

27 January, 2016

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

**Q2 2015/16 STRATEGIC RISK UPDATE**

<b>Relevant Cabinet Member(s)</b>	<b>Wards Affected</b>	<b>Key Decision</b>
Mayor Ros Jones	N/a	No

**EXECUTIVE SUMMARY**

1. The purpose of this report is to provide a progress update on strategic risks for Quarter 2 2015/16.
2. A review of Strategic Risks was undertaken as part of the challenge process to ensure that the strategic risks reflected the priorities in the Corporate Plan for 2015/16. There are currently 17 strategic risks.
3. As a result of the review the following new areas have been nominated for inclusion in the Strategic Risk Register. (Final wording is being developed):
  - The delivery of the Equality & Inclusion Action Plan
4. The Audit Committee asked that the target risk score be more visible. The target risk matrix is now shown as part of the updates in Appendix A.

**RECOMMENDATIONS**

5. The Audit Committee members are asked to:
  - a) Note and comment on the report and the strategic risk profiles in Appendix A;
  - b) Note the revisions to the Strategic Risk Register (paragraph 3)

**EXEMPT REPORT**

6. Not Applicable

**WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?**

7. 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.

**OPTIONS CONSIDERED**

8. Not Applicable

**REASONS FOR RECOMMENDED OPTION**

9. Not Applicable

**IMPACT ON THE COUNCIL’S KEY OUTCOMES**

10.

<b>Outcomes</b>	<b>Implications</b>
All people in Doncaster benefit from a thriving and resilient economy.	The embedding of robust risk management arrangements within the Council will contribute to the effective delivery of all the Council’s key priorities
People live safe, healthy, active and independent lives.	
People in Doncaster benefit from a high quality built and natural environment.	
All families thrive.	
Council services are modern and value for money.	
Working with our partners we will provide strong leadership and governance.	

**RISKS AND ASSUMPTIONS**

11. 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**

12. 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**

13. 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**

14. There are no direct human resources implications resulting from this report

## **TECHNOLOGY IMPLICATIONS**

15. There are no direct technology implications resulting from this report.

## **EQUALITY IMPLICATIONS**

16. 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**

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

## **BACKGROUND PAPERS**

18. Reports generated via Covalent for Directorate Q2 challenge meetings.

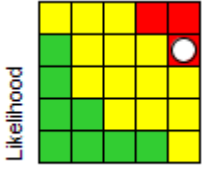
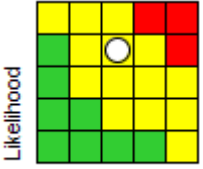
## **REPORT AUTHOR & CONTRIBUTORS**

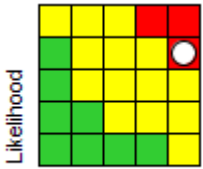
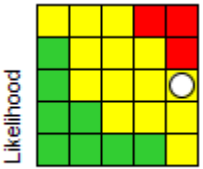
Sennette Wroot, Senior Strategy & Performance Manager  
01302 862533 sennette.wroot@doncaster.gov.uk

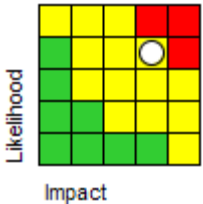
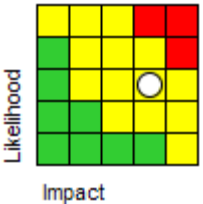
Lee Tillman, Assistant Director Strategy and Performance  
01302 734552 lee.tillman@doncaster.gov.uk

**Simon Wiles**  
**Director of Finance and Corporate Services**

## APPENDIX A

Current Risk		Strategic Risk	Ownership	Target Risk
 <p style="font-size: small;">Likelihood</p> <p style="font-size: small;">Impact</p>	20	<p><b>Current austerity measures result in increased poverty in Doncaster, causing deprivation for citizens and restricting the borough's ability to improve and grow</b></p>	Simon Wiles	 <p style="font-size: small;">Likelihood</p> <p style="font-size: small;">Impact</p>
<p><b>Current position:</b> The impacts of welfare reform continue to affect local people and are a risk to the achievement of Council and partnership objectives. This is now a wider issue than merely welfare reform and is being tackled as a general risk of poverty within the borough. The title of the risk has been changed to reflect poverty rather than welfare reform.</p> <p><b>Mitigating actions:</b> A partnership Anti-Poverty Strategy Group is operating and is currently working in a number of key areas, including; financial exclusion (impact of latest Govt budget, welfare payments, Local Assistance Scheme, Universal Credit, Tax Credits etc); employment, education and training; housing; health and well-being; community support and advice. Key themes have now been agreed and actions are being progressed. Current progress has been presented to the Overview and Scrutiny Management Committee and a series of recommendations have been made by the committee. In line with these recommendations a member workshop has been arranged in December to further join up the work of the Anti Poverty Group with that of Ward Members.</p> <p><b>Target risk score:</b> 12 (impact 3 likelihood 4). Poverty is already an issue in Doncaster, as evidenced by the recent Indices of Multiple Deprivation.. The main task is to reduce the impact on local people.</p>				

Current Risk		Strategic Risk	Ownership	Target Risk
 <p style="font-size: small;">Likelihood</p> <p style="font-size: small;">Impact</p>	20	<p><b>Health and social care services does not change fast enough , impacting on quality, accessibility and affordability of services for people who need them most</b></p>	AH&W	 <p style="font-size: small;">Likelihood</p> <p style="font-size: small;">Impact</p>
<p><b>CURRENT SITUATION:</b> The work required to maximise independence and Transform Adult Social care services is not happening quick enough and improved service outcomes, financial savings and ambition levels are not where they need to be at this time. Key projects are being scoped and activity is planned. There will be a greater focus on projects that will keep people out of the care system and reduce the reliance on traditional social care.</p> <p><b>MITIGATING ACTIONS:</b> A cross council Improvement Board has been established which will oversee key work and govern the transformation process in the short to medium term, meeting on a three weekly basis. External supports both internal and external to the council have been put in place with further support in the process of being arranged. A single plan is being developed to co-ordinate the key strands of work that will deliver the changes needed to maximise peoples independence and establish a modern health wellbeing and social care service..</p> <p><b>TARGET SCORE:</b> Impact 5 (out of 5) and Likelihood 3 (out of 5) = 15</p>				

Current Risk	Strategic Risk	Ownership	Target Risk
	( Children and Young People do not achieve in line with national expectation	Damian Allen	

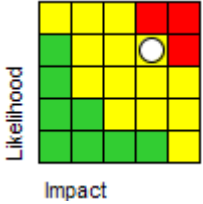
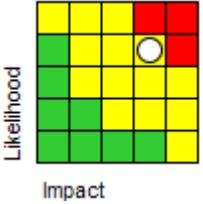
**Current Position:**

Provisional Key Stage 2 Level 4 results have shown a disappointing drop in performance for 2014 putting Doncaster in the bottom quartile nationally. Provisional 2014 GCSE 5 A\*-C inc English and Maths indicate a 2% improvement but we are still behind national performance and too few of our schools are rated 'Good' or 'Outstanding' putting Doncaster at the bottom of the league table.

**Mitigating Actions:**

- . Continue to deliver School Improvement 3 year Post Ofsted action plan which is currently midway through its implementation - with an improving picture regarding the quality of 'Leadership & Performance' which will have an effect on the overall Ofsted outcomes.
- . Challenge Schools Commissioner and Sponsors of Academies on underperformance.
- . Ensure School Improvement Strategy is delivered, taking into account new Ofsted Measures.
- . Improve pupil attendance via enhanced early help
- . Rapid improvement plan for KS2 outcomes and KS1 phonics

**Target Risk Score:** Impact - 4, Likelihood - Possible 3

Current Risk	Strategic Risk	Ownership	Target Risk
	Failure to achieve the budget target for 2015/16 and 16/17	Simon Wiles	

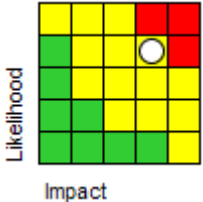
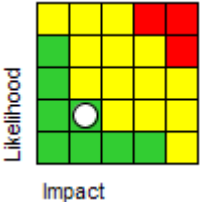
**Current Position:**

For 2015/16 the council has a challenging programme of savings to deliver, which is being robustly managed by programme leads and reviewed by AD's & Directors on a quarterly basis. Although an overall overspend of £1.2m is forecast, there is a significant shortfall forecast against the delivery of savings in 2015/16 of circa £6m (on-going shortfall circa £9m less one-off savings £3.5m which are helping to meet the shortfall this year).

**Mitigating Actions:**

Developing other savings or utilising one off funds for any delays in the savings for 2015/16.

**Target Risk Profile** -Impact 4, likelihood 4 - this has increased due to the shortfall forecast for the 2015/16 savings targets at Q2.

Current Risk	Strategic Risk	Ownership	Target Risk
	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	

**Current position**

Poor data quality will seriously hamper the Digital Council Programme, which in turn will reduce the Council's ability to transform. Clearly poor data and information will also reduce the effectiveness of the decisions that the Council makes. The likelihood of a real impact is increasing and poor data will reduce the effectiveness of the Council's new Strategy and Performance Unit.

**Mitigating actions**

Self assessment returns have been received from all service areas. They will now be used to aid the development of a new, more rigorous, Data Quality Strategy. The importance of quality data will also be raised at all key meetings including Executive Board, OSMC and Audit Committee. Engagement across all Council departments will be required

to ensure improvements are made quickly.  
 This risk links to all existing council plans, since the data we use informs all actions and decisions.

**Target risk**

Impact 2 (moderate) Likelihood 1 (very unlikely)

Current Risk	Strategic Risk	Ownership	Target Risk
	<p>15</p> <p><b>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 local authority</b></p>	<p>Damian Allen</p>	

**Current Position:**

The formal arrangements to monitor and review the effectiveness and input of services to children provided by the Trust are believed to provide assurance as to this risk.

**Mitigating Actions:**

The annual review of the contractual arrangements will seek to embolden the effectiveness of this scrutiny in proposing revisions and additions to the current performance and Q.A. indicators and will take cognisance of the Ofsted Inspection Report findings into the Performance Management System which are due to be revealed during November 2015.

**Target Risk Profile** – Target has been amended to Impact 5 x Likelihood 3.

Current Risk	Strategic Risk	Ownership	Target Risk
	<p>15</p> <p><b>Failure to obtain assurance as to the safeguarding of children in the borough</b></p>	<p>Damian Allen</p>	

**Current Position:**

The formal arrangements to monitor and review the effectiveness and input of services to children provided by the Trust are believed to provide assurance as to this risk.

**Mitigating Actions:**

The annual review of the contractual arrangements will seek to embolden the effectiveness of this scrutiny in proposing revisions and additions to the current performance and Q.A. indicators and will take cognisance of the Ofsted Inspection Report findings into the Performance Management System which are due to be revealed during November 2015.

Current Risk	Strategic Risk	Ownership	Target Risk
	<p>12</p> <p><b>Failure to comply with the Data Protection Act 1998</b></p>	<p>Simon Wiles</p>	

**Current Position**

Unfortunately, there have been 7 data protection breaches by the Council and 4 by Doncaster Children's Services Trust.

**Mitigating Actions**

These were mostly due to human error and as always, mitigating actions are being taken such as approaching specific services, raising and discussing at the SIRO Board, completing investigations, implementing lessons learned and taking disciplinary action where relevant as well as all staff accessing data undertaking data protection training as mandatory.

**Target Risk**

The target risk rating is Major Impact (4) with an Unlikely Likelihood (2) = 8.

Current Risk	Strategic Risk	Ownership	Target Risk	
	12	Failure to set robust assumptions on pensions deficit recovery and future contribution rate for the 2016 valuation	Simon Wiles	
<p><b>Current Position:</b> The next tri-annual assessment is due in 2016 and effective for the 3 year period 2017/18 to 2019/20, this is a significant cost for the Council and will need to be based on robust assumptions for pensions deficit recovery and future contribution rates. The Council has been prudent in its assumptions from 2017/18 but a relatively small change in discount rates could result in significant extra costs for the Council.</p> <p><b>Mitigating Actions:</b> The Council will be reviewing and challenging the assumptions made by the Actuary with SYPA and other LA's in South Yorkshire. The Actuary will be attending a meeting of the South Yorkshire Finance Directors to explain the position. The assumptions need to be finalised before July 2016 in order that the information can be fed into our budget setting process. The Council will be working with other LA's at a local and at a national level through the LGA to minimise any additional costs arising from the 2016 Valuation.</p> <p><b>Target Risk Profile:</b> Impact 2, Likelihood 2 = 4.</p>				

Current Risk	Strategic Risk	Ownership	Target Risk	
	10	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	Dave Hamilton	
<p><b>Current Position:</b> Safeguarding Adult Risk Assessment Matrix in place, Case File Audits measuring adherence to the safeguarding process and action plans on-going to address shortfalls.</p> <p><b>Mitigating Actions:</b> Review of South Yorkshire procedures in light of Care act on-going and out for consultation across South Yorkshire. Safeguarding Adults Training continues to be provided to raise awareness and a training needs analysis is underway. Care Act implementation plan embedded into Policy and Practice sub group work plan to coordinate and direct all work streams. Draft Making Safeguarding Personal Strategy going to Board for approval.</p> <p><b>Target Risk:</b> Impact 5 Likelihood 2</p>				

Current Risk	Strategic Risk	Ownership	Target Risk	
	9	Lack of capacity from house builders to build affordable properties	Peter Dale	
<p>The impact of the summer Budget and subsequent Housing Bill may reverse the recent improvements in delivery of affordable housing across the Borough. The full impact of all the measures and changes (including the Starter Homes model) will not be known until after the autumn Statement and RP's have a better understanding of access to grant and availability of loan funding.</p>				

Current Risk	Strategic Risk	Ownership	Target Risk
	<p>9</p> <p><b>DN17 Programme does not deliver the level of savings required and this impacts on the services the council can offer to the public</b></p>	Simon Wiles	
<p><b>Current position:</b> there is an overall programme gap of £3.83m mainly made up of Adult Social Care Commissioning (£.56m), Modern &amp; Productive Workforce (£1.87m) and Appropriate Assets (£1.17m).</p> <p><b>Mitigating Actions:</b> An improvement board has been established for Adults that will be delivering the wider programme to 2017 and some short-term savings; Modern &amp; Productive Workforce shortfall will be funded on the short-term basis from reserves and delivered in future years; Appropriate Assets has been realigned with some savings delivered as approved by cabinet on 20th October beyond 2016/17</p> <p>Target Risk – 3x2</p>			

Current Risk	Strategic Risk	Ownership	Target Risk
	<p>9</p> <p><b>Poorly developed early help services could result in children and young people failing to maximise their opportunities and the council failing to improve or ameliorate health, education and life inequalities across the Borough</b></p>	Damian Allen	
<p><b>Current Position:</b> Ongoing performance and quality assurance activity across Team Doncaster partners suggests that vulnerable children (living in the 30% most deprived LSOAs nationally) are not achieving similar health, education or well-being outcome levels compared to the wider childrens population</p> <p><b>Mitigating Actions:</b> The council working with key partners has established an Early Help Hub to support practitioners to identify children who might benefit from early help and to improve the timeliness and quality of assessment and 'team around the child' working. The councils Early Help Service is making proposals to establish 5 local hubs to support practitioners and agencies to deliver and target and early help offer which will contribute to and be measured against the Team Doncaster Early Help Strategy Performance Targets. The service is also working with parents and young people to make sure views and wishes and included in proposed service delivery and investment. The L&amp;O;CYP service is supporting local agencies to review and develop local outcome accountability plans to inform future commissioning of Early Help Services based on local knowledge of need and what works</p> <p><b>Target Risk:</b> 3 x 2</p>			

Current Risk	Strategic Risk	Ownership	Target Risk
	<p>8</p> <p><b>Failure to identify and manage Health and Safety risks</b></p>	Peter Dale	
<p><b>Current position:</b> This risk has been reviewed and remains unchanged. Health and Safety Training for Managers continues to be rolled out across all Directorates, with 'mop-up' sessions being undertaken to ensure all managers and Councillors have the opportunity to attend. The new Health and Safety Advisor post for Construction Services continues to work well. Risks have been identified at Hatfield Colliery and work is ongoing to mitigate risks to public safety. This includes proposals to demolish the 2 headstocks and secure buildings. Intensive work, with the assistance of competent advisors and mining engineers will take place during quarter 3. Separate reports on this work are being provided to the Chief</p>			



Executive and Leadership Team to update on progress.

**Mitigating Actions:**

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 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. A programme of unannounced 'drop in' audits across a range of service areas has also commenced and will continue throughout 2015/16. Action plans will be developed with managers where appropriate to drive and monitor improvements against the audit findings.

Current Risk		Strategic Risk	Ownership	Target Risk
	8	Failure to respond adequately to borough emergencies or mitigate effectively against the effects of extreme weather conditions e.g. flooding	Peter Dale	

**Current position:**

This risk has been reviewed and has been reduced due to the intensive work that has been undertaken regarding the Council's plans for preparedness and business continuity. Some key activities by Resilience and Emergency Planning include developing flu pandemic response arrangements. This is which is considered to be 'high risk' by Central Government. The plans and arrangements have been rehearsed with partners from across South Yorkshire. A recent assessment of DMBC's emergency response capabilities by the Cabinet Office has demonstrated a high level of preparedness and compliance with Government expectations for Civil Contingencies.

**Mitigating actions:** The challenges of responding to emergencies and supporting our communities and businesses with reducing staff numbers continues to be addressed with training, exercise and development opportunities. 99% have rated these events good or excellent.

Current Risk		Strategic Risk	Ownership	Target Risk
	6	Low staff motivation/morale and low performance	Simon Wiles	

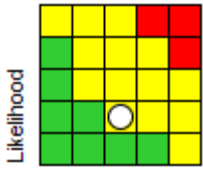
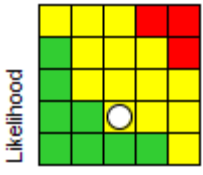
**Current Position:**

Outcomes on morale, motivation and performance levels continue to improve, demonstrated by the increased level of completion of PDRs achieving the corporate target of 95% for the first time giving more assurance that performance management is being undertaken. However, sickness absence performance for quarter 2 is at 2.25 days/FTE an increase from 1.89 days /FTE in Quarter 1. Although the Council overall is still on track to achieve the corporate target, 2 Directorates are already forecast to be above the Directorate target which would not be expected at this time of the year. There is still a high proportion of service reviews being undertaken along with on-going organisational transformation that will impact on morale, therefore this risk, although still currently manageable at a much lower level, will remain the same for this quarter.

**Mitigating Actions:**

Continue to monitor sickness trend and ensure action plans progress. Monitor impact on on-going organisation-wide transformation.

**Target Risk Score** – Score of 2:2 = 4.

Current Risk	Strategic Risk	Ownership	Target Risk
	<p style="text-align: center;"><b>Failure to implement the Council's key borough objectives in partnership</b></p> <p style="text-align: center;">6</p>	<p style="text-align: center;">Simon Wiles</p>	
<p><b>Current Position</b> Partners are currently working effectively together and have a clear understanding of the outcomes that are important to Doncaster and that must be delivered together. However it is clear that public service reform will intensify and closer partnership working and collaboration is vital to the future improvement of the Borough.</p> <p><b>Mitigating Actions</b> Partnership outcomes have now been agreed for all Theme Boards and a new performance framework has been developed. This will be presented to the Team Doncaster Partnership and integrated with the Council's performance arrangements to create a joined up approach to delivering on our priorities. All outcomes are linked to the existing Borough Strategy.</p> <p><b>Target Risk</b> Target Impact 3 (Significant), Target Likelihood 2 (Unlikely). The target risk is identical to the actual risk as it is felt that the current position is as positive as it is feasible to be.</p>			