

CORPORATE RISK MANAGEMENT UPDATE

Q4 2014/15

The Council's approach to risk management captures the key strategic risks to the delivery of corporate objectives and provides a context through which directorates construct their own risk assessments to inform decision making about business planning, transformation and service delivery. The approach focuses on two risk registers (Corporate Risk Register and Transformation Risk Register) which have four Shared Risks.

The purpose of this report is to provide:

an overview of the status of the Corporate and Transformation Risk Registers for Quarter Four 2014/15.

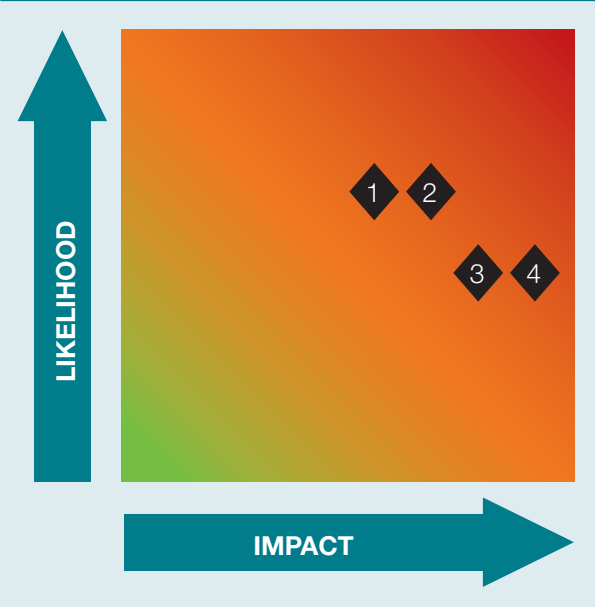
detail on what is being done to improve the risks that are rated as red.

OVERVIEW OF RISK STATUS

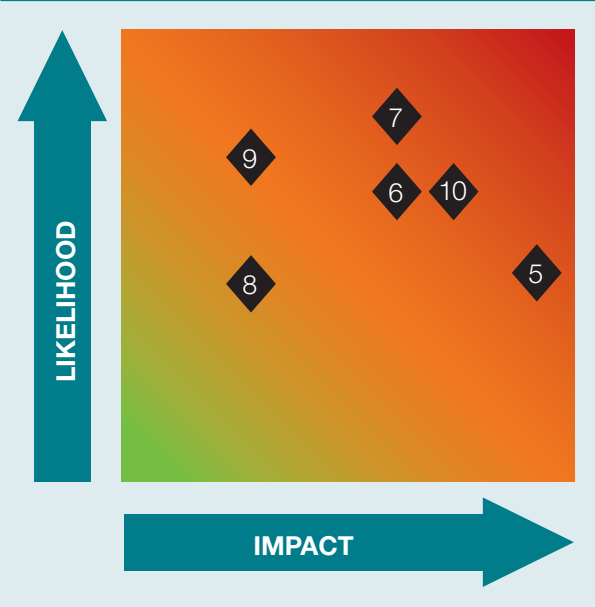
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Risks listed in the Council’s risk registers are rated as red, amber and green (RAG) based on the likelihood of the risk occurring and its potential impact. The diagrams below give an overview of RAG ratings for each Shared, Corporate and Transformation Risk. The numbers on the diagrams relate to the sequential numbering of risks on the risk registers and are used throughout this report.

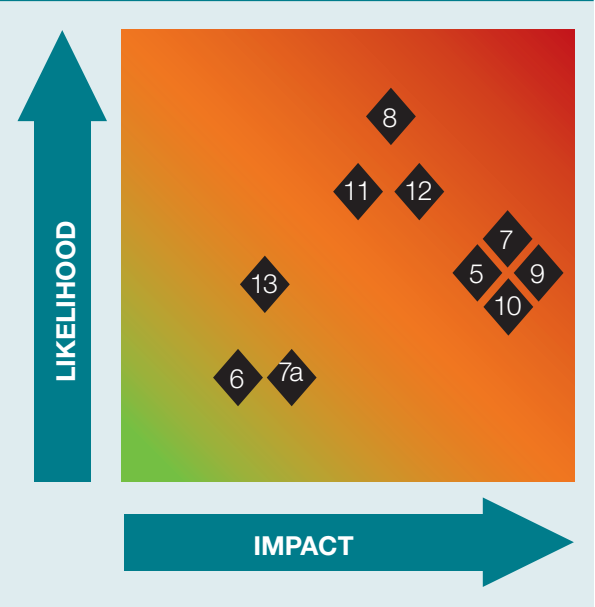
SHARED RISK PROFILE



CORPORATE RISK PROFILE



TRANSFORMATION RISK PROFILE



SHARED RISKS

There are four Shared Risks which are listed on both the Corporate Risk Register and Transformation Risk Register. They relate to both business as usual as well as activity relating to transformation. They are all RAG rated as amber.



Shared Risk 1: Failure to maintain business as usual / appropriate levels of service at the same time as transformation



Shared Risk 2: Failure to deliver financial savings identified in Medium Term Financial Plan



Shared Risk 3: Failure to deliver a major project leading to increased costs, reputational damage to the Council and/or failure to realise savings



Shared Risk 4: Serious harm or death due to a failure on the part of the Council

The action that has taken place to mitigate these risks is outlined below.

OVERVIEW OF ACTION TO MITIGATE SHARED RISKS

The risks have not changed in status during this reporting period but substantial activity has taken place to mitigate against each risk. The following highlights some of the activity implemented to mitigate the Shared Risks.

Failure to maintain business as usual / appropriate levels of service at the same time as transformation - this risk is classified as amber because:

- Staff Appraisal processes are used as a mechanism for managing performance and identifying any skills/competency gaps to ensure business as usual can be delivered.
- There has been streamlining of reporting lines and governance within Children's Services with the creation of an overarching Children's Services Business Board. This has oversight of 'Business As Usual' performance and delivery alongside transformation.
- Sickness absence management action plan has been agreed for 2015/16 focussing on Adult Social Care in particular.
- There is a Business Environment and Economy (BEC) Directorate Technical Project Management Capability and Capacity health check currently underway.

Failure to deliver financial savings identified in Medium Term Financial Plan - this risk is reported as amber because, although there are 9 individual projects that have financial risks attached to them, these risks are being managed at programme level.

- There is a monthly review of financial savings including a focus on the projects with highest risk.
- The Future Fit Programme and the savings target gap is reviewed regularly.
- Children's Services produce a weekly update on the cost implications of Looked After Children numbers / forecast spend to year end.
- Work is continuing on the Worcestershire Information Network project to assist in delivery of budget holder self-service.

OVERVIEW OF ACTION TO MITIGATE SHARED RISKS

Failure to deliver a major project leading to increased costs, reputational damage to the Council and/or failure to realise savings - this risk relates to service/business as usual projects (as opposed to transformation projects).

- Risk registers are maintained for all projects and reviewed monthly. Project milestones are tracked through directorate programme management and fed into Future Fit Dashboard.
- Highways & Fleet Maintenance Design Contracts have monthly progress meetings.
- Further detailed work is being undertaken on new social work processes, pathways and required infrastructure including staffing.
- Business, Environment and Community have a Major Projects Programme Board which approve and monitor all schemes.


Serious harm or death due to a failure on the part of the Council

- Briefings on Safeguarding under the Care Act have been delivered to front line staff and managers
- A Children's Social Care Workforce Development Plan is in place alongside Continued Personal Development online database.
- Safeguarding learning and development is being included in all staff appraisals for front line staff and managers within Adult Services and Health.

CORPORATE RISK PROFILE

A Corporate Risk is a risk that has an impact across all areas of the Council such that it would prevent the Council delivering its corporate priorities. There are six Corporate Risks - five are RAG-rated as amber and one is RAG-rated as red.


 **Corporate Risk 5:** Failure to comply with legislation and statutory duties

 **Corporate Risk 6:** Failure to effectively store, manage and process information and maintain the security of the personal data we hold, (or our partner agencies and commissioned providers hold on our behalf) in compliance with the Data Protection Act

 **Corporate Risk 7:** Demographic changes lead to changed demand for Services

 **Corporate Risk 8:** Failure to effectively manage the Council's premises

 **Corporate Risk 9:** Ineffective Emergency Response arrangements

 **Corporate Risk 10:** Ineffective Business Continuity arrangements – Business Continuity arrangements need to keep pace with transformation and assurances in place for the arrangements of commissioned services

An overview of what has been done and what will be done next to improve the RAG rating of the red risk (Corporate Risk Seven) is outlined below, as is an overview of Corporate Risk Six which has improved from red to amber in Quarter Four.

DEMOGRAPHIC CHANGES LEAD TO INCREASED DEMAND FOR SERVICES

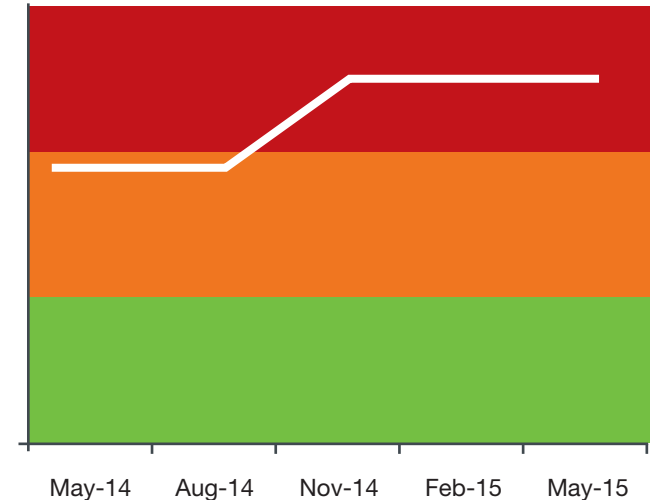
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WHY IS THE RISK RED?

- There is a need to better understand the future demand for services from a changing demographic profile such as an aging population or changes to the needs of children and families

MITIGATING ACTIONS

- Forecasting work to identify and understand future pressures
- Directorate level work to mitigate pressures and look at internal allocation of resources
- Statistical forecasts used to predict demand and to design and commission services
- Council level work on overall allocation of resources
- Digital Strategy implementation to support demand.



WHAT NEXT?

- Development of Corporate Demand Management 2020 Theme
- Research focused on forecasting and demand management to better understand future requirements
- Strategic planning reviews aligned to a robust infrastructure development plan.

CORPORATE RISK

MOVED FROM RED TO AMBER
SINCE LAST REPORT

FAILURE TO EFFECTIVELY STORE, MANAGE AND PROCESS INFORMATION AND MAINTAIN THE SECURITY OF THE PERSONAL DATA WE HOLD IN COMPLIANCE WITH THE DATA PROTECTION ACT

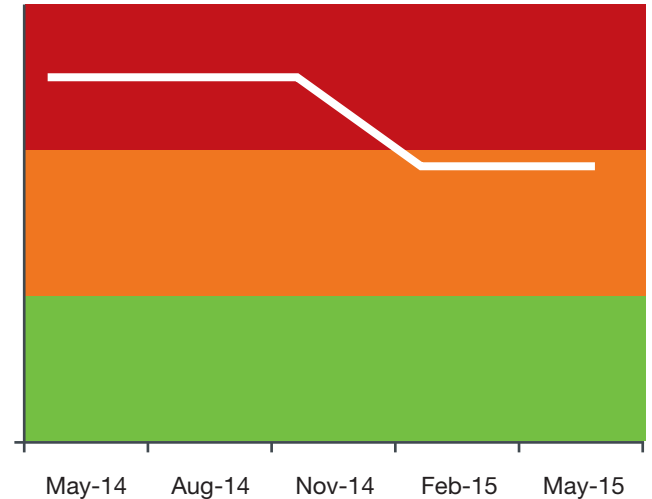
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WHY IS THE RISK AMBER?

- The risk has reduced from Red to Amber due to the implementation of the recommendations provided by the Information Commissioner's Office following their visit in 2014

MITIGATING ACTIONS

- Corporate Information Governance Board and Group in place to oversee arrangements
- Implementation Plan to address Information Commissioner's Office recommendations
- Information Sharing Protocols in place
- Staff training in relation to Data Protection and Freedom of Information
- Roll out of information security sweeps across all directorates
- Information Governance Policies reviewed
- Information Governance Risk Register introduced




WHAT NEXT?

- Complete implementation of Information Commissioner's Office recommendations
- Continue to communicate with staff on the importance of information security
- Prepare an update report for the Information Commissioner's Office return visit in July

TRANSFORMATION RISK PROFILE

A Transformation Risk is a risk that is associated with the council's transformation programmes. There are ten Transformation Risks which are RAG rated as:


 **Transformation Risk 5:** Implementing change programmes within timescale and at the desired pace


 **Transformation Risk 6:** Cost of redundancies (being understood and accounted for in initial business case development)

 **Transformation Risk 7:** Ineffective or lack of capacity in commissioning, procurement and contract management

 **Transformation Risk 7a:** Pensions impact when commissioning services being understood early in projects and consistently across the organisation

 **Transformation Risk 8:** Inability of Children's Social Care to deliver savings targets due to pressures on placements and staffing budgets whilst maintaining safeguarding of children and young people


 **Transformation Risk 9:** The risk of a drop in performance and standards due to the scale of the change of moving from an in-house provider of Learning and Achievement services to commissioning services from the market whilst maintaining service delivery

 **Transformation Risk 10:** Continued saving reductions from commissioned Early Help provision whilst work still developing may make it unviable and ineffective as a service

Continued...

TRANSFORMATION RISK PROFILE

A Transformation Risk is a risk that is associated with the council's transformation programmes. There are ten Transformation Risks which are RAG rated as:

 **Transformation Risk 11:** Inability to extract from current service model for Adult Social Care resulting in cost pressures. In order to make changes required we will need to disinvest in services / structures and processes. This may become challenging from a financial / contractual and operational perspective.

 **Transformation Risk 12:** Inability to secure cultural change and engagement for the Future Lives programme

 **Transformation Risk 13:** Inability to re-engineer processes and systems so that they are fit for a lean and transformed council

An overview of what has been done and what will be done next to improve the RAG rating of the red risk (Transformation Risk Eight) is outlined below.

TRANSFORMATION RISK

INCREASED TO RED
SINCE LAST REPORT

INABILITY OF CHILDREN'S SOCIAL CARE TO DELIVER ALL OF THE AGREED SAVINGS TARGETS IN 2016/17-2017/18

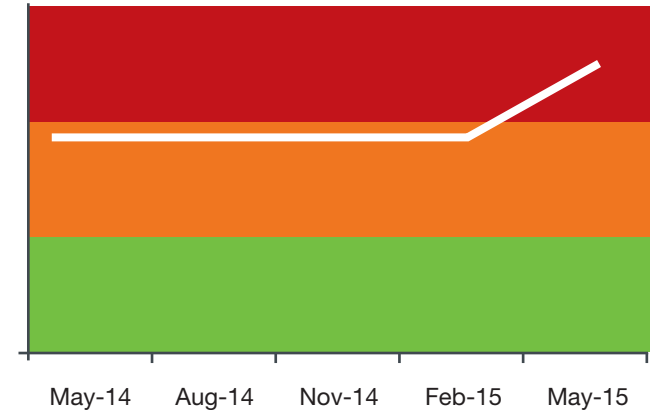
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WHY IS THE RISK RED?

- Continued in-year pressures on placements and staffing budgets whilst maintaining safeguarding of children and young people put the achievement of all savings targets from 2016/17 onwards highly unlikely

MITIGATING ACTIONS

- Detailed in year financial position, risk assessed and fully costed
- Regular financial information on Action Plan progress alongside net change to financial position produced
- Corporate Transformation Investment support delivered savings.
- Recruitment and Retention Strategy in place to reduce agency spend and retain experienced Social Workers
- Looked After Children Action Group meeting monthly and Looked After Children Panel meeting weekly to track spend on placements. Monthly Children's Services Business Board to monitor progress
- Children's Services Social Care split into 3 service areas with separate HoS oversight/management



WHAT NEXT?

- Back to Basics Safeguarding Improvement plan will be put in place focusing on practice standards.
- Medium term costed plan for Social Care Placements to be reported in July
- Full appraisal of all budgets for social care to be reported in July
- Children's Services Business Board oversight of Looked After Children Action Plan and Edge of Care prevention progress towards in-year savings targets