

**To the Chair and Members of the Audit Committee**

## **STRATEGIC RISK UPDATE FOR QUARTER 2 2013/14**

### **EXECUTIVE SUMMARY**

1. The purpose of this report is to provide a progress update on strategic risks for Quarter 2 2013/14. The current status of strategic risks is set out in Appendix A and are reported in order of risk score, highest to lowest, as requested at a previous Audit Committee meeting.

### **RECOMMENDATIONS**

2. Members should note and comment on the content of this report.

### **BACKGROUND**

3. Due to the importance of the strategic risks the Director of Finance and Corporate Services requested that the quarterly update on strategic risks is presented as a separate report, and not as part of the quarterly Finance and Performance report. This is to ensure that strategic risks are effectively managed inline with the Risk Management Policy.

### **UPDATE**

4. There are currently 14 strategic risks linked to the Corporate Plan for 2013/14. They have all been profiled for Q2. There was a proposal to develop a strategic risk around pensions and this is being developed for inclusion in the Q3 reporting process.

### **IMPACT ON THE COUNCIL'S KEY OBJECTIVES**

5. The embedding of robust risk management arrangements within the Council incorporating the management of strategic risks creates an environment in which we can successfully meet our objectives to deliver Doncaster's priorities and the Mayoral Priorities Outcome Framework.

## **RISKS & ASSUMPTIONS**

6. Consideration of the effective development and operation of risk management within the Council is an important governance and performance management process which helps to reduce risks that could prevent or delay delivery of objectives. The Risk Management Policy includes a requirement to review strategic risks on a quarterly basis and this is a matter of good management and good governance.

## **LEGAL IMPLICATIONS**

7. Any specific implications will be reported separately and in the context of any initiative proposed to be taken in relation to the management of strategic risk.

## **FINANCIAL IMPLICATIONS**

8. Should any specific initiatives be required, in response to the management of strategic risks, any cost implications will be reported and addressed as and when they arise.

## **CONSULTATION**

9. Consultation has taken place with strategic risk owners and Directorate Management Teams as part of the quarterly performance challenge process.

## **BACKGROUND PAPERS**

Reports generated via Covalent for Directorate Q2 challenge meetings.

## **REPORT AUTHOR & CONTRIBUTORS**

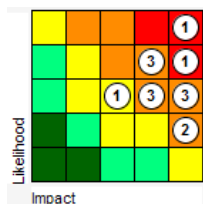
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**Simon Wiles**

**Director of Finance & Corporate Service**

Strategic Risk Q2 2013/14

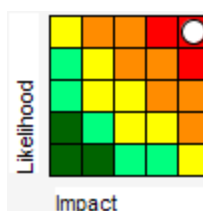
STRATEGIC RISKS 2013/14



There are 14 strategic risks linked to the Council Plan, all have been profiled for Q2. The heat map highlights the number of risks in each score profile. The Q2 risk profiles with a score >10 are shown in order of risk severity (highest-lowest).

**(Strategic Risk) Failure to improve Data Quality will prevent us from ensuring that data relating to key Council and Borough priorities is robust and valid.**

**Howard Monk**

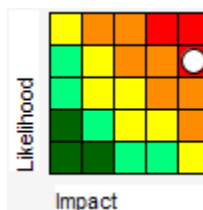


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If the Council is going to improve commission properly, make good decisions and ensure vulnerable people are safe, then the quality of data within its systems must improve. Mitigating actions include - 1) The development of a new Data Quality Strategy that includes a toll to assess the status of data in each directorate and help the directorates to improve that data where required. 2) Raising data quality issues in all appropriate forums and reports. 3) A data review is currently underway, led by the Director of Public Health. 4) New policy compliance arrangements, 5) A newly approved Commissioning Strategy, 6) Exploitation of Policy, Performance and Research structures.

**(Strategic Risk) The impact of the welfare reforms on communities and on Council Services**

**Simon Wiles, Joan Beck, Susan Jordan**

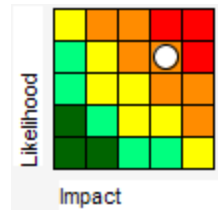


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The cross partnership Welfare Reform Steering Group has been co-ordinating responses to welfare reform. The local impacts of the changes will be assessed, on 04.11.13, to identify Doncaster issues, themes and trends in order to plan an effective response to the implementation of Universal Credit. This will be used to minimise the negative effects on local residents and co-ordinate future service responses.

**(Strategic Risk) Failure to achieve acceptable levels of sickness absence**

**Jill Parker**



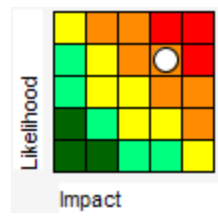
**16**

Directorate Managing Attendance Action Plans are being reviewed on a regular basis and refocused where appropriate to areas with the highest levels of absence. However, risk scores have not changed as although performance has improved compared to last year and quarter 1 of this year, a further reduction are still required to bring Doncaster in line with the national average and therefore remains a corporate priority across the Council.

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**(Strategic Risk) Low staff motivation/morale and low performance**

**Jill Parker**



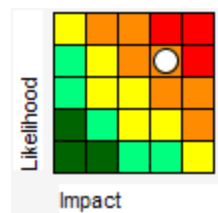
**16**

Changes to structures, service delivery, further staff reductions, budget implications etc. all continue, plus the imminent launch of the Improvement programme and associated review of 22 services, so the risk to morale and motivation will remain high over the next year. Motivational messages being pushed out through CEx column. Survey carried out in March 2013 to enable staff to give their views but overall scores generally dropped – corporate action plan in place but directorates to carry out work in their areas and take local actions.

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**(Strategic Risk) Failure to achieve sufficient savings from major programmes such as customer services and procurement**

**Darren Gray**



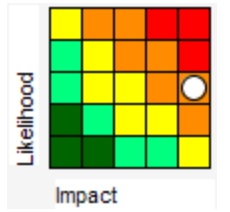
**16**

Darren Gray – the size and complexity of the programme is more understood as Cabinet, Directors and key stakeholders have demonstrated how key work is shaped. However the structure to enable delivery and implementation of this work is not fully understood and in place yet. As part of the development of the Programme Management Office this will be resolved in the next quarter. There is a clear understanding of part of the £109 million requirement. Additional work is being explored to identify further saving links to our core offer as a Council. The Major Programmes identified and reported have clear targets that are in the process of being agreed. These will not meet the overall needs of the Council. Exact percentages and details of amounts of identified savings are shown in P6 Obj 4

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**(Strategic Risk) UPDATED RISK TITLE - That the cost of winding up DRL exceeds the amount approved by the Shareholders.**

**Peter Dale**

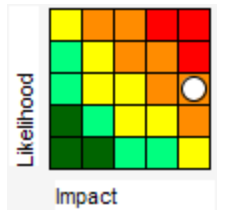


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PWC has been engaged to support the closure of DRL, with the objective to mitigate risks, advice on commercial decisions and reduce costs to Shareholders. A detailed plan for winding up DRL is in place, including a risk register, which shows closure costs within budget. Risks, progress on milestones and costs are reviewed by the DRL Board each fortnight.

**(Strategic Risk) Failure to safeguard Vulnerable Children and to ensure sustainable Children's Services**

**Eleanor Brazil**

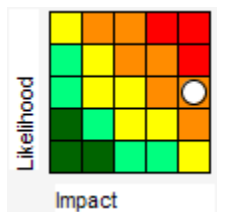


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Considerable resource has been committed to improving front-line responses, management oversight is more robust. Organisation has undertaken a thorough self-assessment against OfSTED criteria and activity against a new improvement plan is being established. safeguarding services

**(Strategic Risk) Failure to respond adequately to borough emergencies or mitigate effectively against the effects of extreme weather conditions e.g. flooding [R&E-ENV].**

**Karen Hanson**

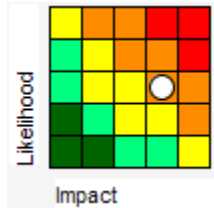


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The Resilience and Emergency Planning Team continue to monitor and evaluate the Council's resilience and ability to respond taking into account the current impact and potential future impact of service reductions and the need to make savings across the Council. This includes the challenges of changing organisational structures and service delivery models, for example, the changes within Children's services delivery, the transport review and enforcement review. Resilience and Emergency Planning are continuing to build response capability through evaluating response to current emergencies and providing further training for Cabinet and Directors in Autumn 2013. Revised information for Ward Members on their roles and responsibilities in Emergencies will also be issued in Autumn 2013. The Emergency Control Centre will be moved to the Civic Building in Autumn 2013 and arrangements are in place to develop the Emergency Control Centre into a Corporate Disaster Recovery Centre as well as a multi-agency emergency planning and response centre. A resilience exercise called an Amber Alert is planned before Christmas to evaluate response capacity and capability.

**(Strategic Risk) Failure to implement the Council's key borough objectives in partnership**

**Howard Monk**



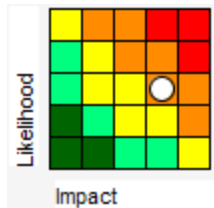
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All necessary plans are in place (including a newly approved Children's Services Plan) and more effective partnership arrangements will be in place shortly, to ensure that the Elected Mayor and Cabinet can better engage with the partnership agenda. The 2013 partnership stock-take event is arranged for 8th November, which will assess progress made so far and determine what needs to be done in the coming year. Given the current financial climate, there has never been greater need to increase the effectiveness and efficiency of partnership working to achieve Doncaster's objectives.

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**(Strategic Risk) Failure to achieve the budget target for 2013/14**

**Steve Mawson**



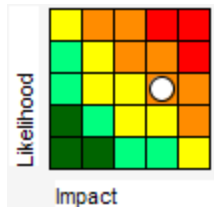
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Please see specific headline reports (to be provided)

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**(Strategic Risk) Failure to comply with the Data Protection Act 1998**

**Julie Grant**



12

Breaches still continue to happen, however, in order to prevent further breaches occurring a new breach process has been adopted which ensures any breaches are fully investigated and includes the need to report back to the Senior Information Risk Owner to update on any changes required within the Service Area and Authority as a whole. Training is now role based in line with the new Information Governance Structure, this is carried out by e-learning, classroom based training is also still available to all staff who require more in-depth training, and was identified as requirement of the Information Commissioner's Audit.

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