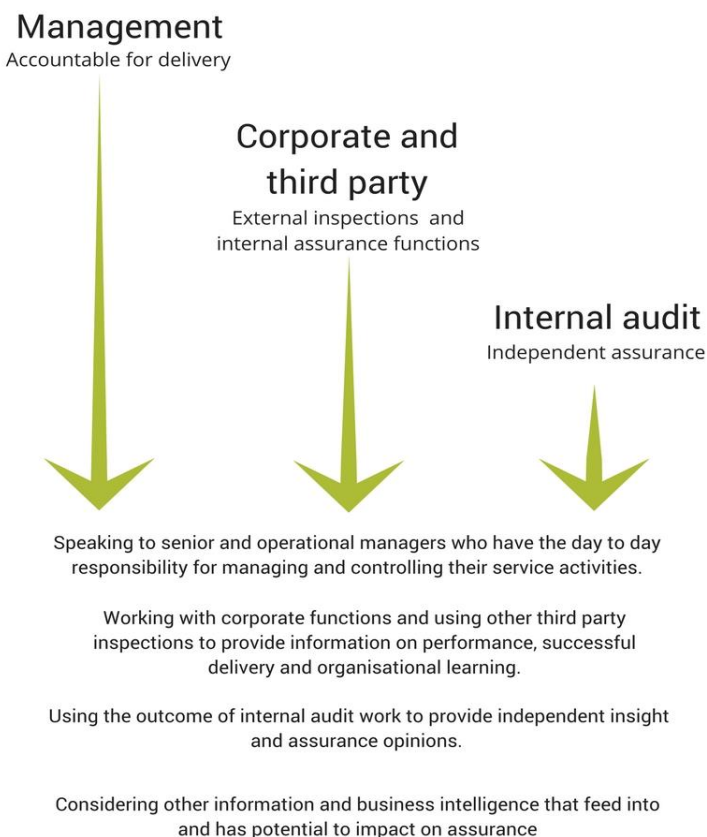
# Overview of Assurance

How do we assure ourselves about how the council is run?

Combined assurance is a structured means of identifying and mapping the main sources and types of assurance in the council and coordinating them to best effect.

It enhances risk management by providing an effective and efficient framework of sufficient, regular and reliable evidence of assurance on organisational stewardship and management of major risks to the Council's success.

We do this using the 3 lines of defence model.



# Chief Executive's Summary

2021/22 has continued to be a demanding year in light of the continued challenges of the global pandemic, labour shortages and increased costs in some areas of the Council's business activities. Despite this, I am pleased to report that the Council's critical service delivery activities; key risks; projects and partnerships have continued to receive **substantial assurance** with those risks rated as red only increasing by 1% to 3 % of all our strategic risks and an increase in those rated as green up from 55% to 59%. This confirms that the Council's governance, risk and control framework is robust and that controls are in place to mitigate risks.

This report rightly recognises the hard work and dedication of the Council's Members and its workforce to respond to the challenges our communities, business and visitors have faced. There is no doubt that the pandemic, labour shortages and increasing costs of some business activity has tested the resilience and capacity of our staff. This has been mitigated to some extent by additional short-term grants from central government which has been welcomed, but I also believe that the Council has, with our partners, taken swift action to mitigate any emerging risks whilst continuing to meet and respond to the needs of our communities.

Over the past year we have worked closely with our partners to achieve the Council's aspirations and respond to Covid-19 as not all the identified risks are within our control. With the support of our partners, especially our district councils and health colleagues, working in strong collaboration, we have continued to deliver strong services and respond to the needs of our communities. The Local Resilience Forum has continued to bring partners together so that we have had a system wide approach to addressing the Covid challenges and I would like to highlight the collaborative work in rolling out the vaccination programme which has seen very high uptake rates across the County.

The Council has continued to work towards achieving the aspirations of the ten-year Corporate Plan. The transformation programme has been reviewed this year and progress towards achieving the ambitions of the plan is starting to be realised. We are starting to see benefit realisations of the transformation programme especially in our work to manage demand across Special Educational Needs services, placements for looked after children and in introducing strength-based practice across adult social care. The programme next year needs to see the benefits of Smarter Working realised as well as the development of a digital route map to enable us to be more customer focused.

The combined assurance report outlines the Executive Directors' assurance opinions on the critical service delivery activities, key risks, projects and partnerships impacting on their service areas. Internal Audit have co-ordinated the overall assurance information and applied some constructive challenge on the assurance opinions. However, it is the senior management's views that have determined the overall assurance status which is in line with a control environment that promotes a culture of trust and accountability for those responsible for managing the service and associated risks. The framework remains fit for purpose and as leaders become more familiar with the approach, we are achieving greater consistency across how activities are risk rated.

# Chief Executive's Summary

The majority of assurance opinions are high to medium with minimal areas rated to have low assurance. Where these exist and where it is possible, leaders have robust controls to mitigate risk through direct control or through exerting influence on others. However, due to the Covid-19 pandemic, labour shortages and increasing costs in some areas the council has experienced some change in the critical areas of risk. These can be summarised as:

- **Safeguarding Children and Adults** – As the restrictions on home visiting and the increased visibility of children who have now returned to face to face education, as well as staff being able to return to the offices, this risk has reduced although it continues to be subject to continual monitoring due to the changing nature of the covid restrictions
- **Business Continuity and Resilience** – The last year has seen office-based staff continuing to work predominately from home. The locality offices have continued to be open with front line staff accessing the offices for supervision and closer contact with colleagues and managers to mitigate safeguarding risks. The planned return to the offices strategy was delayed due to Plan B restrictions, but we hope that early in the new year, staff will be able to start to return to the offices, working in line with "Smarter Working". I am pleased to report that our business continuity plans have been successful and we can demonstrate many good examples of how we have, through our LRF partnership, responded to the pandemic including the vaccination rollout, supporting hospital discharges, provision of business advice and grants etc.
- **Market Supply** - Adequacy of market supply to meet eligible needs across several directorates within the Council remains a risk especially across children, domiciliary care for adults and transport services. We have strong relationships with providers, robust contract management arrangements and have been able to mitigate some risks through the provision of a workforce grant to many of our providers. However, this funding is short term, so we need to continue to work with the most challenged sectors to address the many challenges we are experiencing in market management. We are undertaking a review of transport as part of the transformation programme and building more in house provision for children's homes.
- **Projects** - The Corporate Plan sets out the goals and ambitions the Council wishes to achieve for its residents over the coming year. Effective delivery of the Plan is supported by the Transformation Programme – a dedicated programme to monitor, expedite and ensure that transformational change is implemented effectively and realises intended benefits. The Transformation Programme has brought together some of our most high-profile projects together to give far greater visibility, corporate oversight and accountability of key activity, assurance of funding being spent on Council priorities and confidence that benefits are being realised. We are now starting to see benefit realisation in our work to manage demand across adults, children with special educational needs and placements for looked after children to ensure more timely, responsive solutions to need. Next year will start to see transformation of our home to school contracts.
- **Budgets** – The pandemic has placed extra strain on our budgets due to additional activity and lost income, however, we have maintained strong financial management across the council. We have received additional income from government to respond to

## Chief Executive's Summary

the pandemic, which has enabled us to support our communities. However, this funding is short term and we await to see if labour shortages and increased supply costs are a short term or long-term challenge. There are also considerable changes in the adult care sector proposed so it is important that the longer-term position on fairer funding and funding for adult social care is confirmed to enable us to plan effectively.

- **Recruitment / Staffing** - Our ability to recruit and retain staff in high-risk areas has seen greater challenge this year with significant labour shortages especially across transport, health and social care, legal services to name a few areas. We are working with partners to seek innovative solutions and our workforce strategy sets out a clear plan to mitigate risks, but I believe this remains our most significant and challenging risk area.
- **Cyber and IMT and Information Governance** - Improvements have been made within IMT over the past year as we move to cloud-based services and the assurance level has continued this year to be rated as substantial. Our current risk areas focus on switching off old, unsupported systems which can be challenging due to the reliance that we have on them and therefore often new or existing systems need to be available for business-as-usual activity to safely continue. However cyber security is also high risk, not least due to the ever-changing nature of cyber-attacks and the need for vigilance at an individual level. The risk is an improved position, but the main outstanding control means that assurance is still limited.

This report has identified and confirmed our areas of strength and areas for improvement. The Covid-19 pandemic has brought unprecedented challenges to all aspects of life and this year, these challenges have been compounded by labour shortages and increased costs across many of our services. However, I am pleased that we have maintained momentum across all our services which confirms that the Council's governance, risk and control framework is robust and that controls are in place to mitigate risks.



# Strategic Risks

Good risk management is part of the way we work. It is about taking the right risks when making decisions or where we need to encourage innovation in times of major change – balancing risk, quality, cost and affordability. This put us in a stronger position to deliver our goals and provide excellent services.

Overall the strategic risks continue to be managed pro-actively. A review of the effectiveness of the control actions has been undertaken – focusing on those that can be measured such as KPIs, external sources etc. This will help to measure their impact in managing the risk.

There is a high level of awareness of current and emerging risks that could impact services. Quarterly reports to CLT ensure that key red risks and issues arising from the pandemic continue to be identified and managed.

In addition to the red risks and issues, our Strategic Risk Register is regularly reviewed by risk owners, and our risks are being effectively managed.

**Note:** The Strategic Risk Register is currently being reviewed (January / February 2022) and therefore risk ratings may change.

Risk	Mitigating actions	Risk rating	Level of assurance	DoT
Safeguarding children	Improving – systems and processes adapted in response to Covid 19. Experiencing recruitment and retention challenge, as nationally.	Amber	Limited	↑
Safeguarding adults	Remains substantial assurance, however it is a watching brief as the full impact and implications of the last 18 months is still unclear.	Amber	Substantial	↑
Resilience (Business continuity) - Capacity and resilience to respond to, and recover from, wider area and prolonged emergencies and business disruption (e.g. coastal flooding / pandemic flu) impacting on public safety, continuity of critical functions and normal service delivery.	There is no change in the assurance level since March 2021	Amber	Substantial	=
Market Supply – Adequacy of Social Care market supply to meet eligible needs as defined in the Care Act	Remains at limited assurance due to the difficulties around capacity /workforce in Lincolnshire to pick up demand for health & social care. This is the same across the Country.	Amber	Limited	=
Projects - Ability to deliver our Transformation programme	Review of the transformation programme is complete. Project delivery is being refined to shape our target operating model. Four key projects (40%) have limited assurance and 1 (10%) around delivery.	Amber	Limited	=

# Strategic Risks

Risk	Mitigating actions	Risk rating	Level of assurance	DoT
Budget LCC - Funding and maintaining financial resilience	There is no change in the assurance level since March 2021.	Amber	Substantial	=
Recruitment / Staffing - Ability to recruit and retain staff in high risk areas	Risks to delivery are arising given the current professional and vocational employment market – both in commissioned services and directly employed staff. This risk will be reviewed in light of this data but current risk & issues intelligence on critical services indicates limited assurance. An attraction and retention strategy has been developed and was approved in January 2022.	Amber	Limited	↓
Strategic contracts - Ensuring contracts and markets (other than adult care) are fit for purpose & are managed effectively	There is no change in the assurance level since March 2021.	Amber	Limited	=
Cyber - The risk of a successful cyber-attack against the council with significant / critical impact	There is no change in the assurance level since March 2021.	Red	Limited	↑
IT Infrastructure – the ability to implement transformational aspirations and deliver business as usual	There is no change in the assurance level since March 2021.	Amber	Substantial	↑

Key	Risk	Assurance	
Red	High impact on resources, significant costs likely, high impact on service delivery	Low level of confidence over the design and operation of controls, performance or management of risk	
Amber	Medium or short term impact on resources, cost covered within existing financial plans, low impact on service delivery	Medium level of confidence over the design and operation of controls, performance or management of risk	
Green	Monitor and be aware , activity to mitigate the risk within existing service delivery plans / management arrangements	High level of confidence over the design and operation of controls, performance or management of risk	

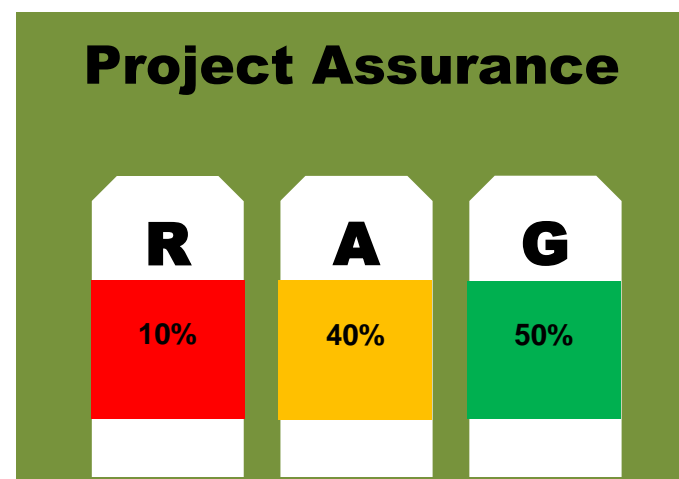
Direction of Travel (DoT)	
Improving	↑
Static	=
Declining	↓

**Note:** The Strategic Risk Register is currently being reviewed (January / February 2022) and therefore risk ratings may change.



# Transformation Programme

Overall Assurance - Amber	
Programme Governance Assurance	Green
Programme Delivery Assurance	Amber



Red	Amber	Green
Business World redesign	Educational Travel	People Strategy, policy and procedures
	Children in care transformation	Corporate Support Services Review
	Smarter working programme	SEND High Needs
	Business Analytics and Visualisation	Adult improvement and development
		Business Support Review

The Corporate Plan sets out the goals and ambitions the Council wishes to achieve for its residents over the coming year. Effective delivery of the Plan is supported by the Transformation Programme – a dedicated programme to monitor, expedite and ensure that transformational change is implemented effectively and realises intended benefits. The Transformation Programme provides LCC with the opportunity to promote learning from each

other and work collaboratively to identify new and improved ways to support wider council objectives. We have for many years been excellent at service led transformation; enabling us to become a strong Council with nationally recognised services. We now want to build on this success for all parts of the Council.

The Transformation Programme brings some of our most high-profile projects together to give far greater visibility, corporate oversight and accountability of key activity, assurance of funding being spent on Council priorities and confidence that benefits are being realised. A number of projects within the Transformation Programme have now been stood up with costs, benefits, timescales and outcomes being refined as we start to shape our future target operating model.

Following the last 18 months, recent work has been undertaken with our Corporate Leadership Team to review the Transformation Programme focus, model for delivery, and projects, along with other major projects and programmes across the council. This was to take account of the impact of Covid19, and to ensure our priorities are right now, and in the future, working towards meeting the needs of our communities, workforce, and Members.

In reviewing the Transformation Programme, the following has been agreed as our focus:

- To deliver council policy and corporate priorities: delivering better outcomes for residents and visitors through a One Council approach.
- To contribute to the sustainability of the organisation: drive financial savings, maximise independence and resilience to minimise demand and cost rises where possible, help protect frontline services through delivering good value, consider the environmental benefits and demonstrate a return on investment.
- To include high complexity and high-risk projects requiring a different approach: cross-cutting programme of change which require a new way of working and the development of a

# Transformation Programme

different skillset.

The following projects are to be stood up in the new year: Digital Strategy Implementation, Customer Strategy Implementation, Business Intelligence Strategy Implementation (this will incorporate Business Analytics & Visualisation), Corporate Support Optimisation (this will incorporate Business Support, Business World and Corporate Support Services)

Regular updates are in place to ensure staff are kept up to date with developments, with specific targeted communication in place based on individual project requirements. To assist with the implementation and realisation of the changes that the programme will bring, a network of change influencers has been set up to provide local assistance and guidance with technical developments and to support approaches to new ways of working.

## Project Assurance

To ensure there is the appropriate oversight and governance in place, a member of the Corporate Leadership Team (CLT) has been identified as Executive Director sponsor for each project and the following reporting and governance arrangements are in place:

- Regular project progress updates to the project lead and CLT sponsor.
- Weekly project manager meetings to share information on each project, lessons learnt, progress etc. and to identify interdependencies.
- Regular project boards (minimum monthly) to drive the delivery of each project.
- Monthly Transformation Programme steering group which brings together leads for our corporate functions such as HR, Finance, Audit and Business Support to ensure the overall direction of the programme is maintained
- Monthly CLT performance board meetings to report on progress, address issues, agree future projects to come into the programme and to provide strategic decision making.
- Political reporting into required committees for

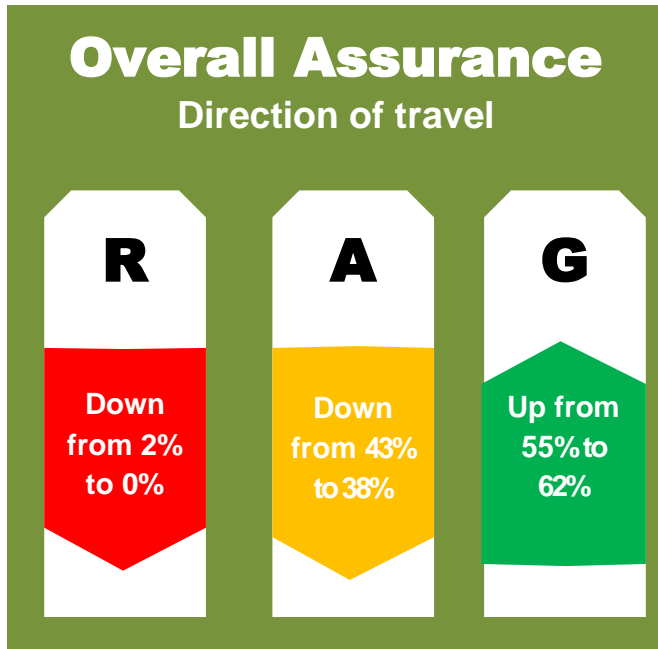
progress monitoring, engagement and decision making as required.

## Red Status

Business World: The project is running behind plan and a go live date is yet to be confirmed. The most significant delays are due to the resourcing and complexity of Payroll Parallel Run (PPR) testing, data cleansing of HR and Payroll data sets, and part 2 of User Acceptance Testing (UAT), specifically with schools. The additional governance in place for both PPR and UAT 2.0 continues to ensure the appropriate rigour is being applied to both planning and execution. Concerns remain in relation to the large amount of work required to prepare for data migration and the need to ensure adequate controls and processes are in place as part of service business as usual activity to provide appropriate ongoing assurance.

## Director's Key Messages

### Adult Care and Community Wellbeing



Critical Activities	
Red	Amber
None	Specialist Adult Services: Directly provided services
	Hospitals
	Specialist Adult Services: Mental Health 18-64
	Adult Frailty and Long Term Conditions
	Safeguarding Adults Board and Safeguarding Adults Team
	Deprivation of Liberty Team
	Emergency Duty Team
	Adult Care Finance (Serco)
	Budget and Financial Management
	Sexual Health Services
	Mental Health including Suicide Prevention
	Digital Roadmap including Connect to Support Lincolnshire

#### Red Risks

No red risks identified at this time

Covid has been a singular feature across the UK for almost 2 years and in Lincolnshire, notably health and social care the impact has been profound. The accumulative effect of a global pandemic for such a protracted period is being seen in capacity shortfalls (both in clinical and care grades), higher levels of complexity and acuity of need and increasing levels of mental ill health, safeguarding concerns and inequalities. The weaknesses in health and social care that existed before Covid have been exaggerated during this period and considerable change is a necessary consequence that we are beginning to see in the form of a series of legislative reform proposals commencing with the Health and Social Care Bill. In the Autumn, the growing concerns about the ability of health and social care – here and elsewhere – to manage during the Winter months were growing. Some describe the current pressures in some systems as a crisis.

Notwithstanding these very evident challenges the Directorate remains very focused on meeting need in the best possible way it can though in some circumstances this has not been to a level one might wish. There are, for example significant shortages in home care and in community supported living which has meant a number of people are in short term residential care awaiting a home care package. We may be fragile but not at crisis. We can also expect that activity and performance data for both 20/21 and 21/22 will not be a reliable guide to what the future holds for two reasons – covid has changed what services are accessed in both publicly funded and private social care markets, for example there appears to be a long term recalibration of the residential market downwards by about 8-12%. The second reason is that by 2023 the government reform program for health, social care and charging will lead to significant change.

## Director's Key Messages

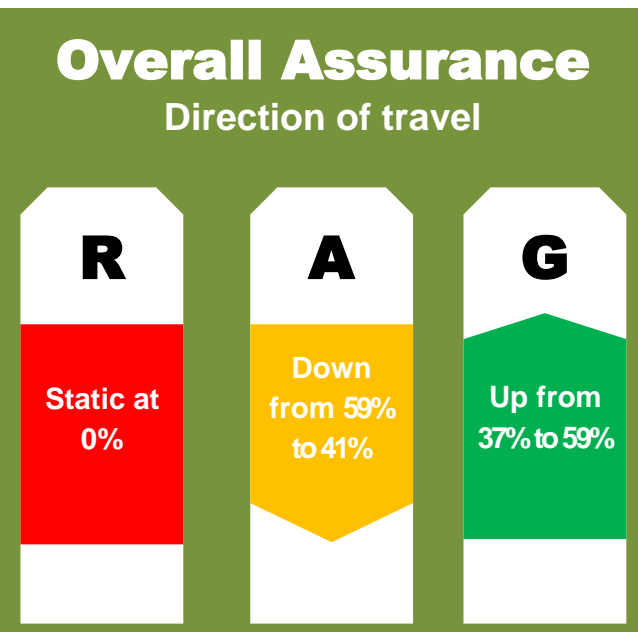
It is remarkable then that the level of perceived risk across a number of areas has diminished slightly with no 'red' rated risks being recorded. In part this is down to the level of support available – albeit temporary – from a multitude of government grants, the latest of which are two tranches of Workforce Grant plus, the highly skilled public health offer most evident in the Infection Control Unit and, generally, the level of communication and collaboration with providers and partners which is a long standing and highly valued feature of service in Lincolnshire. The ability of the Directorate to progress a number of priority areas is a testament to the tenacity and ability of colleagues: we have made considerable progress in our housing program, Financial Assessments and Debt collection, the Falls program and the 'One You' Lincolnshire initiative. In procurement, preventative services, digital innovation and in charging reform, our improvement program focused on front-line practice is also showing benefits – notably in helping people maintain or regain independence. All provide a basis for being well prepared for legislative reform but also in managing the challenges of covid as well as possible.

Once again, I am able to report to the Audit Committee that the Directorate will balance its budget in 21/22 – a tenth successive year.

# Director's Key Messages

## Children's Services

The Children's Services directorate brings together our children's social care, education, and health provision to deliver integrated services for the benefit of Children and Families across Lincolnshire.



Critical Activities	
Red	Amber
None	Safeguarding Regulated
	Safeguarding Locality
	Early Years
	Early Help Locality
	Education of Looked After Children
	Home to school Transport
	Youth Offending
	Futures4Me
	Public Health Nursing
	Monitoring Performance of Schools and Academies
	Occupational Therapy Team
	Closing the Attainment Gap

### Red Risks

No red risks identified at this time

Lincolnshire's Children's Services is judged Outstanding by Ofsted and a strong and stable leadership team is in place.

We are a Sector Led Improvement Partner with the Department for Education (DfE) which has meant we have been able to develop new innovative services for Lincolnshire and support other local authorities on their improvement journey.

The Covid 19 pandemic has continued to impact of the delivery of our services and the experiences of the families we support and this report rightly recognises these additional risks and pressures.

### Monitoring performance of schools and

**academies** - National school assessments have not been conducted in the usual way for a second year, which has meant we do not have access to our usual datasets as an indicator, which has impacted on monitoring of the performance of schools and academies. We are managing risk by using other local intelligence and discussion with schools. In addition to this, school and council activities around closing the attainment gap for pupil's eligible for free school meals have been further impacted by the extended school closure to most pupils. The pandemic and the economic impact have meant the number of children considered within this group has increased. We continue to support schools and academies to implement the government funded catch up programmes to mitigate concerns in this area.

**Home to School Transport** - The Council has a statutory duty to identify transport needs and to provide services where these would not otherwise be met. There are a number of factors contributing to a challenging local picture for the delivery of home to school transport in Lincolnshire. Whilst the Service has continued to achieve continuity of

## Director's Key Messages

its essential public services during the recent period of disruption as a result of Covid-19, we are now looking to the future to mitigate and address these factors to ensure sustainable, cost-effective and modern services. The challenges include emerging National Transport Policy and new legislation. Lincolnshire is a large rural county, logistically complex and with a limited and increasingly fragile transport market. We are undertaking a home to school transformation programme to ensure that services in Lincolnshire are as efficient as possible and fit for the future.

**Education of Looked After Children** – Our Virtual School team has worked tirelessly with schools, social workers and carers to support children and young people's learning virtually. However, we do not yet fully understand the impact on this vulnerable cohort of schools being closed to most pupils for an extended period and the on-going disruption to their education as a result of the pandemic.

**Safeguarding (Locality and Regulated), Futures 4 Me, Quality and standards and Early Help** – Our teams across all of these vital services have adapted admirably to the impact of Covid 19 on the way in which they are able to work. They have been innovative and dedicated in finding new approaches to support children and families. However, the pandemic continues and there is still medium and long term uncertainty with regard to any impact on staff capacity, future funding pressures and placement provision for children in care. We are also experiencing recruitment and retention challenges, as seen nationally.

**Early Years** – Our new Early Childhood Strategy in place following extensive consultation with stakeholders. Children's centres are now fully open again and face to face meetings have resumed. There is still a concern around the impact of lockdown and lack of interactions during that time on young children. It is unclear at present what effect this will have from a social, emotional, and educational point of view.

**Occupational Therapy** – Our Occupational Therapy team had improved the timeliness of

assessment for children and young people significantly following an increase in capacity. However, the national lockdown meant that face to face assessments could not be undertaken which has led to increased waiting times. The team are now working to address this and robust monitoring is in place. There are also challenges around the acquisition of specialist equipment which has been impacted by supply chain disruption.

**Children's Public Health Nursing** – Our Health Visiting team worked throughout the pandemic within the modified government guidance, and we are achieving the targets for a reduced cohort of children. We are not however delivering the whole Healthy Child Programme, and this will be addressed as government guidance changes.

As this report emphasises, we have additional pressures placed on many of our critical activity, however teams across Children's Services have responded with compassion and dedication to ensure we have maintained a strong performance across all of our key indicators. Our services have put children and young people at the heart of decision making and this has mitigated adverse service delivery whenever possible.

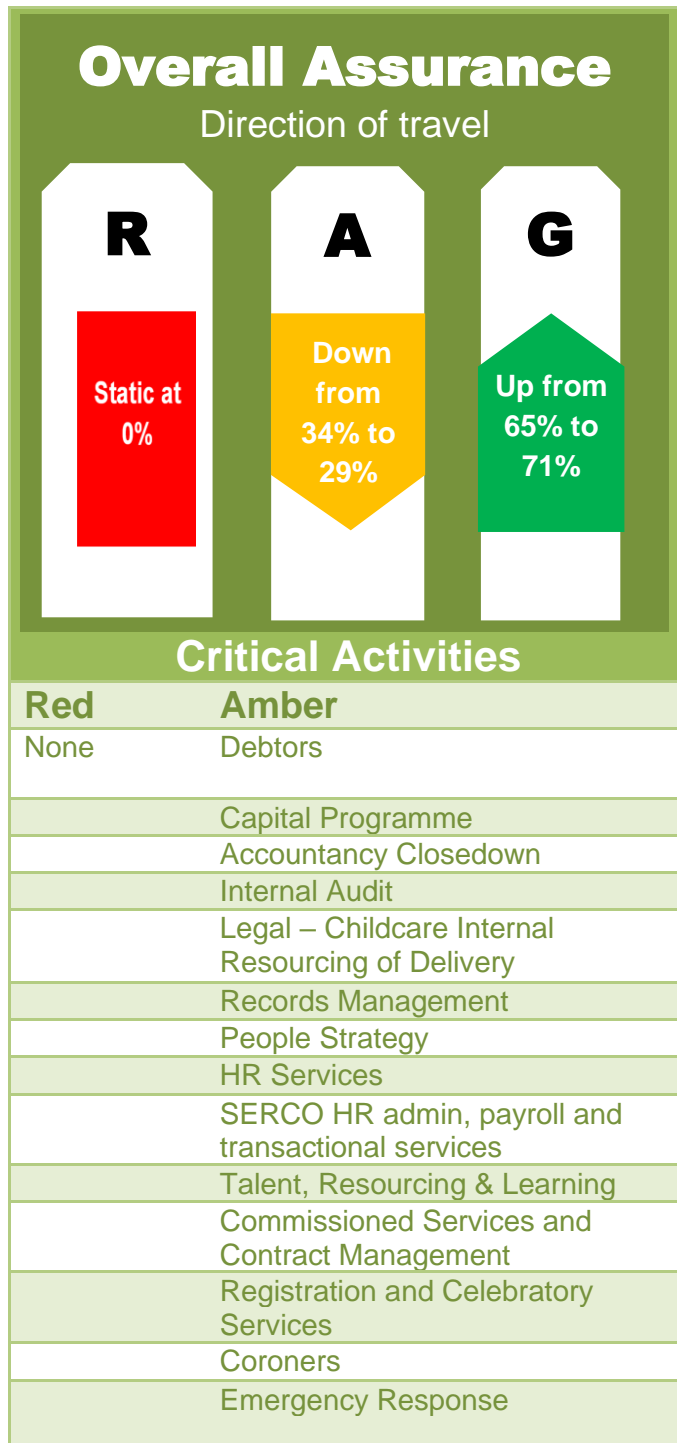
We have continued to innovate and transform services whilst responding to the challenges of the pandemic and this will place us in a strong position moving forward.



# Director's Key Messages

## Resources

The Resources directorate brings together our money, governance and people support functions, and since November 2020, our Public Protection activities. The Emergency Planning team joined Public Protection in autumn 2021.



Red Risks		
Risk identified	Risk Rating	Assurance Level
Finance, workloads and staffing	Red	Limited
Apprenticeship Levy	Red	Limited

In a continuation of the themes set out in the 2020/21 statement, the past year has continued to see our work impacted by the pandemic, albeit key initiatives have progressed at good pace.

In People Services, we've started to implement our People Strategy which has key outcomes such as attracting and retaining the best talent by being an employer of choice.

In our Finance related activities, we've continued to see pressure on resources from the Government reporting regime around covid grants but also seen the team support the various transformation activities across the council. The audit function has continued to experience recruitment challenges but at the same time is seen as a market leader locally in being requested to support other councils.

In the Governance field, we continue to be a well-run council and the current pandemic challenges show how fleet of foot our democratic services function is in keeping the machinery running.

Public Protection has had a year of significant developments including the definition of new priorities for the Safer Lincolnshire Partnership, implementing new Domestic Abuse legislation and the transformation and development of the Registrars function.

### Critical Activities

- Debtors – significant work undertaken over the last year to refine the debt management process and reduce overall outstanding levels.
- Capital Programme – the last year has seen an improvement around corporate oversight,



# Director's Key Messages

however overall programme delivery risks remain related to supply and inflationary issues.

- Internal Audit – the committee have received regular updates from the HIA around resourcing and capacity challenges.
- Legal Childcare: Resourcing of Delivery – this is an annual challenge around staffing. Whilst we have been successful with some recent recruitments, historic concern remains around retention.
- Records Management – the Smarter Working programme has required a change in emphasis and acceleration in rectifying historic records management issues.
- People Strategy – new strategy in its early stages and will require full cross council support to be fully successful over its three year implementation period.
- HR Services – new working practices and policies have been introduced to increase the effectiveness of the function. Will require review to ensure this has been achieved.
- Domestic Abuse Commissioned Services – exceptional demand has been experienced throughout the pandemic and the partnership is examining ways of making this work more effectively. A significant gap in the current legislation is around funding for perpetrator based services.
- Registration & Celebratory Services – New Head of Service in place driving transformation to increase compliance against expected standards and increase income from the expanded service offering.
- Coroners – Temporary coronial arrangements remain in place pending the outcome of the Chief Coroner decision on the proposed merger with North and North-East Lincolnshire.
- Emergency Response – a number of National developments around pilot funding and the civil contingencies act continue to place pressure on the team.

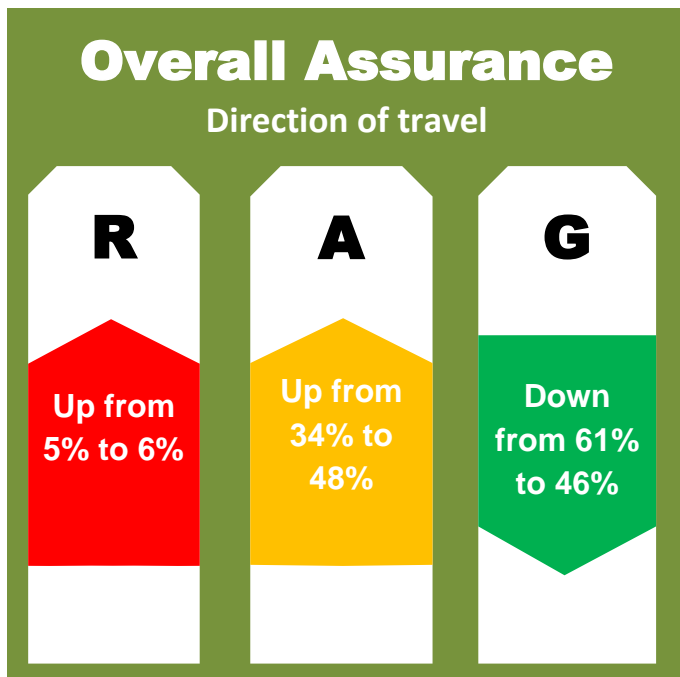
## Red Risks

Finance Workloads and Staffing - the finance service has had a number of early retirements over recent months which will increase strain on the remaining team. New technological advancements around PowerBi are being implemented to provide efficiency gains.

Apprenticeship Levy - whilst significant gains have been made in the last year with 294 apprentices now on roll, we are still in the position of handing some levy back to Government. Our work will continue to maximise use of the levy where at all possible.

# Director's Key Messages

## Commercial



Critical Activities	
Red	Amber
Business World Redesign and Business World Governance	Service Delivery and Procurement
ICT PSN Compliance	Adult Care and Community Wellbeing Contract Management
ICT Payment card industry data security standard	Procurement
	Transformation Programme
	ICT Governance
	Network Infrastructure and Security
	Asset Management: Software
	ICT Physical and Environmental Security
	Network Asset Controls: Within Estate and Agile
	Patch Management
	Incident Management
	ICT Disaster Recovery and Back Up arrangements
	Applications

## Red Risks

No red risks identified at this time

The Commercial Directorate comprises the following service areas, all delivering services corporately across the Council:

- IMT
- Property
- Commissioning/Commercial
- Transformation and Performance

The Commercial Directorate must support and challenge how we work and deliver services. We have played a critical role in enabling the Council to continue to provide and deliver services during the pandemic.

Across the whole directorate in 2021/22 there were 71 critical activities, projects, partnerships and risks. Of these 4 have an overall rating of red, 34 are amber and 33 are green. Compared to the previous year the red rating has increased from 5% to 6%, whilst the green has dropped from 61% to 46% and amber has increased from 34% to 48%.

Of the 4 critical areas that are red, 2 relate to delays in the implementation of Business World, due to ongoing testing and data correction and two others relate to IMT technical compliance which we are currently unable to fully meet due to a small number of remaining legacy systems. Business World is progressing, although at a slower pace than planned. Testing of the new system is progressing positively and data is being very carefully considered and corrected wherever required, to deliver a safe transition to the new system. Work is progressing well with the two IMT compliance critical activities that are red, although switching off old systems is often challenging due to the reliance that we have on them and therefore often new or existing systems need to be available for business as usual activity to safely continue. There are improvements and progress in all four of the red critical activities.

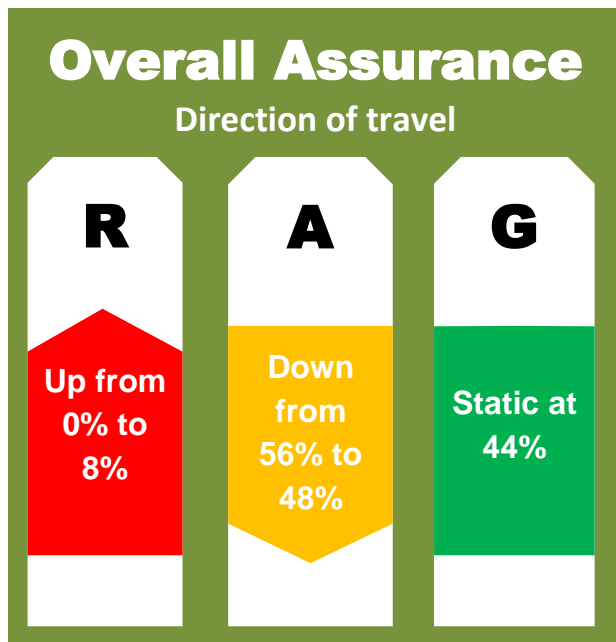
## Director's Key Messages

Those critical activities classified as amber are all being effectively managed. It's too simple to group them all together, but there are some themes including the negative impacts of Covid, difficulty with staff recruitment and retention and the increased threats from cyber security. These issues are not unique to the Commercial Directorate and are being considered and addressed at a corporate level.

Based on this analysis, I am confident that the correct actions are being taken to address the reds in an effective and timely manner.

# Director's Key Messages

## Place



Critical Activities	
Red	Amber
Civil Parking enforcement	Economic Development Portfolio
	Employment Skills and Adult Learning
	Inward Investment
	Tourism
	Lincolnshire Infrastructure Strategy
	Waste Management (Strategy)
	Educational Travel (Inc - School, College, Social Care) (Corporate Transformation Programme)
	Lincolnshire Public Transport Network (inc Community Transport)
	Network Management
	Events Management
	Highways 2020
	Highways Infrastructure
	Lincolnshire Laboratory
	Design Services
	Archives

Red Risks		
Risk Identified	Risk Rating	Assurance Level
Finances Inadequate to deliver statutory and political aspirations	Red	Amber
Delivery of major projects / contracts	Red	Amber

After a further challenging year working within Covid restrictions this is reflected in some of the detailed risk assurance position for the Place Directorate. The position reflects a greater influence of factors outside of LCC's direct control than might have been the place in previous years. The risk assurance map for the Place Directorate does continue to demonstrate the variety and scale of activity undertaken across the Directorate much of which has a direct impact on residents, visitors and businesses across the County.

The areas of red risk are largely related to the delivery of major projects which reflects the volatility within the commercial arena of civil engineering and the challenges that have impacted on the supply chain. At times of the year Covid working restrictions have added to contract costs through staff absences or revised staff working practises to ensure social distancing guidelines have been met. In addition inflationary pressures have added to the costs of raw materials which are reflected in capital costs increasing. As a consequence the Council has found itself in more challenging contractual negotiations. To address this both in current contracts and future projects an increased level of commercial expertise is being built into the LCC project governance and costs e.g. additional QS advice and support. These measures should ensure inflationary impacts are more effectively managed and the risks of significant compensation events being raised by contractors impacting excessively on final budget out-turns for projects. These issues are being managed and reported into project boards on a regular basis.

## Director's Key Messages

A range of service activities have been impacted on by the public footfall being reduced by the impact of Covid. For example, the operation of our waste facilities, the opening hours of our heritage sites and access to libraries were all affected by the direct impact of lockdown restrictions and operational decisions made to ensure effective operation of sites.

In advance of the rise of the impact of the Omicron variant of the virus waste sites were all back to operating effectively with footfall giving a confidence to effective management of our waste disposal streams albeit we are carefully monitoring the make-up of waste being disposed because of the potential impact on levels and types of waste (recycling rates have fallen during the pandemic) being disposed of and on future contract negotiations

Likewise, libraries were operating effectively with the hub model proving to be an excellent delivery model with request coming forward from communities to be added into the delivery model.

The re-opening of heritage sites and increased patronage has been recognised through national awards based on our management of the sites and recognition in the national press of attractions such as the Illuminated Castle Wall Walk over Christmas. The effective operation of these sites also provides a positive feel to the public in the aftermath of the negative impacts of the pandemic. And the operating model has enabled the Council to deliver this activity within the model of a zero budget. This will be monitored carefully to ensure visitor footfall levels are maintained and with ongoing innovation about how the visitor experience is delivered.

The impact of the pandemic has also increased the interest and attention on areas of policy within the Place Directorate. The COP26 summit being held in Glasgow in 2021 raised further the awareness of the zero-carbon agenda and the Council has continued to demonstrate its desire to achieve zero carbon levels by adopting the Green Master Plan and bringing forward projects to deliver those ambitions. Unfortunately, a bid for

funding through the Community Renewal Fund was unsuccessful but other funding sources and opportunities are being pursued to accelerate delivery of activity.

The way in which we travel has also come under close scrutiny during the pandemic with an increased emphasis from the DfT on public transport, in order to recover from the impacts of Covid, and active travel to support healthier ways of moving around. The Council has been successful in securing some limited levels of funding to trial some active travel schemes, has submitted a Bus Service Improvement Plan and continues to develop the partnership governance with operators to facilitate delivery of those plans and is in the final stages of working towards adoption of a new Local Transport Plan to ensure the policy context for transportation initiatives meets the Government expectations. Without an up to date LTP access to DfT funding might be more difficult to achieve.

In spite of the contractual pressures on our capital programme activity the delivery of schemes has proceeded with some notable projects coming to fruition or progressing well during the year. Grantham Southern Relief Road continues to deliver with Phase 3 on site, Section 5 of Spalding Western Relief Road will be on site early in 2022 and schemes have been completed at Riseholme, Welton and Holdingham. Work is progressing to agree a contract mechanism for the North Hykeham Relief Road which represent the next large capital project that is being developed by the Council. In addition, further funding has been secured for the development of schemes on the A16/A17 to be delivered via Levelling Up Fund monies.

Pressure on resources continues to drive for efficiency and new ways of working but the risk associated with the reduction in DfT funding for highways maintenance activity could in the future result in the risk assurance falling in respect of network management. The short-term commitment from the Council to maintain the level of funding is recognised but more difficult choices may be required in the future.

## Director's Key Messages

A notable risk is the impact of inflationary, commercial and supply chain pressures could impact further on the scale and nature of capital project delivery with some big projects still in the feasibility and design stages which may need to be delayed or revised to meet our budget constraints. These pressures do, however, provide opportunities such as through the government's ambition to include active travel measures in highway capital projects helps us to deliver our Green Master Plan objectives, but it further raises the cost of capital investment.

In the immediate future uncertainties arising from short-term Government spending review, on-going uncertainty about the nature of post European funding, the competitive nature of many funding pots available from Government, and the long-awaited outcome of the government's review of LEPs makes it difficult to plan for the long-term. Ongoing uncertainties on the entering into a County Deal and potential devolution of powers and funding also add uncertainty to forward planning in some activities.

There are though other services that have been central to the Covid response and recovery activity for the Council including the Business Growth Hub and the Skills teams ensuring that businesses have been well supported and equipped to respond to the impacts of Covid. The importance of a vibrant economy to the future of Lincolnshire and meeting our Corporate Plan aspirations cannot be under-estimated and the additional business support grants provided in 2021 from County Council resources was well managed by the Council and well received by the business community.

Partnership working is a key aspect of the success across the Directorate across waste, water management, contract delivery and growth facilitation. The delivery of all of this activity cannot be achieved without the input and dedication of the Council's workforce so the ongoing risk associated with recruitment into certain parts of the Directorate remains a concern to ensure the capacity and skills set required to continue

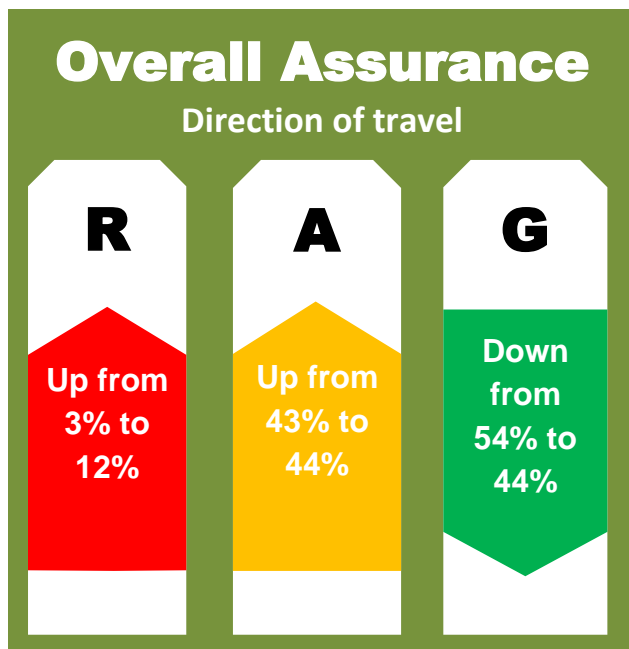
delivering such a diverse but effective set of services

I am confident that the correct actions are being taken to address these in an effective, efficient and timely manner and the number of critical activities in these categories will reduce in the Place Directorate during 2021.



## Director's Key Messages

### Fire, Rescue & Business Continuity



Critical Activities	
Red	Amber
Prevention	Protection
	Response

Red Risks		
Risk Identified	Risk Rating	Assurance Level
Succession Planning	Red	?

During 2021 we were subject to an external inspection by Her Majesties Inspector of Constabularies and Fire and Rescue Services. The full inspection report was published Mid-December 2021. It found that the service had good arrangements in place to respond to emergencies in the community. However, it shared our concerns about capacity to undertake risk-based inspections to check that businesses are complying with fire safety law.

This year we have continued our focus on increasing the capacity within that area. There is a lag between the recruitment of staff and them achieving the required qualifications and experience to undertake audits against the relevant legislation. We are now up to strength; however, we are mitigating a risk that we may lose some key staff during 2022/23. The protection team has had increased demands during 2021 due to a surge in demand as covid restrictions have been gradually lifted. In addition to this there has been unforeseen thematic inspection work identified as a result of accommodating asylum seekers. We are meeting all our statutory duties, and we are confident that steps we have taken will ensure we meet the needs of our risk-based inspection programme by April 2022.

The quantity of fire prevention activities (targeted at those most at risk of having a fire in their home) has suffered from restrictions as a result of COVID. While most of those have been relaxed towards the end of 2021, we are balancing the risk of fire with that of COVID in the most vulnerable in the community. Our activities are therefore subject to more precautions, this reduces our capacity.

The recruitment and retention of On-Call staff remains a risk, both within Lincolnshire and nationally. We are working to understand if the change in numbers of people working from home translates to an increase in people being available to undertake On-Call duties. This is an area that is unlikely to change over the short term. We are working nationally with the rest of the fire sector to realise the potential of an increased number of remote and flexible workers. The service is performing in line with other predominantly rural fire and rescue services.

The service has implemented the recommendation following phase one of the inquiry into the tragic fire at Grenfell Tower. The second phase has been delayed due to COVID, at this time there are no indications of the extent of recommendations that may relate to the fire and rescue service.

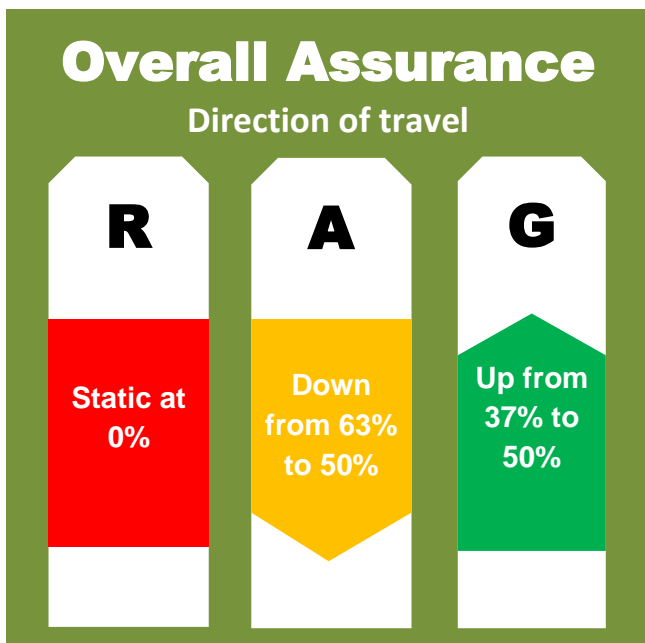


# Director's Key Messages

## Corporate

The Strategic Communications & Digital Engagement Team are responsible for:

- Media Relations – issuing press releases and dealing with enquiries from the media
- County News
- Digital Communications – the website and other social media platforms
- Events – assisting other sections to find locations for events / conferences etc and managing the Council's involvement in major events such as the Lincolnshire Show
- Internal – communications to staff such as News Lincs & CLT Brief
- Design & Print – managing the Council's design & print requirements



Critical Activities	
Red	Amber
None	Media Management
	Internal Communications
	Engagement
	Digital Engagement

## Red Risks

No red risks

**Software for Community Engagement (Key Project)** - This project has now been delivered and the software is live. Further enhancements continue to be made to the software and the team are developing their knowledge and understanding of the benefits it offers. Internal processes are also being reviewed to ensure greater consistency in approach.

**Media Management** - Team continues to have regular liaison with senior management & members to anticipate and proactively manage communications with media. Remains Amber as all communications & how LCC is represented cannot be controlled. Activity tends now to be more retrospective rather than pro-active at this time although the release of restrictions has changed the dynamic again.

**Internal Communications** - There is a single officer responsible for internal communications, therefore less resilience in team. Our intranet launched in January 2021

**Engagement** - The team has been successfully restructured and a new Team Leader recruited. This is the engagement and liaison with Town & Parish Councils and the consultation and engagement with residents. There is a better focus on supporting Corporate priorities and an integrated approach with other organisations. Covid has changed the tone and method of the work.

**Digital Engagement** - Implemented JADU platform and continuing to improve the quality of the online offer. Focus is on ensuring a consistent style across the site and that accessibility standards are met. Work is underway to determine how the team will interact with wider digital ambitions.

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