

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

Q3 2015/16 STRATEGIC RISK UPDATE

Relevant Cabinet Member(s)	Wards Affected	Key Decision
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 3 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 18 strategic risks.
3. As a result of the Q3 review no risks have been nominated for demotion and no new strategic risks have been identified.

RECOMMENDATIONS

4. The Audit Committee members are asked to:
 - a) Note and comment on the report and the strategic risk profiles in Appendix A;

EXEMPT REPORT

5. Not Applicable

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

6. 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

7. Not Applicable

REASONS FOR RECOMMENDED OPTION

8. Not Applicable

IMPACT ON THE COUNCIL'S KEY OUTCOMES

9.

Priority	Implications
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

10. 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

11. 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

12. 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

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

TECHNOLOGY IMPLICATIONS

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

EQUALITY IMPLICATIONS

15. 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

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

BACKGROUND PAPERS

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

REPORT AUTHOR & CONTRIBUTORS

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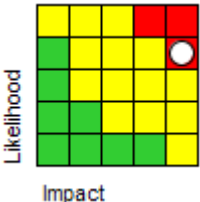
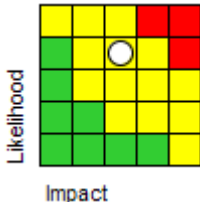
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APPENDIX A

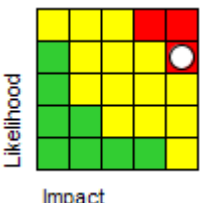
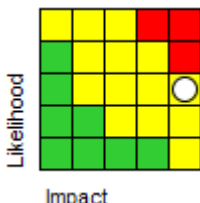
Current austerity measures result in increased poverty in Doncaster, causing deprivation for citizens and restricting the borough's ability to improve and grow

Simon Wiles

Current Risk	Current position:	Target Risk
<p>20</p> 	<p>Score = 20 (impact 5 likelihood 4). The impacts of poverty and welfare reform continue to affect local people and are a risk to the achievement of Council and partnership objectives.</p> <p>Mitigating actions: Following the elected member workshop, in December 2015, the completion of key tasks and consideration of additional evidence, the partnership Anti-Poverty Strategy Group is developing new actions to address the causes and effects of poverty within the borough.</p>	<p>12</p> 

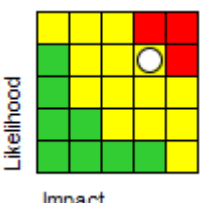
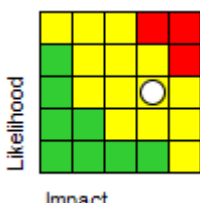
Health and social care services do not change fast enough, impacting on quality, accessibility and affordability of services for people who need them most

Kim Curry

Current Risk	Current position:	Target Risk
<p>20</p> 	<p>The work required to maximise independence and Transform Adult Social care services has not happened quickly enough and improved service outcomes, financial savings and ambition levels are not where they need to be at this time. A single transformation plan is being developed and key staff and resources are being put in place to ensure these changes happen quickly. Some success is now being seen particularly through work on residential placements but there is much still to deliver over the next 18 months.</p> <p>Mitigating actions: A cross council Improvement Board chaired by the Chief Executive will oversee key work and govern the transformation process in the short to medium term, meeting on a three weekly basis. Additional support both internal and external to the council has been put into place with further support in the process of being arranged. A single plan will co-ordinate the key strands of work that will deliver the changes needed to maximise people's independence and establish a modern health, well-being and social care service for Doncaster. A peer review of adults safeguarding has been undertaken and the recommendations from the review are now being progressed. A new Director of Adult's Health and Wellbeing has recently been appointed to drive the transformation forward.</p>	<p>15</p> 

Children and Young People do not achieve in line with national expectation

Damian Allen

Current Risk	Current position:	Target Risk
<p>16</p> 	<p>Current position: Provisional Key Stage 2 Level 4 results for reading, writing and Maths combined have shown a disappointing drop in performance for 2015 putting Doncaster in the bottom quartile nationally. 2015 GCSE 5 A*-C Inc. English and Maths indicate a decline in line with the National trend but remain below the national average. Under the new Ofsted framework and inspection arrangements very few Doncaster schools have been subject to inspection, but those that have are improving their grades and the vast majority of interim Ofsted monitoring visits report positive progress. The Key Stage 2 rapid improvement strategy has been approved by the Minister for schools and has engaged the vast majority of schools in Doncaster. All interim targets so far have been reached. An indicative projection for outcomes based on standardised tests in year 6 is encouraging and a range of very focused initiatives are in place to raise standards according to the new framework of tests. A Key stage 4 strategy is planned with the Academies and a variety of challenging curriculum groups are in place led by the LA and supported by the Teaching School Alliance</p> <p>Mitigating actions:</p> <ul style="list-style-type: none"> . 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 . deliver the aspects of the education and skills strategy to include: <ul style="list-style-type: none"> Key Stage 2 and 4 rapid improvement initiatives Academy exploration and growth strategy for schools at risk of decline and those wishing to join Multi-Academy Trusts Revision support in the community for students and parents Leadership succession and recruitment support initiatives in partnership with the Teaching School Alliance 	<p>12</p> 

Lack of capacity from house builders to build affordable properties

Peter Dale

<p>Current Risk</p> <p style="text-align: center; font-size: 24px;">16</p> <p style="text-align: center;">Likelihood</p> <p style="text-align: center;">Impact</p>	<p>Current position: The cumulative impact of policy and funding changes from Govt has significantly reduced the ability of HA's to deliver affordable housing in the Borough. Changes in planning definitions and introduction of new Starter Homes may further erode the delivery of Affordable Rented properties in coming years.</p> <p>Mitigating actions: The Council and SLHD will continue to deliver the current committed programmes to increase supply of affordable through the Council House Building, Empty Homes Purchase and Empty Properties Grants. In addition the new Housing Delivery Programme will in future provide additional stimulus to help meet the Boroughs housing needs and demands across all market sectors.</p>	<p>Target Risk</p> <p style="text-align: center; font-size: 24px;">6</p> <p style="text-align: center;">Likelihood</p> <p style="text-align: center;">Impact</p>
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Failure to achieve the budget target for 2015/16 and 16/17

Simon Wiles

<p>Current Risk</p> <p style="text-align: center; font-size: 24px;">16</p> <p style="text-align: center;">Likelihood</p> <p style="text-align: center;">Impact</p>	<p>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. The overall overspend forecast is £2.0m; this includes a number of pressures which have been taken into account in the 2016/17 budget process and funding allocated accordingly.</p> <p>Mitigating actions: Developing other savings or utilising one off funds for any delays in the savings for 2015/16.</p>	<p>Target Risk</p> <p style="text-align: center; font-size: 24px;">9</p> <p style="text-align: center;">Likelihood</p> <p style="text-align: center;">Impact</p>
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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

<p>Current Risk</p> <p style="text-align: center; font-size: 24px;">16</p> <p style="text-align: center;">Likelihood</p> <p style="text-align: center;">Impact</p>	<p>Current position: Poor data quality may seriously hamper the ability for the Council' to transform and poor data and information will also reduce the effectiveness of the decisions that the Council makes. There are specific examples that demonstrate this including adult social care client management system that at the moment does not provide the quality of data that is required to support and add value that is needed.</p> <p>Mitigating actions: A new Data Quality Strategy will be developed in early 2016 that will provide specific actions that will improve data quality across the council and set out the vision for data quality over the next few years. Engagement across all Council departments will be required to ensure improvements are made quickly and appropriately. A register for all returns to central government will be updated and monitored to ensure the data supplied nationally is of good quality and ownership is clear. A business intelligence model which will support 'open data' across Doncaster is in the early stages of discussion and will once established help to support good and where appropriate automated information flows between systems improving the quality of data available in Doncaster. This risk links to all existing council plans, since the data we use informs all actions and decisions.</p>	<p>Target Risk</p> <p style="text-align: center; font-size: 24px;">4</p> <p style="text-align: center;">Likelihood</p> <p style="text-align: center;">Impact</p>
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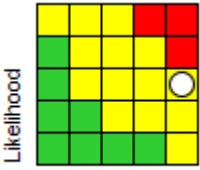
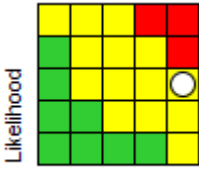
A failure to identify, or to act on, areas of serious performance weakness in the Doncaster Children's Service Trust or in the Council, which could result in significant harm to a child or children which could have been avoided, or which could lead to an 'inadequate' judgement at Ofsted Inspection, which will negatively impact on the reputation of the local authority.

Damian Allen

<p>Current Risk</p> <p style="text-align: center; font-size: 24px;">15</p> <p style="text-align: center;">Likelihood</p> <p style="text-align: center;">Impact</p>	<p>Current position: The formal arrangements to monitor and review the effectiveness and input of services to children provided by the Trust and the council are believed to provide assurance against this risk. Trust and Council performance has shown an overall improvement against the key indicators since the establishment of the contract. Ofsted commented that formal systems for the Council to monitor and challenge performance by the Trust exceed the requirements set out in the contract between the organisations.</p> <p>Mitigating actions: The Council has formally agreed the results of the Annual Contract Review which includes a revised suite of performance indicators, which have been subject to extensive joint development between the Council and the Trust. The new indicators are believed to provide more effective assurance against this risk, alongside additional Quality Assurance reporting, and this new approach has been agreed; which taken together will contribute towards the establishment of a continuous improvement framework. The formal variations to the contract await the Secretary of State's directions.</p>	<p>Target Risk</p> <p style="text-align: center; font-size: 24px;">15</p> <p style="text-align: center;">Likelihood</p> <p style="text-align: center;">Impact</p>
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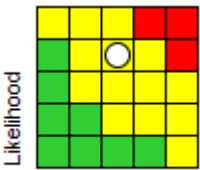
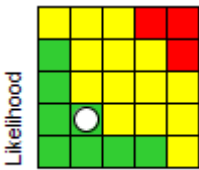
Failure to obtain assurance as to the safeguarding of children in the borough

Damian Allen

<p>Current Risk</p> <p style="text-align: center; font-size: 24pt;">15</p>  <p>Likelihood</p> <p>Impact</p>	<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 to this risk. Overall the safeguarding indicators specific to children are now performing better than they were this time last year although further improvement will be needed in order to achieve a higher Ofsted grading. Ofsted did not raise any concerns as to the safety of children in the borough, but did recommend improvements to social work practice.</p> <p>Mitigating actions: An Ofsted improvement plan has been developed and submitted to Ofsted in draft form on 9th February 2016. Further work in conjunction with Ofsted to embolden this plan will continue and a final iteration will be submitted before the final deadline of 8th March 2016.</p>	<p>Target Risk</p> <p style="text-align: center; font-size: 24pt;">15</p>  <p>Likelihood</p> <p>Impact</p>
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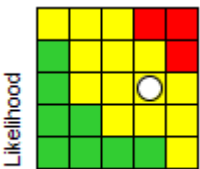
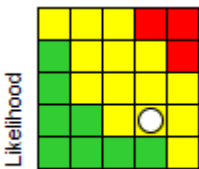
Failure to set robust assumptions on pensions deficit recovery and future contribution rate for the 2016 valuation

Simon Wiles

<p>Current Risk</p> <p style="text-align: center; font-size: 24pt;">12</p>  <p>Likelihood</p> <p>Impact</p>	<p>Current position: 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 for 2017/18 but a relatively small change in discount rates could result in significant extra costs for the Council.</p> <p>Mitigating Actions: 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>Target Risk</p> <p style="text-align: center; font-size: 24pt;">4</p>  <p>Likelihood</p> <p>Impact</p>
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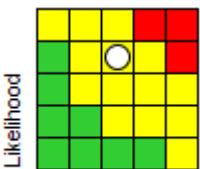
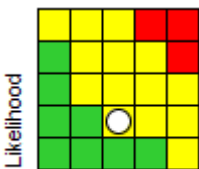
Failure to deliver the actions identified in the Equality and Inclusion action plan may impact our ability to effectively embed and delivery the equality agenda which could result in the council being exposed to public 'due regard' challenge

Simon Wiles

<p>Current Risk</p> <p style="text-align: center; font-size: 24pt;">12</p>  <p>Likelihood</p> <p>Impact</p>	<p>Current position: The Year Two action plan is reviewed and monitored by the Equalities Steering Group and Portfolio Holder Deputy Mayor Glyn Jones. 38 of the 44 actions within the Equality & Inclusion Year 2 Action Plan are complete or on track, this equates to 86%.</p> <p>Mitigating actions:</p> <ul style="list-style-type: none"> - We have strengthened the governance arrangements and have been focusing on profiling our service specific equality objectives; - The leads of activities that are not on track are being asked to review and provide actions to bring activities back on track; - Additional assistance will be provided by the Strategy and Performance Unit to support the delivery of the actions; 	<p>Target Risk</p> <p style="text-align: center; font-size: 24pt;">8</p>  <p>Likelihood</p> <p>Impact</p>
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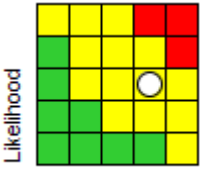
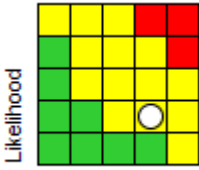
DN17 Programme does not deliver the level of savings required and this impacts on the services the council can offer to the public

Simon Wiles

<p>Current Risk</p> <p style="text-align: center; font-size: 24pt;">12</p>  <p>Likelihood</p> <p>Impact</p>	<p>Current position: The Doncaster 2017 Programme is showing £3.59m projected slippage for 2015/16. This is mostly attributable to Appropriate Assets and Modern & Productive Workforce. It should be noted that the pace of transformation for some of the projects is slow, one-off funding has been used to meet the shortfalls and some projects will need to extend beyond 2016/17 in order to achieve their outcomes.</p> <p>Mitigating actions: Robust plans are being developed for the Adults Improvement Programme which will feed into the wider transformation programme. It is recognised that Digital Council is a key enabler for transformation across the Council and therefore the aim is for the digital strategy to be fully embraced and embedded across the council to ensure the pace and successful delivery of projects within the programme and across the organisation as a whole. The Implementation Boards that form part of the DN17 programme governance and support the outcomes and achievement of the £109m savings to 2016/17 are under review, to ensure they are fit for purpose going forward, these will be put in place for Q4 of 2015/16.</p>	<p>Target Risk</p> <p style="text-align: center; font-size: 24pt;">6</p>  <p>Likelihood</p> <p>Impact</p>
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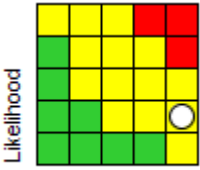
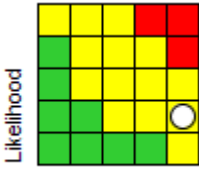
Failure to comply with the Data Protection Act 1998

Simon Wiles

Current Risk	<p>Current position: There have been 6 data protection incidents by the Council in quarter 3 and 3 incidents reported by the Trust. None were serious enough to be reported to the ICO from the Council; however, the Data Protection Officer may have to report 1 incident from the Trust but is working with the team to establish if this does need to be reported depending on the score matrix when all information has been collated. As usual all incidents are down to human error.</p> <p>Mitigating actions: To mitigate this risk, the SIRO and Data Protection Officer as well as the SIRO Board are constantly implementing actions to deter any further breaches.</p>	Target Risk
<p>12</p>  <p>Likelihood</p> <p>Impact</p>		<p>8</p>  <p>Likelihood</p> <p>Impact</p>

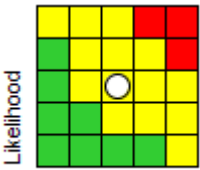
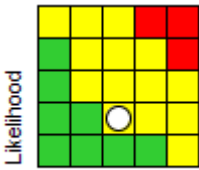
The agreed standards and policies are not adequately understood and implemented by practitioners who work with vulnerable adults increasing the risk of vulnerable people experiencing harm or abuse

Kim Curry

Current Risk	<p>Current position: Revised South Yorkshire Procedures launched across Doncaster on 5th October 2015 in line with the Care Act. LGA Peer Review undertaken during November 2015, highlighted areas for improvement and urgent review to ensure pathways and processes are robust and effective; as confusion on current work creates an increased risk for vulnerable adults.</p> <p>Mitigating actions: The action plan from the Peer Review and implementation of required changes will take place from 1 April 2016, with a view to reducing the risk identified here, by improving process and delivering a clearer pathway for safeguarding individuals. Implementation of the SY Procedures brings a new model for safeguarding adults, to include Health professionals, in decision making process will be supported by training for staff to ensure successful implementation of the new procedures.</p>	Target Risk
<p>10</p>  <p>Likelihood</p> <p>Impact</p>		<p>10</p>  <p>Likelihood</p> <p>Impact</p>

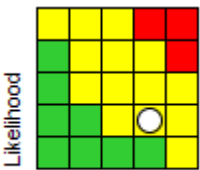
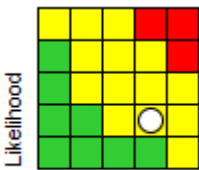
Poorly developed early help services could result in children and young people failing to maximise their opportunities and the council failing to improve or ameliorate health, education and life inequalities across the Borough

Damian Allen

Current Risk	<p>Current Position: The Early Help Hub has now been in operation for 12 weeks and is nearly fully staffed with a multi-agency compliment.</p> <p>Mitigating Actions: The Early Help hub will be moving into management by Doncaster Children's Service Trust by end of February 2016. Strategic risk remains the same as transfer is effected and new reporting and quality assurance systems are put into place. This will be fed back to the partnership via the Early Help Implementation Group and will challenge colleagues in terms of contribution and quality of input. The Early Help implementation plan will set out specific plans to increase engagement and quality of Early Help Assessments.</p>	Target Risk
<p>9</p>  <p>Likelihood</p> <p>Impact</p>		<p>6</p>  <p>Likelihood</p> <p>Impact</p>

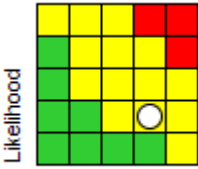
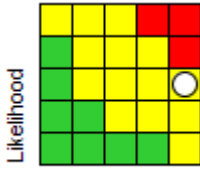
Failure to identify and manage Health and Safety risks

Peter Dale

Current Risk	<p>Current position: This risk has been reviewed and remains unchanged. Health and Safety Training for Managers continues to be mandatory across all Directorates. 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 and secure buildings. Intensive work, with the assistance of competent advisors and mining engineers has taken place during quarter 3. Separate reports on this work are being provided to the Chief Executive and Leadership Team to update on progress.</p> <p>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 has been undertaken 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 2016. Action plans will be developed with managers where appropriate to drive and monitor improvements against the audit findings.</p>	Target Risk
<p>8</p>  <p>Likelihood</p> <p>Impact</p>		<p>8</p>  <p>Likelihood</p> <p>Impact</p>

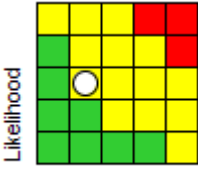
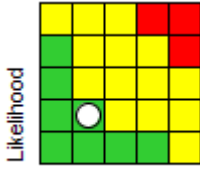
Failure to respond adequately to borough emergencies or mitigate effectively against the effects of extreme weather conditions e.g. flooding.

Peter Dale

Current Risk	Current Position	Target Risk
<p>8</p> 	<p>Current Position: This risk has been reviewed and is considered to remain appropriate. The Council's plans for preparedness and business continuity continue to be reviewed and maintained. The plans and arrangements have been rehearsed with partners from across South Yorkshire and 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.</p> <p>Mitigating Actions: A series of interactive Doncaster Council Corporate Exercise have taken place in November 2015 to consider the Council and Partner Agencies preparedness arrangements for a flood event affecting Doncaster. The exercises enabled approx. 100 tactical level response staff working in the Emergency Control Centre to refresh and rehearse emergency flood response arrangements. To further embed flood response awareness at a strategic level, Resilience and Emergency Planning organised a South Yorkshire Strategic Training session on the roles and responsibilities of Gold Commanders themed around the strategic response to flooding. Winter preparedness plans for 2015/2016 have been reviewed and are in place to support response arrangements in the event of severe winter weather.</p> <p>The target risk score of 15 was profiled as part of the Q1 assessment process. Due to the effectiveness of the mitigating actions (detailed above) the risk has been managed down to a risk rating of 8, well below the target.</p>	<p>15</p> 

Low staff motivation/morale and low performance

Simon Wiles

Current Risk	Current position	Target Risk
<p>6</p> 	<p>Current position: Morale, motivation and performance levels remain steady this quarter, although there are challenges particularly due to the transformation / improvement programme within Adults. It was a positive step forward to achieve collective agreement with the Trade Unions regarding the changes to Terms and Conditions and this needs to be continued to be managed sensitively and consistently.</p> <p>Attendance management targets have been set for 2015/16 both corporately and within individual directorates. The overall target for the Council for 2015/16 is 8.5 days per FTE. Current performance for the quarter is at 2.61 days/FTE an increase from 2.25 days /FTE in the previous quarter. The Council overall is now forecasted to exceed the corporate target and two directorates continue to be forecasted to be above the directorate target.</p> <p>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 given the mitigating actions put in place, will remain the same for this quarter.</p> <p>Mitigating actions: Continue to monitor sickness trend and ensure action plans progress. Monitor impact on on-going organisation-wide transformation, particularly within Adults, Health and Well Being.</p>	<p>4</p> 

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

Simon Wiles

Current Risk	Current position	Target Risk
<p>6</p> 	<p>Current position: During Quarter 3 the Partnership held its 3rd Annual Partnership Summit, the invitees including members from Team Doncaster, and the four Theme Boards discussed a number of prevalent topics including employment opportunities for young adults leaving secondary school. The Partnership event held open space sessions which partners identified a number of issues and solutions to factors facing Doncaster currently. The evaluation from this event and next steps are to be considered by Team Doncaster at its meeting on the 23rd February 2016.</p> <p>Mitigating actions: The Councils Partnership Team continues to review the content of its refreshed Borough Strategy, ensuring the partnership objectives and asks reflect the current views of Partners. It is the intention with the establishment of the SP Unit that detailed one to one interviews with Team Doncaster members will take place during Quarter 4 to ensure the partnerships are achieving their full potential.</p>	<p>6</p> 