

2018/19 Risk Management Mid Year Update Report for the Children's Services Scrutiny Committee

Report of the County Treasurer

Please note that the following recommendations are subject to confirmation by the Committee before taking effect.

Recommendations:

- i. that members note the current risk position for Children's Services as shown in this report.
- ii. that members note the highest scoring risks and consider these when creating future work plans.

This report has been produced in conjunction with Children's Services with a view to providing more integrated *Risk* and *Performance* reporting in the future.

The attached detailed report summarises the risk management position as a result of the work of council officers. Page four includes an update provided by the Children's Services Management Team on the financial pressures within the service.

In addition, the report provides a detailed appendix (Appendix 1) which sets out the risks currently recorded in the risk register.

Mary Davis

Electoral Divisions: All
Local Government Act 1972

List of Background Papers

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<u>Background Paper</u>	<u>Date</u>	<u>File Ref</u>
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Nil

There are no equality issues associated with this report



devon**audit**partnership

Risk Management

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Mid-Year Report 2018/19

November 2018



Children's Services Scrutiny Committee

**CUSTOMER
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Support, Assurance & Innovation

Introduction

Devon Audit Partnership (DAP) continues to support and facilitate the development of the Councils risk management framework and processes. This support is designed to assist members, senior management and staff in identifying risks, recognising and recording the "true" risk, mitigation thereof and promote effective monitoring and reporting of those risks.

Background

Development of risk management across the council has included the clarification of oversight and responsibility. The Risk Management Policy includes the following under the heading of Roles and Responsibilities for Scrutiny Members.

Scrutiny Committees should be aware of the objectives of the service areas they oversee. Service Managers should identify risks to the achievement of these objectives and provide to Scrutiny a summary of these risks and the mitigating action/s (controls) that are being taking to reduce the risk to an acceptable/agreed level. Specific risks to objectives, in particular those that remain "high", may be discussed in detail and risk owners and accountable officers asked to provide further information.

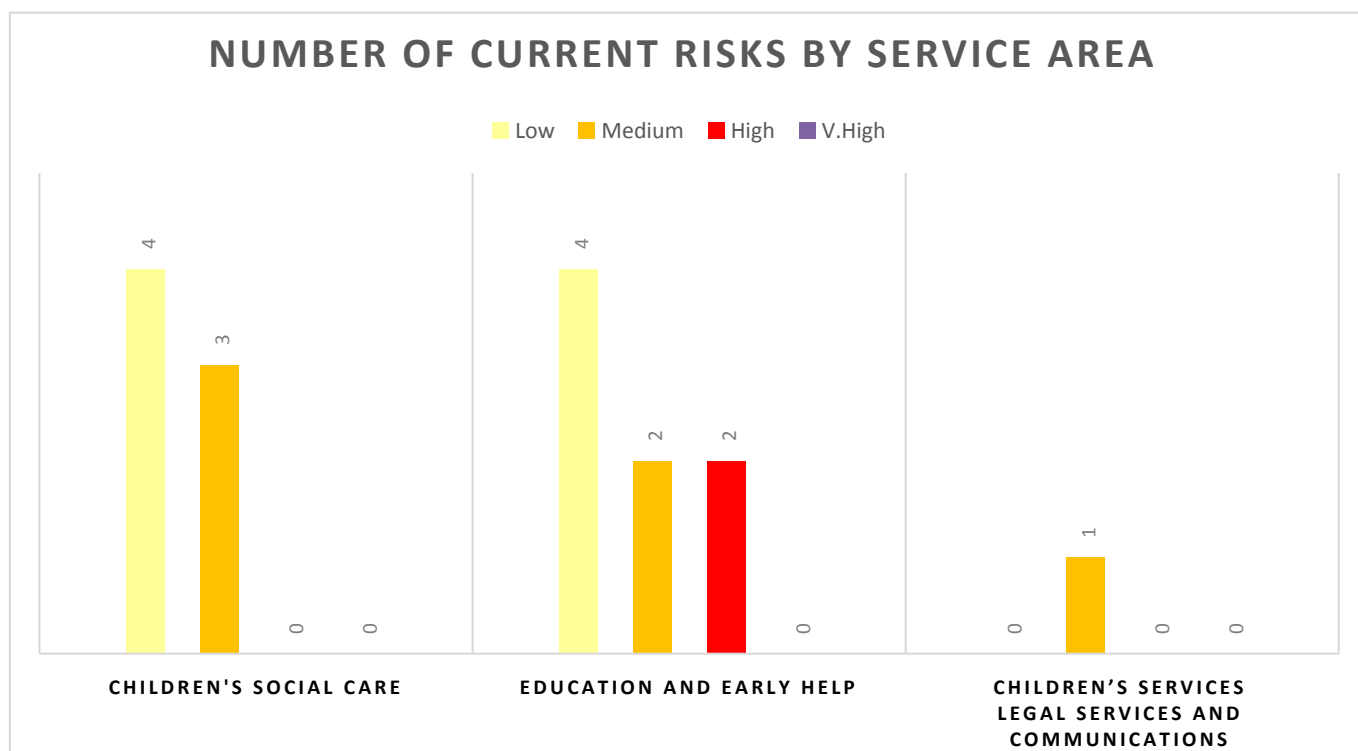
In practical terms this results in each of the Scrutiny Committees having oversight of the risks which are relevant to their areas, with the Audit Committee focusing on the process and effectiveness of risk management overall.

The system used to record risks helps to ensure that where a risk crosses over service areas all relevant Scrutiny Committees have visibility. The highest rated risks, strategic risks and those risks which cross service areas will also be noted within the Authority Wide Risk Register to support inclusive oversight and management.

Work is ongoing to further embed risk management across the council and ensure that the data within the risk registers is clear, accurate, relevant and importantly, linked to organisational objectives. Further details can be obtained from Devon Audit Partnership via Robert Hutchins (Head of Partnership) or Tony Rose, who will also be happy to receive your comments and thoughts on risk management within the Council.

Summary Current Risk Position

There were 16 risks recorded in the Risk Register as at 06 November 2018 which link to the areas of responsibility for this Scrutiny Committee, as shown in the charts below.



The Risk Management process identifies those areas where risk is currently considered to be greatest. Management of awareness of such risks ensures that focus and attention is in the “right areas”; although the risk may not always be reduced (as yet) to a desired level, the fact that it is being monitored will help to prevent the risk occurring and also limit the impact of the risk if it does occur.

The chart shows that two risks retain a Current score of High, details of which can be seen in the table in Appendix 1. Out of the total 16 risks, 14 were initially assessed to be “High risk”; following mitigating controls put in place by management 12 have now reduced to Medium or lower.

Based on the information currently held in the risk register, the risk with highest current score is “Insufficient Capacity of the High Needs Block to Meet Demand”, with an inherent score of 20 (High) and a current score of 20 (High). When last reviewed by the responsible officer, the Head of Education & Learning, the scoring remained unchanged.

Children’s Services Financial Position

As part of the annual budgeting setting process the Council considers the risks inherent within the budget set. For 2018/19 this process identified that Children’s Services was a High-Risk area due to the cost pressures of potential demand increases.

The financial pressures resulting from in year demands within Children’s Services will be known to members. Children’s Services have composed an overarching risk reflecting these pressures which is supported by individual risks which focus on specific elements of the financial pressure, including the High Needs Block, Demand for Children’s Social Care, the Education & Learning Services Budget and Carefirst replacement.

The Children’s Services Management Team have provided the following update for this report.

Children’s Services is facing considerable financial pressures with escalating costs associated with providing appropriate support and accommodation for looked after children and those with the most complex of needs. A significant over spending is forecast.

The ability to contain spend depends much on external influences. For example, market capacity and sufficiency, and the level of supply of suitably experienced and qualified social workers. The climate for both remains challenging.

In Education, the demand on the High Needs Block continues to rise, with costs substantially exceeding funding available. The authority’s own provision is almost at capacity with the difficulty remaining around the ability to meet the demand for placements without going to the costlier independent sector for children with more complex needs.

We are identifying mitigating controls at present and these will be added to the detailed operational risk register.

The risk information within Appendix 1 is sorted by the Current Risk Score, i.e. the score following the application of management actions to reduce the level of risk. All key details are shown including the review dates which comply with the current policy expectations.

An online Risk Management *eLearning package* is now available for Councillors, should you wish to complete this please contact your Scrutiny Officer. If you would like more in depth training, please contact your Scrutiny Officer or Robert Hutchins/Tony Rose of Devon Audit Partnership.

Please note that the format of future *Risk Management Reporting* to both Officers and Members continues to evolve. The longer-term aim is to provide dashboards with as close to live data as possible for the risks recorded within each service area. This will be further supported by the capturing issues that are emerging in a slightly different format and linking them to all known sources of information and risks.

Appendix A – Risk Register Extract

Service Area	Risk Title	Description	Risk Category	Inherent Score	Current Score	Risk Owner	Accountable Officer	Latest Review
Education and Early Help	Insufficient capacity of the High Needs Block to meet demand	Due to the ongoing HNB deficit budget and changes in the SEND Code of Practice including age range, Element 3 payments to maintained schools, cost of independent sector places and increases in capacity for Special Schools, funding may be insufficient to meet the demand to deliver the statutory requirements, resulting in reduced SEND outcomes for 0-25, reputational damage and possible legal challenges.	Operational	20: High	20: High	Julia Foster	Dawn Stabb	Oct-18
Education and Early Help	Failure to adhere to the statutory SEND Code of Practice: 0 to 25 Years	Failure to comply with the Code of Practice would negatively impact on the delivery of high quality, timely education and healthcare plans, resulting in decreased educational support and opportunities for those who qualify.	Operational	16: High	16: High	Julia Foster	Dawn Stabb	Oct-18
Education and Early Help	Troubled Families implementation	Implementation of the programme does not secure the minimum of 50% PBR to be drawn down on which the five-year financial plan is base	Operational	20: High	12: Medium	Dawn Stabb	Dawn Stabb	Aug-18
Education and Early Help	SC1: Education and Learning Services budget availability.	Continued growth in SEN number leading to increased costs for home to school transport (which is a statutory duty). This could lead to a budget overspend which would need to be absorbed within the Education and Learning Core budgets, reducing the ability to deliver other services and initiatives.	Operational	18: High	12: Medium	Damien Jones	Dawn Stabb	Jun-18
Children's Social Care	Managed implementation by OLM of a replacement to CareFirst for Children's Social Care	As the product is not yet complete, there is a risk that it will not fully meet business requirements & it is impossible to fully evaluate this without any existing reference sites. As the product is not yet complete there can be no certainty it will support the anticipated service improvements.	Operational	16: High	12: Medium	Nicky Scutt	Darryl Freeman	Oct-18
Children's Social Care	Challenges in recruitment of permanent SW staff and managers (and implications)	Ability to stabilise and develop workforce impacts on performance improvement and creates financial pressure.	Operational	16: High	12: Medium	Darryl Freeman	Darryl Freeman	Oct-18
Children's Social Care	Demand for Children's Social Work	Demand for statutory children's social work and cost of social care increases and cannot be met within available resources.	Operational	16: High	12: Medium	Darryl Freeman	Darryl Freeman	Oct-18
Children's Services Legal Services and Communications	Insurance Risk - Vicarious Liability for Foster Carers	A recent Supreme Court ruling - NA v Nottinghamshire County Council - has held that Local Authorities will now be held vicariously liable for the actions of foster carers against children in LA care. This means that, going forward, DCC will be liable for any claims where it is proven that a foster child suffered abuse at the hands of their foster carers, even if there is no evidence of any negligence on the part of DCC (which would have previously been a valid defence for Local Authorities).	Operational	15: High	12: Medium	Emily Wilkins	Jan Shadbolt	Jun-18
Education and Early Help	Schools Company	Concerns relate to Financial stability of the Trust as its' school are passed to another trust. Debts should be settled by the ESFA but no written guarantees yet.		16: High	09: Low	Dawn Stabb	Dawn Stabb	Aug-18
Children's Social Care	Care Leavers	Insufficient prioritisation by partners creates risk of failure to make progress against inspection recommendations. Failure to improve outcomes including maintaining contact and achieve good outcomes in accommodation, EET impact on re-inspection judgement.	Operational	15: High	09: Low	Karen Morris	Darryl Freeman	Oct-18
Children's Social Care	Recruitment of foster carers	Failure to identify and approve suitably experienced carers impacts on sufficiency and failure to achieve financial savings.	Operational	12: Medium	09: Low	Kath Drescher	Darryl Freeman	Oct-18
Education and Early Help	Early Help single inspection standard of good will not be met	An improvement in, and expansion of, the multi-agency Early Help Offer will not be able to be evidenced and single inspection standard of 'good' will not be met in respect of Early Help.	Strategic	15: High	08: Low	Dawn Stabb	Dawn Stabb	Oct-18
Children's Social Care	Emotional needs of children in care	The emotional needs of children in care is not well met impacting on placement stability and outcomes for children in care leading to inspection and financial risks.	Operational	20: High	06: Low	Karen Morris	Darryl Freeman	Oct-18
Education and Early Help	Early Years Provision	Risk, that as private providers close there not being sufficient early years provision to meet the extended statutory entitlement that working parents can access 30 hours of free education for three and four-year-olds, rather than the existing 15 hours.	Operational	16: High	06: Low	Claire Rockliffe	Dawn Stabb	Aug-18
Education and Early Help	Lack of cohesion in Children's Early Help services	Lack of cohesion in Children's Early Help services do not support local integrated delivery in order to provide effective early help families	Strategic	15: High	06: Low	Dawn Stabb	Dawn Stabb	Aug-18
Children's Social Care	16/17yr old homelessness	Increased numbers/cost of LAC as a result of decision making on homelessness by District Council Housing Teams.	Operational	12: Medium	06: Low	Rachel Gillott	Darryl Freeman	Oct-18