

**To the Chair and Members of the
AUDIT COMMITTEE**

STRATEGIC RISK UPDATE FOR QUARTER 3 2014/15

EXECUTIVE SUMMARY

1. The purpose of this report is to provide a progress update on strategic risks for Quarter 3 2014/15. The current profile of strategic risks is set out in Appendix A and is reported in order of risk score, highest to lowest, as requested at a previous Audit Committee meeting.

There are now 15 strategic risks linked to the Corporate Plan as the risk around the 'Council remaining in intervention' has been demoted as part of the Q3 process.

At the Audit Committee it was proposed that a risk be added covering health & safety. There has been a strategic risk based on the 'Council's failure to identify and manage health and safety' on the strategic risk register since January 2014. This risk has not been shown in previous appendices as the profile has been 8 and 9 and only risk achieving a profile of 10 or more are usually reported. All 15 risks have been reported in Appendix A to ensure that the Audit Committee have an overview of the complete strategic register.

EXEMPT REPORT

2. Not applicable

RECOMMENDATIONS

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

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

4. 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.

BACKGROUND

5. 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 in line with the Risk Management Policy.

OPTIONS CONSIDERED

6. Not applicable

REASONS FOR RECOMMENDED OPTION

7. Not applicable

IMPACT ON THE COUNCIL'S KEY PRIORITIES

8.

Priority	Implications
<p>We will support a strong economy where businesses can locate, grow and employ local people.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Be a strong voice for our veterans</i> • <i>Mayoral Priority: Protecting Doncaster's vital services</i> 	<p>The embedding of robust risk management arrangements within the Council will contribute to the effective delivery of all the Council's key priorities</p>
<p>We will help people to live safe, healthy, active and independent lives.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living</i> 	
<p>We will make Doncaster a better place to live, with cleaner, more sustainable communities.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living</i> 	
<p>We will support all families to thrive.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Protecting Doncaster's vital services</i> 	
<p>We will deliver modern value for money services.</p>	
<p>We will provide strong leadership and governance, working in partnership.</p>	

RISKS AND ASSUMPTIONS

9. 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

10. 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

11. 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.

HUMAN RESOURCES IMPLICATIONS

12. Not applicable

EQUALITY IMPLICATIONS

13. Decision makers must consider the Council's duties under the Public Sector Equality Duty at s149 of the Equality Act 2010. The duty requires the Council, when exercising its functions, to have 'due regard' to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the act, and to advance equality of opportunity and foster good relations between those who share a 'protected characteristic' and those who do not share that protected characteristic. There are no specific equality implications arising from this report. However, any activities arising from the management of strategic risks will need to be the subject of separate 'due regard' assessments.

CONSULTATION

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

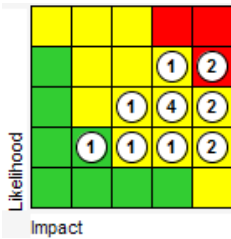
BACKGROUND PAPERS

15. Reports generated via Covalent for Directorate Q3 challenge meetings.

Simon Wiles - Director of Finance & Corporate Service

APPENDIX A

STRATEGIC RISKS 2014/15

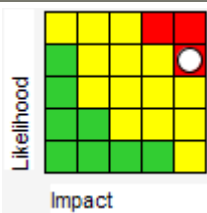


There are 15 strategic risks linked to the Council Plan. The risk around the 'council remaining in intervention' was demoted as part of the Q3 process. The heat map highlights the number of risks in each score profile

The Q3 risk profiles are shown in order of risk severity (highest-lowest).

A failure to identify, or to act on, areas of serious performance weakness in the Doncaster Children's Service Trust or in the Council, which could result in significant harm to a child or children which could have been avoided or which could lead to an inadequate judgement at Ofsted Inspection, which will negatively impact on the reputation of the Council.

Eleanor Brazil

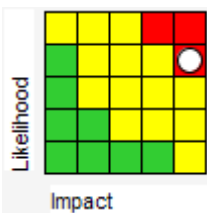


An independent review of the Children with Disabilities Service has been undertaken which, whilst noting improvements in the service, has highlighted a number of areas for improvement.

An interim Head of Service level manager is starting w/c 19/01/15 to:

1. Review and Improve safeguarding/social work practice with in the CWD / SEND team;

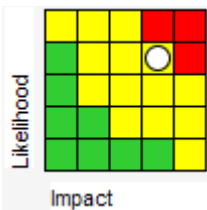
The impact of the welfare reforms on communities and on Council Services **Simon Wiles**



The Welfare Reform Steering Group has been replaced by the Anti-Poverty Strategy Group and an Officer Facilitation Group. An inaugural Anti- Poverty Summit in June 2014 provided the basis for the development of a cross partnership strategy, with key themes and pledges. These will be complimented by a further Anti -Poverty Summit in January 2015, which will look in more detail at the effects of poverty on local people, and identify some agreed key thematic pieces of work that groups will commit to work together on. The AP Strategy Group will measure progress against key measures and reports to the Doncaster Together Strategic Partnership.

As a result of sickness not being effectively managed, there is a risk that the council target of delivering national average sickness levels by 2015/16 would not be achieved

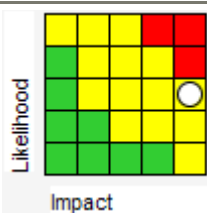
Simon Wiles



The performance at Q3 has shown a slight increase, therefore a review of the risk of achieving the year-end target has resulted in an increase in the risk score because it is now considered likely that the year-end target will not be met. (Note. calculation methods use year start FTE figures and therefore the figure may be artificially high following the transfer of staff to the Children's Trust.)

Failure to apply agreed safeguarding standards and policies, increasing the risk of vulnerable children experiencing harm or abuse

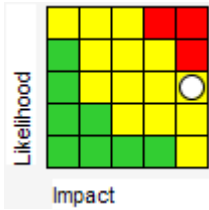
Eleanor Brazil



The Trust became operational from the 1st October and continues the focus on improving front-line responses and management oversight. Regular monitoring meetings have been established between the Trust and the Council.

Failure to respond adequately to borough emergencies or mitigate effectively against the effects of extreme weather conditions e.g. flooding

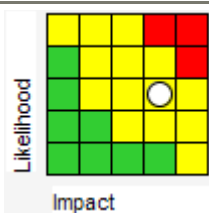
Peter Dale



This risk has been reviewed and is considered to remain unchanged. The Resilience and Emergency Planning Team continue to enhance organisational resilience capacity and capability and the Strategic Business Continuity Review milestones continue to be achieved in line with the action plan. The resilience arrangements for the Civic Office full power down on the 19th October effectively ensured that there was no disruption to residents or priority activities. Winter response planning arrangements have been further enhanced and are being used to support residents during severe weather. Training, exercise and development opportunities have been delivered to 730 staff and partners since April 2014. Resilience and Emergency Planning have responded to 55 incidents since April 2014 and successfully minimised the impacts to our residents, businesses and infrastructure.

Failure to achieve the budget target for 2014/15 - 16/17

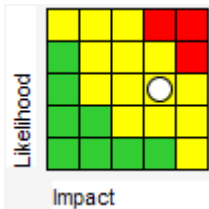
Simon Wiles



The financial position is being managed. An underspend of £0.6m is forecast at the end of 2014/15. Further on-going savings will be required after the 16/17 budget is set

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

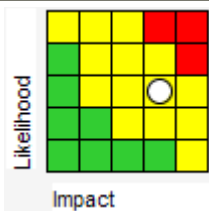
Simon Wiles



Risk score not changed. 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. A new Tier 1 Data sharing strategy has been agreed and signed by most partners and is being co-ordinated prior to publication which demonstrates the willingness of the partnership to have good quality data and share data securely and appropriately. The single data list of returns to central government has been brought together for the first time with relevant ownership across the authority and further self-assessments and audits will follow later in 2015. This approach will allow a picture of data quality across all statutory datasets to be formed and appropriate action taken to address poor data quality arrangements.

Failure to comply with the Data Protection Act 1998

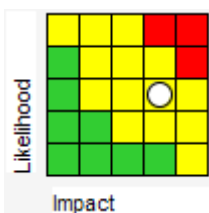
Simon Wiles



Only 2 breaches in quarter 3 for the authority, however 5 for Doncaster Children's Trust. Good compared with past performance but an increase of 1 for Children related services from quarter 2. Mitigating actions are to still embed data protection awareness and ensure lessons are always learned from breach investigations and appropriate action taken to deter future occurrences.

Low staff motivation/morale and low performance

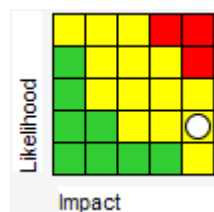
Simon Wiles



Changes to structures, service delivery, further staff reductions, budget implications, Improvement Programme etc. all continue so the risk to morale and motivation remains high. However, the profile remains the same due to mitigating actions being taken / planned in i.e. culture change work including development of Communications Strategy and Employee Engagement Toolkit; embedding of Leadership and Management Development Framework; Team Doncaster Staff Survey; PDR Scheme etc.

The agreed standards and policies are not adequately understood and implemented by practitioners who work with vulnerable adults increasing the risk of vulnerable people experiencing harm or abuse

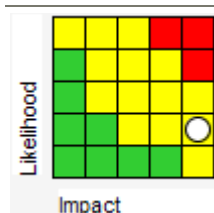
David Hamilton



New Safeguarding Adult Risk Assessment Matrix has been implemented and revised process documentation published on the website, Case File Audits measuring adherence to the safeguarding process and action plans on-going to address shortfalls, commissioned work investigating reasons behind high Unsubstantiated cases, validation of Health partner performance figures, and review of South Yorkshire procedures now complete and accessible to all staff. There are changing structures of partner agencies, capacity and accountability for Safeguarding Adults but risk remains unchanged.'

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

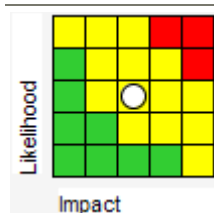
Simon Wiles



The Annual Borough Strategy Stock take held on the 21st November was a huge success with a plethora of partners determining future priorities and the successes over the last 12 month, of particular importance was the launch of the Refreshed Borough Strategy refresh, which determines partners' objectives and strategy for the forthcoming year.

DN17 Programme does not deliver the level of savings required and this impacts on the services the council can offer to the public

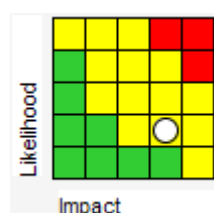
Simon Wiles



A small number of projects are still to identify how to deliver the target savings and work needs to be undertaken on project planning and actions.

Failure to identify and manage Health and Safety risks

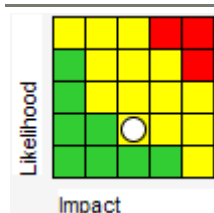
Peter Dale



This risk has been reviewed and remains unchanged. Health and Safety Training for Managers continues to be rolled out with 396 having attended and a further 7 courses book for January 2015. The new Health and Safety Advisor post for Construction Services has been in post since Oct 2014 and this is working well. In addition a further Health and Safety Training post is being developed as part of a review and restructure of the Regulation and Enforcement Service within Environment. A substantial amount of work has also been undertaken in quarter 3 to identify and mitigate the health and safety risks within the Council's Markets with appropriate action plans now in place. Work is also progressing within the Assets Team regarding health & safety risks on Council land.

lack of ability from house builders to build affordable properties

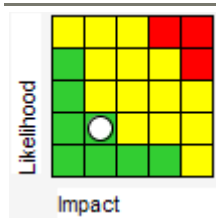
Peter Dale



Forecast completions are still on target to increase delivery this financial year.

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

Simon Wiles



The council has agreed a 22 year repayment profile for the pension deficit which will be reviewed with the actuary every 3 years. These were agreed and set within the budget for 2014/15 to 2016/17 by Council in February. The council has also taken advantage of low interest rates to repay the current 3 year contribution, which will save approximately £650k over 3 year. Further options will be examined, the next assessment is not scheduled until 2016.