

## Report of the Corporate Risk Management Group

Report of the Head of Services for Communities

### 1. Recommendations

Audit Committee to:

- (a) Consider and note updates to the Corporate Risk Register.

### 2. Summary

This report of the Corporate Risk Management Group provides an update on risk management practice in the Council.

### 3. Introduction

Corporate Risk Management Group reports to Audit Committee as necessary by exception to provide information on significant changes recorded on risk registers.

### 4. Risk Registers

Risks recorded in the Corporate Risk Register (CRR) are shown in appendix A of this report.

The risks in this risk register are reassessed at least every six months and on this occasion reviews have resulted in the following changes.

#### **Two risks have increased:**

TG 11 CRR Market Capacity: Adult Social Care; both inherent and current risk levels increased from High to Very High. Risk scores increased as a result of a number of capacity related issues which has resulted in increasing difficulty in sourcing packages of care due to insufficient market capacity. In addition, some providers have been handing back packages of care that they are no longer able to support and some providers have also been signalling that they are no longer financially viable.

HRO 1 CRR Health & Safety; increased from Medium to High and escalated to CRR, replacing TG 16 CRR Health & Safety (People); Risk status increased in July 2014 following a serious (fatal) incident within the Youth Service and also increased risks associated with transferring of services and assets into the community. This risk has returned to the Corporate Risk Register following discussions at Corporate Services Leadership Team (CSLT) in June 2014.

#### **Four risks have decreased:**

SCC 22 CRR Capacity – Organisational Capacity to Change; decreased from Very High to High – remains on CRR. Risk score reduced as in-year change projects are proceeding to plan.

SS 14 CRR Deprivation of Liberty Safeguards (DoLS) and Court of Protection; decreased from Very High to Medium. Risk scores reduced as anticipated impact of Supreme Court ruling is not currently being evidenced in practice.

ENP 1 CRR Rising Energy Costs; decreased from Very High to High and removed from CRR to be managed by Place Leadership Team. There is now a clear plan for achieving the energy policy targets. This was endorsed by the Environmental Performance Board on 30/7/14.

SPOC 7 CRR Potential for wide-ranging impacts arising from the Euro crisis; decreased from High to Low and removed from CRR. Although the Eurozone crisis is not over, it is entering a new phase, in which disinflation and low growth slowly raise the debt-to-GDP ratio of many Eurozone countries to high levels. However, the strengthening UK economy should to a degree reduce the potential impact. Since the identification of this risk no concerns have been raised about our exposure in terms of supply chains. DCC continues to maintain the mitigation of not putting money on deposit with Santander. A recent CSLT meeting outlined that this risk need no longer be considered to be a high Corporate Risk.

**Also removed from CRR:**

TG 14 CRR Public Service Network implications for Mobile Working; risk has been removed from the CRR as functionality has been delivered and impact is being monitored by services.

John Smith  
Head of Services for Communities

**Appendices**

Appendix A: Corporate Risk Register

**Electoral Divisions:** All

Cabinet Member for Community and Environmental Services: Councillor R Croad  
*Chief Executive: Dr Phil Norrey*

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Risk Code and Status	Scope of risk	Current Position, Action being taken, and Accountable Officer
<p><b>Risk Code: TG 11 CRR</b>                      Inherent Status: Very high (30)                      Current Status: Very high (30)                      Last Review Date: 27/08/2014</p>	<p><b>Market Capacity: Adult Social Care</b>                      The supply of personal care is currently inadequate to meet the need in some parts of Devon increasing the risk that we cannot maintain people safely in their own homes, achieve safe discharge from hospital and with the potential to accelerate admission to residential and nursing care. Lack of choice also compromises quality.</p>	<p>Risk Owner: Paul Collinge                      Accountable Officer: Ian Hobbs                      Mitigating Control:</p> <ul style="list-style-type: none"> <li>Amber a) Refresh of the Adult Social Care Services Market Position Statement</li> <li>Green b) Provider Engagement Network</li> <li>Green c) Performance monitoring of call off against the Framework Agreement</li> <li>Amber d) work with providers to address capacity shortfall</li> <li>Amber e) Investigation of new solutions/new ways of working</li> </ul>
<p><b>Risk Code: SPOC 16 CRR</b>                      Inherent Status: Very high (30)                      Current Status: Very high (25)                      Last Review Date: 26/03/2014</p>	<p><b>Failure to properly implement Impact Assessment in effective decision making</b>                      Continuing issues with poor consideration of impacts, and the potential for legal challenge and further judicial reviews. There may continue to be staff who consider there to be 'no need' to do an impact assessment or are unaware of the need, or ignore guidance and produce poor quality assessments as a result; this would be reinforced if proposals are accepted at senior level without evidence of an impact assessment of sufficient quality. We may also encounter active resisters to change (in particular where we need to influence a change over other templates, guidance, procedures etc. Occurrence of this operational risk will remove an effective mitigation from the Council's risk management approach and equality practice and threatens change programmes.</p>	<p>Risk Owner: Simon Kitchen                      Accountable Officer: John Smith                      Mitigating Control:</p> <ul style="list-style-type: none"> <li>Amber Escalation</li> <li>Amber Facilitation</li> <li>Amber Governance</li> <li>Amber Monitoring and feedback</li> <li>Green Programme Management</li> </ul>
<p><b>Risk Code: TG 12 CRR</b>                      Inherent Status: Very high (25)                      Current Status: Very high (25)                      Last Review Date: 11/06/2014</p>	<p><b>Health and Social Care Act</b>                      That the Authority will not be in an appropriate position to respond to the proposed changes arising from the Act, which if legislated will confer new duties, e.g. prevention and sufficiency of markets; new responsibilities for carers, an increased drive for Health and Social Care integration and a cap on the life time costs of care (Dilnot Review). Risks relate to organisational capacity, financial consequences and the ability of the market to respond. (Escalate to people and corporate risk registers).</p>	<p>Risk Owner: Tim Golby                      Accountable Officer: Jennie Stephens                      Mitigating Control:</p> <ul style="list-style-type: none"> <li>Amber a) Project in place to take forward the changes</li> <li>Amber b) Better care fund</li> <li>Amber c) Joint commissioning coordinating group</li> </ul>
<p><b>Risk Code: TG 15 CRR</b>                      Inherent Status: Very high (25)                      Current Status: Very high (25)                      Last Review Date: 07/04/2014</p>	<p><b>Reduction in funding affects service delivery in event of financial problems at external body</b>                      Potential loss of funding affecting DCC service delivery in the event of financial problems arising with an external funding body such as a Clinical Commissioning Group.</p>	<p>Risk Owner: Tim Golby                      Accountable Officer: Jennie Stephens                      Mitigating Control:</p> <ul style="list-style-type: none"> <li>Amber Governing body of the CCG</li> <li>Amber Joint Commissioning Executive Group</li> </ul>
<p><b>Risk Code: HTM 1 CRR</b>                      Inherent Status: Very high (24)                      Current Status: Very high (24)                      Last Review Date: 27/05/2014</p>	<p><b>Failure to maintain C class and unclassified roads effectively.</b>                      Deterioration of highway network due to insufficient planned and routine maintenance.</p>	<p>Risk Owner: Joe Deasy                      Accountable Officer: David Whitton                      Mitigating Control:</p> <ul style="list-style-type: none"> <li>Green Highway Monitoring</li> <li>Green Safety repairs</li> <li>Green Value for Money solutions</li> </ul>
<p><b>Risk Code: HTM 3 CRR</b>                      Inherent Status: Very high (24)                      Current Status: Very high (24)                      Last Review Date: 02/09/2014</p>	<p><b>Lack of capacity or capability to effectively respond to Extreme weather events</b>                      Flooding and structural damage to the highway affecting citizens and property</p>	<p>Risk Owner: Mike Parnell                      Accountable Officer: David Whitton                      Mitigating Control:</p> <ul style="list-style-type: none"> <li>Green Asset Management</li> <li>Green Delivery of Planned works</li> <li>Green Highway Monitoring</li> <li>Green Preparedness</li> <li>Green Winter Service and Emergency Plan</li> </ul>

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<b>Risk Code: HTM 2 CRR</b> <b>Inherent Status: Very high (24)</b> <b>Current Status: Very high (24)</b> Last Review Date: 02/09/2014	<b>Lack of capacity or capability to respond effectively to highway safety related issues</b> Potential for fatal and severe accidents to citizens due to lack of effective and timely repair or replacement of highway assets. This could be brought about by deteriorating highway condition, inability to meet policy level of service, inadequate procedures or poor staff/contract performance.	Risk Owner: Mike Parnell Accountable Officer: David Whitton Mitigating Control: Green Highway Monitoring Green Programme flexibility Amber Safety repairs
<b>Risk Code: SP 1 CRR</b> <b>Inherent Status: High (20)</b> <b>Current Status: High (20)</b> Last Review Date: 24/07/2014	<b>Flood Risk Management</b> Devon County Council became the Lead Local Flood Authority as defined by Flood and Water Management Act (FWMA) 2010 and, as a consequence, is responsible for managing the risk of local flooding from surface water run-off, groundwater and ordinary watercourses. The Act sets out a number of specific roles for the LLFA. This includes the risks associated with the obligations and expectations associated with this LLFA role, particularly in the light of the major flooding experienced in Devon in 2012 / early 2013 and the impending implementation of Schedule 3 of FWMA 2010 relating to Sustainable Drainage Systems (SuDS) [Note: no specific consideration here to the risk of flooding to DCC assets or the huge costs of responding to / recovering from flood events, particularly linked to highway flooding.]	Risk Owner: Martin Hutchings Accountable Officer: Dave Black Mitigating Control: Green Capacity of the Flood Risk Management Team Amber Consider options for operation of Sustainable Drainage Approvals Body Green Flood Risk Management Strategy / Flood Resilience Community Pathfinder project
<b>Risk Code: HRO 1 CRR</b> <b>Inherent Status: Very high (30)</b> <b>Current Status: High (20)</b> Last Review Date: 18/07/2014	<b>Health and Safety</b> Failure to deliver our statutory service delivery duties and legal obligations in respect to health and safety requirements	Risk Owner: Margaret Bullock Accountable Officer: Paul Jones Mitigating Control: Green Consultation and monitoring arrangements Green Devon Health and Safety Panel Green Devon Health, Safety and wellbeing Service Amber Health & Safety Management Audit System Amber Policies, procedures and risk assessment Green The Annual Health Safety and Wellbeing Report Green Workforce Wellbeing
<b>Risk Code: People1 CRR</b> <b>Inherent Status: Very high (30)</b> <b>Current Status: High (20)</b> Last Review Date: 11/06/2014	<b>Financial instability</b> Financial instability arising from failure to deliver identified savings plans.	Risk Owner: Tim Golby Accountable Officer: Jennie Stephens Mitigating Control: Green a) Budget Appraisal Process Amber b) Improving People's Lives Programme: projects, governance and monitoring Amber c) Management/Service action plans Green d) Budget monitoring process
<b>Risk Code: FF 2 CRR</b> <b>Inherent Status: High (20)</b> <b>Current Status: High (20)</b> Last Review Date: 11/06/2014	<b>CAMHS</b> Insufficient CAMHS tier 4 service to meet presenting needs of children and young people	Risk Owner: Fiona Fitzpatrick Accountable Officer: Jennie Stephens Mitigating Control: Green a) Case managers appointed to facilitate bed finding Green b) National bed state produced weekly Amber c) Assertive outreach service being commissioned from Virgin Care by CCQ's Amber d) Specialist commissioners working with Somerset Partnership Trust to reopen tier 4 beds
<b>Risk Code: SPOC 15 CRR</b> <b>Inherent Status: High (20)</b> <b>Current Status: High (20)</b>	<b>Failure to prevent discriminatory practice/adhere to the Equality Act &amp; Public Sector Equality Duty</b> Ensuring the Council gives due regard to the need to eliminate discrimination (end prohibited	Risk Owner: Jo Hooper Accountable Officer: John Smith Mitigating Control: Green (Equality) Impact Assessment Green Communications Toolkit



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Last Review Date: 02/09/2014	conduct), advance equality and foster good relations as required by the Public Sector Equality Duty (Equality Act 2010).	<ul style="list-style-type: none"> <li>Amber Customer diversity monitoring</li> <li>Green Discriminatory Incident Reporting</li> <li>Amber Equality Framework for Local Government</li> <li>Green Equality Objectives (Fair for all Programme)</li> <li>Green Equality Policy</li> <li>Green Equality Reference Group</li> <li>Green Equality Standards in Procurement</li> <li>Amber Equality Training and Competencies</li> <li>Green Hate Crime Prevention</li> <li>Amber Impact Assessment Performance Measures</li> <li>Green Information (Evidence base)</li> <li>Amber Learning from Judicial Review Project - implementing the recommendations</li> <li>Green Staff Surveys</li> <li>Red Sufficient allocation of staff with responsibility for equality/impact assessment</li> <li>Green Supporting employment policies</li> <li>Red Workforce diversity data</li> </ul>
<b>Risk Code: SCC 22</b> <b>CRR</b> Inherent Status: Very high (25) Current Status: High (20) Last Review Date: 02/09/2014	<b>Capacity - Organisational Capacity to Change</b> a) to respond to the need for change, b) inadequate resources to deliver change activity, e.g. managerial capacity and business capacity	Risk Owner: Giles Colton Accountable Officer: Tim Golby Mitigating Control: <ul style="list-style-type: none"> <li>Green Governance and progress chasing</li> <li>Green Improved corporate awareness</li> <li>Green Monthly meetings to review progress</li> </ul>
<b>Risk Code: SPOC 1</b> <b>CRR</b> Inherent Status: Very high (30) Current Status: High (16) Last Review Date: 13/06/2014	<b>Failure to achieve good working relationship through lack of involvement of partners &amp; stakeholders</b> - RISK of not engaging effectively with partners and stakeholders exposes us to high levels of uncertainty in terms of capacity, service delivery and finance; OPPORTUNITY for greater value-added benefits through co-operation with other agencies and place-based budgets	Risk Owner: Simon Kitchen Accountable Officer: John Smith Mitigating Control: <ul style="list-style-type: none"> <li>Amber Clear governance arrangements</li> <li>Amber Communications between Partners (key individual networks)</li> </ul>
<b>Risk Code: FIN 39 CRR</b> Inherent Status: High (20) Current Status: High (16) Last Review Date: 09/04/2014	<b>Failure to deliver priority services due to inadequate financial planning</b> Reductions in government funding over the next 3 years will necessitate reductions in local government spending and service provision. DCC has responded by identifying savings in 2014/15 and is identifying the impact of further reductions in subsequent financial years via its Medium Term Financial Planning process	Risk Owner: Chris Phillips Accountable Officer: Mary Davis Mitigating Control: <ul style="list-style-type: none"> <li>Amber Medium Term Financial Plan</li> </ul>
<b>Risk Code: HM12 CRR</b> Inherent Status: High (20) Current Status: High (16) Last Review Date: 10/03/2014	<b>Failure to maintain the A and B road network effectively leading to reduced surface life</b> The risk of reduced life of the A and B road surfaces is influenced by several factors including the availability of an adequate budget to carry out work and deterioration factors such as severe winters and climate change.	Risk Owner: Joe Deasy Accountable Officer: David Whitton Mitigating Control: <ul style="list-style-type: none"> <li>Red Assessment of Highway Drainage</li> <li>Amber Materials Selection</li> <li>Amber Re-evaluation of our approach to preventative maintenance</li> <li>Amber Transport Asset Management Plan</li> </ul>
<b>Risk Code: FF 5 CRR</b> Inherent Status: Very high (24) Current Status: High (16) Last Review Date: 02/09/2014	<b>Early Help</b> The Early Help offer fails to provide effective help and protection to children, young people and their families resulting in an escalation to statutory social care services. (Previously RM3)	Risk Owner: Virginia Pearson Accountable Officer: Fiona Fitzpatrick Mitigating Control: <ul style="list-style-type: none"> <li>Green a) Devon Children's Safeguarding and Looked After Children Board</li> <li>Green b) Post-Ofsted Improvement Plan</li> <li>Green c) Quality Assurance Work-stream with</li> </ul>

Risk Code and Status	Scope of risk	Current Position, Action being taken, and Accountable Officer
		<p>independent lead officer</p> <p>Green d) Project management capacity identified</p>
<p><b>Risk Code: SS 12 CRR</b></p> <p>Inherent Status: High (20)</p> <p>Current Status: High (16)</p> <p>Last Review Date: 19/03/2014</p>	<p><b>Adult mental health services: lack of acute psychiatric bed capacity</b></p> <p>Lack of acute psychiatric bed capacity locally and nationally is having a detrimental impact on acutely unwell people accessing hospital care increasing the risk to themselves, carers and public.</p>	<p>Risk Owner: Terry Grace</p> <p>Accountable Officer: Sally Slade</p> <p>Mitigating Control:</p> <p>Amber Commissioning arrangements under development</p>
<p><b>Risk Code: TCS 1 CRR</b></p> <p>Inherent Status: High (15)</p> <p>Current Status: High (15)</p> <p>Last Review Date: 14/04/2014</p>	<p><b>Public Transport Support Budget</b></p> <p>Additional Cost/ budget pressure due to: (a) withdrawal of commercial services, requiring DCC to respond to fill gaps in the bus network through additional support for services. (b) Risk of higher tender prices, given a prolonged period of lower tender prices. (c) funding reductions resulting in significant cuts in bus services.</p>	<p>Risk Owner: Bruce Thompson</p> <p>Accountable Officer: John Smith</p> <p>Mitigating Control:</p> <p>Red Operational, policy and administrative efficiencies</p> <p>Red Operational, policy and administrative efficiencies</p>
<p><b>Risk Code: AD E 01 CRR</b></p> <p>Inherent Status: Very high (24)</p> <p>Current Status: High (15)</p> <p>Last Review Date: 25/04/2014</p>	<p><b>Effects of prolonged recession or austerity policy (Active Devon)</b></p> <p>Combined &amp; simultaneous pressures on: - core funding and all other funding sources (public, private, discretionary £...); - increasingly competitive bidding; - increasing demand for support; - falling ability or willingness of participants, coaches/clubs to self-fund their activity or development; - reduced or increased volunteering?</p>	<p>Risk Owner: Matt Evans</p> <p>Accountable Officer: John Smith</p> <p>Mitigating Control:</p> <p>Green Emphasis on sustainability</p>
<p><b>Risk Code: SS 14 CRR</b></p> <p>Inherent Status: Very high (25)</p> <p>Current Status: Medium (12)</p> <p>Last Review Date: 27/08/2014</p>	<p><b>Deprivation of Liberties (DoLS) and Court of Protection</b></p> <p>Recent Supreme Court ruling presents a significant financial risk due to the likely increase in DoLS and CoP assessments required and associated legal costs.</p>	<p>Risk Owner: Paul Grimsey</p> <p>Accountable Officer: Sally Slade</p> <p>Mitigating Control:</p> <p>Amber B) ADASS lobbying nationally to get local authority support</p> <p>Green C) CLT endorsed approach</p> <p>Green D) Managed process in place.</p> <p>Amber Prioritisation and ADASS lobbying.</p>