

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 consider and note developments in the Corporate Risk Register as set out below;**

1. Summary

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

2. Introduction

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

3. Risk Registers

Risks recorded in the Corporate Risk Register (CRR) are shown in appendix A of this report. Since risks were last reported to this committee in June the following changes have occurred. Where additional information about the changes is available it is shown in italics.

Risks Added:

TG20 Market capacity adult social care (Residential and Nursing Care).

The supply of residential and nursing care of the right quality is currently stretched in some parts of Devon increasing the risk that we cannot achieve safe discharge from hospital. Difficulties in recruiting care staff further increases this risk. Additionally, the CCG's planned closure of community hospitals presents a further market capacity risk with regard to intermediate care.

BI21 Successful Cyber Attack
Successful Cyber Attack on the Authority

HR Workforce and Succession Planning
DCC risks not having workforce plans in place to ensure that it has the right number of people with the right skills, in the right place at the right time to deliver short and long term organisational objectives.

Risks Removed

TG23 Workforce (People)

This has been downgraded to a service-level risk. A new risk overseen by Human Resources (see risk HR above) covers many of the same issues.

JO13 Care Leavers in Education, Employment and Training

KS20 Care management capacity and effectiveness

JO15 Attainment of Looked After Children

PR09 Supplier brings a successful challenge in relation to a procurement
Removed following review scoring of Medium

PR06 Inflationary pressure across markets impacts upon service delivery and budget pressures
Removed following review scoring of Medium

PR05 Specifications and commissioning strategies not clearly defined service on behalf of the Council.
Removed following review scoring of Low

BI11 Failure to adhere to information management standards
Removed following review scoring of Medium

Risk score increased

TG15 Reduction in Government funding affects service delivery
Remains assessed as Very High due to uncertainty about the impact of the European Referendum.

KS19 Continuing Health Care (CHC)

TG29 Budget Management

Risk score decreased

SC1 School Transport

PR01 Supply market failure: Financial and other pressures leading to the failure of supply markets

Work continues to remedy the situation where a number of risks have a current mitigated score equal to, or in a few cases above, the inherent worst case score despite a number of mitigating controls being in place.

A new risk management IT system is being introduced and, as a result, the Spar.net system has been put into a read-only mode to stop changes being made as risks are moved across to the new system. The migration process will provide another opportunity check risk scores.

John Smith
Head of Services for Communities

Electoral Divisions: All

Appendices

Appendix A: Corporate Risk Register Summary

Risks: Corporate Risk Register

Risk status (score)	Overdue (0 - 0)	Low (1 - 9)	Medium (10 - 14)	High (15 - 23)	Very high (24 - 30)
Mitigating controls	Completed	Green	Amber	Red	

Risk details	Status and Risk owner	Mitigating controls
<p>TG15: Reduction in Government funding affects service delivery</p> <p>Potential loss of funding affecting DCC service delivery in the event of changes made in the Comprehensive Spending Review and subsequent local government settlement given inflationary pressures in market and demographic growth. Also, potential judicial risk, e.g. Supreme Court cases on separating nursing costs from care costs</p>	<p>Inherent status: 30 Very high</p> <p>Current status : 30 Very high</p> <p>Risk owner: Tim Golby</p> <p>Accountable officer: Jennie Stephens</p> <p>Last review: 09 Aug 2016</p>	<p>Green Option of 2% precept</p> <p>Amber Increase in BCF funding</p>
<p>JO23: Children's and Adult services buget pressures and allocation</p> <p>Impact across People's Services of budget pressures and allocation issues within children's services. Significant overspends are currently being forecast across a range of Education transport and Social Care budgets, which threaten the financial stability of People's Services.</p>	<p>Inherent status: 30 Very high</p> <p>Current status : 30 Very high</p> <p>Risk owner: Jo Olsson</p> <p>Accountable officer: Jennie Stephens</p> <p>Last review: 09 Aug 2016</p>	<p>Green Regular financial performance reporting to CLT</p> <p>Green Weekly children's social care management meetings focussing on budget pressures</p> <p>Green Focus of regular LTP discussion</p> <p>Green Scrutiny reporting</p> <p>Green Task group led by Leader of the Council</p>
<p>TG20: Market capacity adult social care (Residential And Nursing Care)</p> <p>The supply of residential and nursing care of the right quality is currently stretched in some parts of Devon increasing the risk that we cannot achieve safe discharge</p>	<p>Inherent status: 30 Very high</p> <p>Current status : 30 Very high</p> <p>Risk owner: Tim Golby</p> <p>Accountable officer: Ian</p>	<p>Green Capital investment programme led by BR Team to increase capacity in areas of highest need</p> <p>Green New care homes contract including block bed</p>

<p>increasing the risk that we cannot achieve care discharge from hospital. Difficulties in recruiting care staff further increases this risk. Additionally, the CCG's planned closure of community hospitals presents a further market capacity risk with regard to intermediate care.</p>	<p>Accountable officer: Jennie Stephens Hobbs Last review: 09 Aug 2016</p>	<p>Green New care homes contract including block 2 provisions from 2017-18</p> <p>Green Working with CCGs re intermediate care to ensure fit to contract</p> <p>Green Improving relationship with the market via sector lead to increase market engagement</p> <p>Green Fee uplift has stabilised market failure</p> <p>Green Workforce development programme being extended to private sector</p>
<p>KS19: Continuing Health Care (CHC)</p> <p>Significant delays in assessments and determinations of CHC eligibility leading to operational inefficiencies, possible clinical risk if people with primary care needs are not being appropriately case managed by NHS professionals; and financial risk to the Council as well as impact on individuals and families.</p>	<p>Inherent status: 30 Very high Current status : 25 Very high Risk owner: Keri Storey Accountable officer: Jennie Stephens Last review: 09 Aug 2016</p>	<p>Amber Issues escalated to NEW Devon CCG and some actions agreed which may mitigate.</p> <p>Amber Formal disputes now being raised and Draft Disputes Protocol in use.</p> <p>Green Further training for staff planned in PPA</p> <p>Green Learning Disabilities nurses transferred back to NHS</p> <p>Completed Discussions underway with CCG to consider future 4 week funding arrangements</p> <p>Completed NEW Devon supporting work on 2015.16 cases that were delayed in assessment or panel decisions.</p>
<p>TG29: Budget Management</p> <p>That a broader corporate overview of timing, impact or scope of service or policy changes gives rise to review or reconsideration of proposals</p>	<p>Inherent status: 25 Very high Current status : 25 Very high Risk owner: Tim Golby Accountable officer: Jennie Stephens Last review: 09 Aug 2016</p>	<p>Green Thoroughness on consultation on proposals</p> <p>Green Thorough impact and risk assessment of plans and policy change</p>

<p><u>HTM1: Failure to maintain C class and unclassified roads effectively.</u></p> <p>Deterioration of highway network due to insufficient planned and routine maintenance.</p>	<p>Last review: 09 Aug 2016</p> <p>Inherent status: 24 Very high</p> <p>Current status : 24 Very high</p> <p>Risk owner: Joe Deasy</p> <p>Accountable officer: David Whitton</p> <p>Last review: 04 May 2016</p>	<p>Green Value for Money solutions</p> <p>Green Highway Monitoring</p> <p>Green Safety repairs</p> <p>Green Communication with stakeholders</p>
<p><u>HTM3: Lack of capacity or capability to effectively respond to extreme weather events</u></p> <p>Flooding and structural damage to the highway affecting citizens and property</p>	<p>Inherent status: 24 Very high</p> <p>Current status : 24 Very high</p> <p>Risk owner: Joe Deasy</p> <p>Accountable officer: David Whitton</p> <p>Last review: 04 May 2016</p>	<p>Green Highway Monitoring</p> <p>Green Winter Service and Emergency Plan</p> <p>Green Delivery of Planned works</p> <p>Green Preparedness</p> <p>Green Asset Management</p>
<p><u>TG11: Market Capacity: Adult Social Care (Personal Care)</u></p> <p>The supply of personal care of the right quality is currently stretched in some parts of Devon increasing the risk that we cannot maintain all people who require it safely in their own homes, achieve safe discharge from hospital and with the potential to increase admissions to residential and nursing care. Additionally, the CCG's planned closure of community hospitals presents a further market capacity risk with regard to intermediate care.</p>	<p>Inherent status: 30 Very high</p> <p>Current status : 24 Very high</p> <p>Risk owner: Tim Golby</p> <p>Accountable officer: Ian Hobbs</p> <p>Last review: 09 Aug 2016</p>	<p>Green Refresh of the Adult Social Care Services Market Position Statement</p> <p>Green Provider Engagement Network</p> <p>Green Performance monitoring of call off against the Framework Agreement</p> <p>Green Work with providers to address capacity shortfall</p> <p>Green Reprourement of personal care via new framework: contracts to be awarded in march, transition to new arrangements in June.</p> <p>Green Investigation of new solutions/new way of working</p> <p>Green Weekly SITREPS and escalation</p>

		Green  Provider of last resort option.
<p>HTM2: Lack of capacity or capability to respond effectively to highway safety related issues</p> <p>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.</p>	<p>Inherent status: 24 Very high</p> <p>Current status : 24 Very high</p> <p>Risk owner: Joe Deasy</p> <p>Accountable officer: David Whitton</p> <p>Last review: 04 May 2016</p>	<p>Amber  Highway Monitoring</p> <p>Amber  Safety repairs</p> <p>Green  Programme flexibility</p>
<p>TCS1: Public Transport Support Budget</p> <p>Additional Cost/ budget pressure due to:</p> <p>(a) withdrawal of commercial services, requiring DCC to respond to fill gaps in the bus network thorough additional support for services.</p> <p>(b) Risk of higher tender prices, given a prolonged period of lower tender prices.</p> <p>(c) funding reductions resulting in significant cuts in bus services.</p> <p>Refer to Cabinet report 10 June 2015</p>	<p>Inherent status: 20 High</p> <p>Current status : 20 High</p> <p>Risk owner: Damien Jones</p> <p>Accountable officer: John Smith</p> <p>Last review: 11 May 2016</p>	<p>Amber  Operational, policy and administrative efficiencies</p>
<p>SC1: School Transport</p> <p>Rising overspend on home to school transport is having a deleterious effects on Education and Learning Core budgets and initiatives which are currently absorbing the substantial overspend. Action to address overspend has had limited short term impact against rising costs due to increased expectations and the complexity of individual transport requested.</p>	<p>Inherent status: 30 Very high</p> <p>Current status : 20 High</p> <p>Risk owner: Sarah Aggett</p> <p>Accountable officer: Sue Clarke</p> <p>Last review: 09 Aug 2016</p>	<p>Amber  Management actions within TCS including route analysis and efficiency savings</p> <p>Green  TCS monitoring and regular review across all areas of spend</p> <p>Green  Policy regularly reviewed and adjusted to reduce areas of discretionary spend</p> <p>Green  Actions identified thorough corporate transport project board</p>
<p>FIN20: Failure to deliver priority services as a result of</p>		

<p>FIN59: Failure to deliver priority services as a result of significantly reduced finances</p> <p>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 2016/17 and is identifying the impact of further reductions in subsequent financial years via its Medium Term Financial Planning process</p> <p>This risk covers both a failure to deliver priority services due to inadequate financial planning and an inability to respond to changes arising from significant reductions in Government Finance</p>	<p>Inherent status: 20 High</p> <p>Current status : 16 High</p> <p>Risk owner: Chris Phillips</p> <p>Accountable officer: Mary Davis</p> <p>Last review: 16 May 2016</p>	<p>Green Medium Term Financial Plan</p> <p>Completed Annual Savings Plan approved by CLT</p> <p>Green Purposeful Systems</p>
<p>PR01 - Supply market failure: Financial and other pressures leading to the failure of supply markets</p> <p>Failure of supply markets due to financial, capacity and other pressures particularly apparent in the social care market. Supply market failure could have a detrimental effect on the Council's ability to fulfil our legislative duties and strategic objectives.</p>	<p>Inherent status: 20 High</p> <p>Current status : 16 High</p> <p>Risk owner: Kevin Balding</p> <p>Accountable officer: Justin Bennetts</p> <p>Last review: 11 Jul 2016</p>	<p>Completed Integrated Category Management</p> <p>Completed Integrated Procurement Category Management (IPCM)</p> <p>Completed Corporate Strategy for procurement performance 2008-11</p> <p>Green Attuned to markets</p> <p>Completed Contract Strategy</p>
<p>BI06 - Data Protection breaches</p> <p>The Council may incur fines and legal actions for damages following incidents of misuse, loss, accidental or deliberate disclosure.</p>	<p>Inherent status: 24 Very high</p> <p>Current status : 16 High</p> <p>Risk owner: Carol Reece</p> <p>Accountable officer: Colin MacKenzie</p> <p>Last review: 18 Jul 2016</p>	<p>Green Staff training and awareness</p>
<p>SPOC15: Failure to prevent discriminatory practice/adhere to the Equality Act & Public Sector Equality Duty</p>	<p>Inherent status: 16 High</p> <p>Current status : 16 High</p> <p>Risk owner: Jo Hooper</p>	<p>Green (Equality) Impact Assessment</p> <p>Amber Equality Training and Competencies</p>

<p>Ensuring the Council gives due regard to the need to eliminate discrimination (end prohibited conduct), advance equality and foster good relations as required by the Public Sector Equality Duty (Equality Act 2010).</p>	<p>Accountable officer: Roland Pyle Last review: 06 May 2016</p>	<ul style="list-style-type: none"> Green Equality Objectives (Fair for all Programme) Green Equality Reference Group Green Equality Framework for Local Government Amber Staff Surveys Green Discriminatory Incident Reporting Green Equality Policy Green Supporting employment policies Green Sufficient allocation of staff with responsibility for equality/impact assessment Green Information (Evidence base) Amber Customer diversity monitoring Green Equality Standards in Procurement Green Hate Crime Prevention Green Communications Toolkit Red Workforce diversity data Completed Learning from Judicial Review Project - implementing the recommendations Green Impact Assessment Performance Measures
<p>BI21 - Successful Cyber Attack</p> <p>Successful Cyber Attack on the Authority</p>	<p>Inherent status: 20 High Current status : 16 High Risk owner: Melanie Wellard Accountable officer: Colin</p>	<ul style="list-style-type: none"> Green Annual PSN Compliance process Amber Business Continuity Planning Amber Disaster Recovery Plan

	MacKenzie Last review: 27 Jul 2016	Amber Disaster Recovery Plan Amber Communication and Reporting
<p>HR: Workforce and Succession Planning</p> <p>DCC risks not having workforce plans in place to ensure that it has the 'right number of people with the right skills, in the right place at the right time to deliver short and long term organisational objectives' (Chartered Institute of Personnel & Development definition of 'workforce planning'). This is exacerbated by:</p> <ul style="list-style-type: none"> • The demographics of the workforce, given that around 45% of our current directly employed DCC workforce is over 50 years and over 60% is over 40 years. • The need for changing skills and behaviours in order to implement new ways of working • DCC's new delivery model, including greater reliance on other employers/sectors to deliver services on our behalf • Significant changes in social trends and attitudes, such as the use of new technology and attitudes to the public sector, which may impact upon our 'employer brand' and therefore recruitment and retention • Skills shortages in key areas including social work and teaching • Improvements to the UK and local economy which may impact upon the Council's ability to recruit and retain staff. • Government policy (for example exit payment proposals) and changes to the Council's redundancy compensation policy, which could impact upon retention, particularly of those at more senior levels and/or older workers. 	Inherent status: 16 High Current status : 16 High Risk owner: Helen Marsh Accountable officer: Jacky Wilson Last review: 08 Aug 2016	Green HR Strategy Green HR Redundancy and Turnover Management Strategy Amber HR Dashboard Green Communication and cross working Amber Workforce Planning roll-out
<p>Reduction in Public Health funding</p> <p>Clawback of Public Health reserve funds this year means that Public Health no longer have funding available to respond to immediate Public Health demands. It also may</p>	Inherent status: 15 High Current status : 15 High Risk owner: Mark Kealy Accountable officer: Tracey Dolak	Green Retaining a targeted health check programme for those most at risk Amber New Healthy Lifestyle service and voluntary service directory

<p>presage future reductions in the recurring funding which could impact on commissioned services</p>	<p>Roland Last review: 08 Aug 2016</p>	<p>Green One You</p> <p>Green Change4Life</p> <p>Amber Making every contact count</p> <p>Amber Specialist smoking service</p> <p>Amber Working with partners to access new sources of funding</p> <p>Completed</p>
<p>SPOC16: Failure to properly implement Impact Assessment in effective decision making</p> <p>The County Council has a legal duty under the Equality Act 2010 to publish information about people affected by its policies and practices. It also has a legal duty to give due regard to the need to eliminate discrimination, advance equality and foster good relations across nine protected characteristics. The County Council's method for meeting these duties is through the Impact Assessment report. Risks to the organisation of not adhering to the Duty are Judicial Review or lack of consideration of community impacts which could result in harm, poor community relations, complaints about discrimination etc.</p>	<p>Inherent status: 30 Very high</p> <p>Current status : 12 Medium</p> <p>Risk owner: Jo Hooper</p> <p>Accountable officer: Roland Pyle</p> <p>Last review: 06 May 2016</p>	<p>Green Monitoring and feedback</p> <p>Green Training and guidance</p> <p>Green Decision making procedures</p> <p>Green Escalation</p>
<p>SPOC1: Failure to realise opportunities and insight derived from successful collaboration with key partners</p> <p>RISK of not engaging effectively with partners exposes DCC to levels of uncertainty in terms of capacity, service delivery and finance; insight and learning not shared about opportunities to share resources/effect change; aspirations as system leaders not realised; Better Together and Operating Model not achieved</p>	<p>Inherent status: 16 High</p> <p>Current status : 12 Medium</p> <p>Risk owner: Simon Kitchen</p> <p>Accountable officer: John Smith</p> <p>Last review: 09 Aug 2016</p>	<p>Green Leadership and governance arrangements</p> <p>Amber Communications between Partners (key individual networks)</p>

<p>Operating model not achieved.</p> <p>OPPORTUNITY for greater value-added benefits through co-operation with other agencies and place-based budgets. The following link defines partnerships in a RM context. http://staff.devon.gov.uk/services-for-communities/strategicintelligence/risk-management/devonway-riskmanagement/risk-management-partners/risk-management-in-partnerships.htm</p>		
<p><u>HM12: Failure to maintain the A and B road network effectively leading to reduced surface life</u></p> <p>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.</p>	<p>Inherent status: 20 High</p> <p>Current status : 12 Medium</p> <p>Risk owner: Joe Deasy</p> <p>Accountable officer: David Whitton</p> <p>Last review: 04 May 2016</p>	<p>Amber Highways Asset Strategy</p> <p>Amber Assessment of Highway Drainage</p> <p>Green Materials Selection</p> <p>Green Re-evaluation of our approach to preventative maintenance</p>
<p><u>SP1: Flood Risk Management</u></p> <p>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.</p> <p>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)</p> <p>[Note: no specific consideration here to the risk of flooding to DCC assets or the huge costs of responding to /</p>	<p>Inherent status: 20 High</p> <p>Current status : 12 Medium</p> <p>Risk owner: Martin Hutchings</p> <p>Accountable officer: Dave Black</p> <p>Last review: 08 Aug 2016</p>	<p>Green Capacity of the Flood Risk Management Team</p> <p>Completed Flood Risk Management Strategy / Flood Resilience Community Pathfinder project</p> <p>Green Consider options for operation of Sustainable Drainage Approvals Body</p>

[to DCC assets or the huge costs of responding to / recovering from flood events, particularly linked to highway flooding.]

10 Aug 2016

