

To the Chair and Members of the Audit Committee

STRATEGIC RISK UPDATE FOR QUARTER 3 2013/14

EXECUTIVE SUMMARY

1. The purpose of this report is to provide a progress update on strategic risks for Quarter 3 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 16 strategic risks linked to the Corporate Plan for 2013/14. 15 have been profiled for Q3, the exception being the risk around 'failure to safeguard vulnerable children'. Two additional risks have been created during the quarter around Health & Safety and Pensions.

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 Q3 challenge meetings.

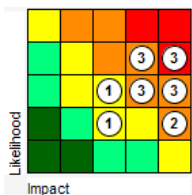
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Director of Finance & Corporate Service

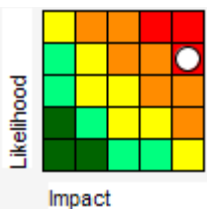
Strategic Risk Q3 2013/14



There are 16 strategic risks linked to the Council Plan, all but one has been profiled for Q3 (CYPS). Two additional risks have been created during the quarter around Health & Safety and Pensions. The heat map highlights the number of risks in each score profile. The Q3 risk profiles with a score >10 are shown in order of risk severity (highest-lowest).

The impact of the welfare reforms on communities and on Council Services

Steve Mawson

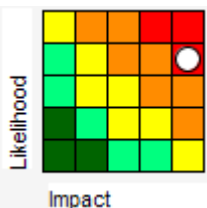


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The cross partnership Welfare Reform Steering Group has been co-ordinating responses to welfare reform. The local impacts of the changes was assessed, on 04.11.13, to identify Doncaster issues, themes and trends in order to plan an effective response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

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



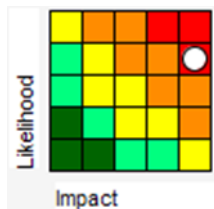
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The Council continues to be at risk of making decisions using data that is not always as robust as it should be. In order to commission properly, make good decisions and ensure vulnerable people are safe, then the quality of data within its systems must be of good quality.

Mitigating actions to improve data quality include: - 1) The development of a new Data Quality Strategy, which was approved by Cabinet in November, 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 and progressing well, led by the Director of Public Health. 4) New policy compliance arrangements, 5) a newly approved Commissioning Strategy, 6) Review and implementation of Policy, Performance and Research structures and functions.

Failure to set robust assumptions on pensions deficit recovery and future contribution rate

Steve Mawson

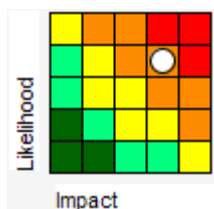


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The council currently has an estimated deficit on the pension fund of 271m which has been calculated by the pension's actuary. A 22 year repayment profile has been established and built into the projection for 2014/15 – 16/17 budget process. Further discussions are taking place with the pensions' actuary to review all the assumption although it is unlikely to impact on the 14/15 contribution.

Failure to achieve acceptable levels of sickness absence

Jill Parker

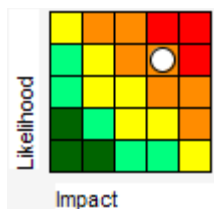


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Directorate Managing Attendance Action Plans are being reviewed on a regular basis and refocused where appropriate to areas with the highest levels of absence. However, risk scores have not changed as although performance has improved compared to last year and quarter 2 of this year, a further reduction is still required to bring Doncaster in line with the national average and therefore remains a corporate priority across the Council.

Low staff motivation/morale and low performance

Jill Parker

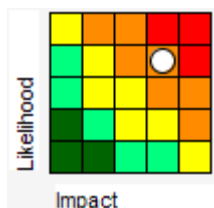


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Changes to structures, service delivery, further staff reductions, budget implications etc. all continue, plus the imminent launch of the Improvement programme and associated review of 22 services, so the risk to morale and motivation will remain high over the next year. 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.

Failure to achieve sufficient savings from major programmes such as customer services and procurement

Steve Mawson



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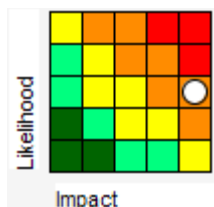
The size and complexity of the programme is more understood as Cabinet, Directors and key stakeholders have demonstrated how key work is shaped. However the structure to enable delivery and implementation of this work is not fully understood and in place yet. The structure of the programme is in place however the development of the PMO and PM Framework is still in progress.

The current shortfall in procurement is being reviewed as the spend for 2013/14 is made available. Further savings will be allocated to directorates in 14/15.

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.

That the cost of winding up DRL exceeds the amount approved by the Shareholders.

Peter Dale

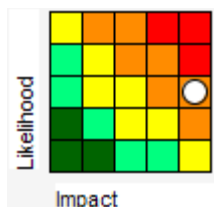


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PWC has been engaged to support the closure of DRL, with the objective to mitigate risks, advice on commercial decisions and reduce costs to Shareholders. A detailed plan for winding up DRL is in place, including a risk register, which shows closure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

Failure to safeguard Vulnerable Children and to ensure sustainable Children's Services

Eleanor Brazil

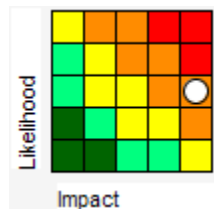


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Considerable resource has been committed to improving front-line responses, management oversight is more robust. Organisation has undertaken a thorough self-assessment against OfSTED criteria and activity against a new improvement plan is being established.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

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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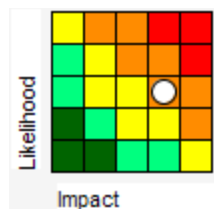
The Resilience and Emergency Planning Team continue to respond to the challenge of building organisational resilience capacity and capability which reflects and responds to the changing organisational structures and service delivery models.

The Amber Alert Corporate Resilience exercise in December identified that 55% of staff could undertake an emergency role within 0-2 hours of being contacted, and 99% of staff were able to access emergency response plans and procedures.

The multi-agency Emergency Control Centre is re-established in the Civic Building and has already been well established as a Corporate Disaster Recovery Centre and response centre for series of emergency responses and planned events which have affected the borough in November and December. The work of the Resilience and Emergency Planning team in 2014 will include ensuring a more resilient organisation through a strategic review and improvement of corporate business arrangements to align DMBC to the international standard for Business Continuity and a greater focus on Community preparedness arrangements to support communities and residents resilience to disruptive challenges and emergencies.

Failure to implement the Council's key borough objectives in partnership

Howard Monk

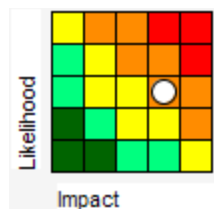


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On the 8th November 2013, the Partnership Team held the 4th Annual Stocktake event which resulted in Partners reaffirming the 4 key Partnership Priorities for 2014. In addition the Chief Officers Group during December 2013 agreed the partnership improvement plan, which aims to enhance governance, communication and disseminate partners' priorities.

Failure to achieve the budget target for 2013/14

Steve Mawson

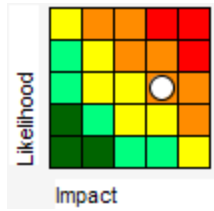


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The council has successfully deliver £32m of budget reductions in 13/14 and is projecting a minor overspend of £0.3m, this includes having taken out an additional £5.6m from within Adults and Communities. This is a considerable achievement for the Council given all the changes this year including the need to deliver £26m savings. The Council needs to continue with early deliver of savings that were approved on 20th February 2014.

Failure to comply with the Data Protection Act 1998

Julie Grant

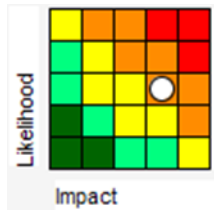


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Breaches still continue to happen, however, in order to prevent further breaches occurring a new breach process has been adopted which ensures any breaches are fully investigated and includes the need to report back to the Senior Information Risk Owner 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.

Failure to identify and manage Health and Safety risks

Peter Dale



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Council has a significant number of assets throughout the borough and hundreds of different services that are either delivered by the Council or by partner organisations. Given that health and safety for its staff and the public is a priority for Council, it is necessary that appropriate policies, systems and practises are in place to minimise the number and severity of health and safety incidents/accidents. To assist with mitigating this risk, all people managers are required to undertake appropriate Health and Safety training.
