

Annual Report of the Corporate Risk Management Group

Report of the Head of Services for Communities

Please note that the following recommendations are subject to consideration and determination by the Committee before taking effect.

Recommendation: It is recommended that Audit Committee:

- (a) Monitor the effective development and operation of risk management in the Council;**
- (b) Consider and note updates to risk registers.**

1. Summary

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

2. Introduction

The annual report is intended to support this Committee in carrying out its role in providing independent assurance of the adequacy of the risk management framework and the associated control environment.

3. General update

The current Risk Management Strategy runs from 2011 to 2015 – a revised policy will replace this from 2016. Much of the current strategy remains useful and will be retained but the new policy will be built on best practice from the UK Office of Government Commerce and the Management of Risk Guidance. Unlike the current strategy it will not have a defined end-date but will be regularly reviewed to ensure it remains fit for purpose.

The new policy will also more explicitly acknowledge the link between risk management and performance management as the council develops a new Performance Management Framework. Risks will be linked to one of the Better Together themes making it possible to review risks associated with, for example, “Safe” or “Connected” rather than simply by service area.

It is planned to add targets to risks to give a better understanding of whether the current risk exposure is above or below where we would like it to. Risks that are above target could, for example, have additional controls put in place to bring their level down to a more acceptable level.

Feedback suggests that the council’s risk recording tool – spar.net – does not meet the needs of users so work is underway to provide a replacement. This will be built using existing tools, such as Excel and SharePoint, and not be a completely new product.

The majority of risks identified and recorded on the Council’s risk registers are operational – risks related to how we operate on a day-to-day basis. Work has started to identify more strategic level risks that may have an impact across the organisation. Corporate Leadership Team has identified topics of interest that are now being developed further.

The content of the refreshed Corporate, People, Place and Corporate Services risk registers are provided as Appendices A – D. These are regularly monitored at leadership teams and action taken to escalate or reduce the management of the risks to the appropriate level according to changes in perceived risk to the Council.

4. Risk management updates from Service areas

4.1 People

There is now a well embedded risk management culture within People with Heads of Service regularly reviewing service level risks, which are escalated on a monthly basis to the Leadership Team People for review of both the People and Corporate Risk Registers. Risks are proactively managed throughout the organisation with SPAR.net being the main tool used to monitor and manage risk.

Whilst a diverse range of risks are included within the People and Corporate Risk Registers, looking forward key risks to the Council relate to market capacity and the organisational skills and capacity to meet identified social care needs and outcomes for the people of Devon.

A number of market capacity risks are identified for both adult and children's social care, including tier 4 mental health services for children and young people and acute psychiatric bed capacity for adults. A range of mitigating actions, including re-tendering of the Personal Care Framework Agreements, market development work with providers and joint commissioning of specialist mental health placements are in place to support maintaining people safely in their own homes, achieving safe discharge from hospital and reducing risk of service user harm to themselves, carers and public.

There are increasing costs and challenges securing education and care provision for children with additional and complex needs due to a reducing market, stronger regulation and difficulty delivering personalised services for individual children. A Market Position Statement is being developed and commissioning arrangements are under continuous review to ensure needs are appropriately matched.

There is increasing difficulty in recruiting suitably qualified staff to a range of posts, including Social Workers and Practice Managers. Social work recruitment has become particularly difficult over the past two years resulting in lower skills mix in some areas. This, together with the current level of Social Worker vacancies, is causing acute service pressure. Mitigating actions include re-grading of adult Social Worker posts, workforce development and the reorganisation of adult care management. An Adult Social Care Workforce plan is currently being developed. However, without an Organisational Development Plan for the Authority, which includes succession planning for leaders and managers, there is an on-going risk of future skills shortages across key areas of the business, for example, Social Workers, Head Teachers and Teachers.

4.2 Place

Service Risks are formally reported to Place Leadership Team (PLT) on a six monthly basis or more regularly as significant risk items require escalating.

All identified risks have associated management action plans which are regularly reviewed by Heads of Service.

The Place risk register continues to be kept under review in order taking into account changes in central government policy or new initiatives that may result in new or additional risks to the Local Authority.

4.3 Public Health

The Public Health Leadership Team monitor any risks identified against the Local Authority's public health protection responsibilities on a monthly basis. Risks last year related to vaccination uptake, particularly influenza, measles, mumps and rubella (MMR) and the procurement of new services.

The procurement of new services and change of providers for other services had been identified as a potential risk and these are now monitored through contract arrangements.

Flu vaccination uptake rates in council staff have improved, as have rates of MMR vaccination and these have been removed from the register for the present time. Significant work has been targeted at promoting the influenza vaccination uptake locally in the last year which will continue this season and targeted work has taken place in areas of low MMR uptake.

Current risks centre around concerns about the capacity of the health protection response the timeliness and availability of monitoring data. Risks are being monitored through the joint Health Protection Committee of the Health and Wellbeing Boards of Devon County Council, Plymouth City Council and Torbay Council and through this there is a dialogue with Public Health England.

Emerging risks on a national level include pandemic influenza awareness and this is monitored locally with Public Health Devon taking part in appropriate emergency exercises together with emergency planning colleagues.

5. Risk management updates from areas of risk specialism

5.1 Finance

At its last meeting, the Audit Committee approved the 2014/15 Statement of Accounts. The Committee also received the External Auditor's report of findings which stated that the audit was substantially complete and it was anticipated that an unqualified opinion on the financial statements and the value for money conclusion would be provided.

This continues to demonstrate that financial reporting remains at a high standard and financial governance is robust.

Government's austerity programme continues to impact on the County Council. Cabinet budget monitoring reports outline in-year pressures which will require active management in future years. The Medium Term Financial Strategy outlines best estimates of financial resources, in the absence of firm data from Government. This indicates further requirements for annual revenue budget savings and reductions. The ongoing work within Services to provide cost savings or increased income generation continues and will be considered through the budget process involving Scrutiny Committees, Cabinet and County Council.

Finance Services will be required to achieve further financial savings, as part of the overall County Council budget reduction and the increased use of technology will assist with this programme. Service budgets will be assessed for their risk factor and volatility. Those which are highly ranked will continue to receive finance service support whilst reduced input will be provided to low and very low risk assessed services.

5.2 Health and Safety

Health, Safety and occupational health risk management, when effectively undertaken, is a management discipline aimed at loss minimisation, increasing productivity and improving the quality of service delivery. Consequently effective health, safety and well-being risk management is critical to the success of the Council and the Council's Risk Management Strategy and the Council's Strategy for Improvement and Efficiency.

The annual report on progress for 2014-15 and a detailed action plan for 2015-16 was presented to the Devon Health & Safety Panel on 28 September 2015. The report identifies a number of achievements and initiatives throughout the Council since the previous report.

Headlines from the annual report include:

- The Internal Occupational health unit has been awarded the Safe effective quality occupational health services (SEQOHS) accreditation.
- No breaches of statutory duty occurred in the past 12 months (e.g any action taken against DCC from the Health and Safety Executive or other enforcing body).
- All actions identified following the May 2014 serious incident have been successfully completed and health and safety risk ranking has returned to its normal level.
- Employee assistance programme continues to provide support to employees and has reduced the Authorities overall counselling budget for a second year.
- An increase in accidents to employees reported centrally has occurred – up from 1106 to 1274. With the number of violent incidents being the most increased from 546 to 739 last year. Therefore one of the key targets for 15/16 is to continue to work on strategies to reduce workplace violent incidents.

5.3 Information Governance

What have we done/are we doing this year?

- The council has robust security incident management procedures in place which actively monitors and manages incidents as they occur. Staff are actively encouraged to report incidents when they occur.
- Feedback and an agreed action plan is provided to services following every incident on how they can improve their data handling practices to prevent similar incidents from re-occurring.
- The council's Senior Information Risk Owner, Rob Parkhouse (Head of Business Strategy & Support) is kept informed about the level and types of incidents occurring and mitigations carried out, on a regular basis.
- Information Governance team have delivered regular Data Protection and Information Sharing training across the council to promote good security practices.
- The Council has virtually completed all the actions from a voluntary ICO audit which was carried out in January 2015.
- The council has recently rolled out a new email encryption system called Egress Switch.
- Peer checking procedures being incorporated into the day to day handling procedures of certain front-line teams.

Risks for 2014/2015

- BI06 - Data Protection/Security Breaches.
- BI11 - Failure to adhere to Information Management standards.
- BI13 - Reputational damage from complaints.

Potential Impact of the Highlighted Risks

- Imperfect Sharing of information.
- Complaints.
- Legal Action.
- Fines.

Current Mitigation

- Staff training and awareness.
- Adherence to existing codes of practice and policies.
- Prioritisation of complaint resolution.
- Customer Relations Team pro-active involvement in resolving and appropriate learning and actions from complaints.
- Customer Relation team work with Services to appropriate REDRESS.

5.4 Insurance

An external review of our Insurance fund was undertaken earlier this year and concluded that the amount of money in the fund gives us good protection in respect of our outstanding claims and liabilities (past and present).

The premiums for DCC's insurance policy incurred a very small increase of 1% last year which was due to an increase in vehicle numbers and engineering plant requiring inspection.

The insurance renewal papers have been submitted to our brokers for 2016 and we are awaiting sight of the renewal terms. We have been informed that the premiums for 2016 should not increase by any substantial amount, however, as of 1 November 2015 the rate of Insurance Premium Tax (which is non-recoverable) will increase from 6% to 9.5% so we will have to allow for this when it comes to paying the premiums in January 2016.

2015 has been a very good year claims wise with just 447 new public liability claims received this year (this time last year we had already received 1157!) This is in part due to the fact that we have had a milder winter so fewer people have experienced damage to their property as a result of highway defects and also partly because we have tightened our claims procedure meaning that claimants need to provide a lot more information before they can submit a claim for vehicle damage, so it is probable that we are receiving fewer spurious claims.

The number of Employers Liability claims remains low with only 6 having been received for incidents this year.

5.5 Emergency Planning

The Emergency Planning Team continues to work closely with the Highways Operations Control Centre, the Flood Risk Management Team and the Council's social care infrastructure to ensure that the Council is able to respond to major incidents and emergencies in a speedy and effective way. It also liaises regularly with colleagues in Public Health and Animal Health specialists from Trading Standards.

Weather-wise the past 12 months have been relatively calm but the Emergency Planning team has still been active and responded to requests for assistance with extending mortuary capacity to cope with winter pressures on hospitals, pollution incidents, concern over spring tides, a siege situation, numerous evacuations and two suspect packages in Exeter.

Pandemic Flu remains the highest threat to the UK as a whole and in 2015 an exercise was held in conjunction with colleagues from Public Health which tested the response of the

Council's senior management to an ever worsening scenario. The national pandemic exercise which was previously postponed due to Ebola is expected to take place in 2016.

The team continues to work with the blue lights and other responding agencies in the Local Resilience Forum to make sure Devon remains as safe as possible. The team has also started tweeted community resilience messages and helped increased followers to @devonalert by nearly 30%.

Members of the team continue to support work in districts both formally as part of an agreement, and informally, to ensure that there is a joined up approach to emergency planning across Devon. Discussions are underway with district colleagues to find more sustainable ways of working together in the future.

John Smith
Head of Services for Communities

Electoral Divisions: All

Local Government Act 1972: List of Background Papers

Contact for enquiries: Simon Kitchen

Room No: G43 County Hall

Tel No: (01392) 382699

Background Paper	Date	File Ref.
None		

Appendices

Appendix A: Corporate Risk Register

Appendix B: Leadership Team People Risk Register

Appendix C: Place Leadership Team Risk Register

Appendix D: Corporate Services Leadership Team Risk Register