

2018/19 Risk Management Annual Report

Report of the County Treasurer

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

Recommendations:

- i. that the committee notes the movement of risks during 2018/19.
- ii. that members note the summary risk position for current risks.
- iii. that members note the risks and mitigations currently ranked the highest.

The attached report sets out the changes to risk management during 2018/19 and confirms the role of the Scrutiny Committee as per the Risk Management Policy. It further summarises the existing risk position and links to visual reporting via power BI.

Appendix A shows the risks at the time of writing this report.

Appendix B shows the mitigating actions for the Risks whose Current Score was High.

Mary Davis

Electoral Divisions: All
Local Government Act 1972

Contact for Enquiries: Robert Hutchins
Tel No: (01392) 382437 Larkbeare House

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

There are no equality issues associated with this report



devon**audit**partnership

Risk Management

CIR Risk Management
AWARDS 2018
shortlisted

Risk Management

Annual Report for 2018/19

June 2019



Children's Services Scrutiny Committee

**CUSTOMER
SERVICE
EXCELLENCE**



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

The Risk Management Policy includes a description of the Roles and Responsibilities in relation to risk management. In respect of Scrutiny Committees, the wording is shown below.

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 overall processes and effectiveness of risk management.

The system used to record risks continues to be developed to ensure that risks can be recorded, reviewed and managed. Where risks cross over service areas these are also reported to the relevant Scrutiny Committees. The highest rated risks, strategic risks and those risks which cross service areas are regularly reported to the Leadership Group to support wider oversight and management.

Work continues across the council to 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.

Changes in 2018/19

There was an increase in in the number of risks with a Current (Residual) score of High from two up to three. This was due to the addition of a new risk; ***Demand for Children’s Services exceeds the financial provision*** as can be seen in Appendix A. Eight risks have been archived from the Risk Register during the year due to their Current (Residual) risk score being Low. Five of these had an Inherent Risk Score of High or above and there are shown below for information.

Service area	Risk Title	Description	Accountable Officer
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.	Dawn Stabb
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.	Dawn Stabb
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.	Dawn Stabb
Children’s Services	Community Health Services	Re-procurement of community health services creates a risk to the continued delivery of Integrated Children’s Services if re-procurement does not progress or improve service delivery for children and families with additional needs.	Fiona Fleming
Children’s Services	Regionalising Adoption	It has been agreed by Cabinet that Devon County Council is to be the host for a Regional Adoption	Daryl Freeman

		Agency including services from Devon, Somerset, Plymouth, and Torbay.	
--	--	---	--

All risks have been reviewed throughout the year in line with the minimum requirements set out in the Council’s Risk Management Policy and Strategy document.

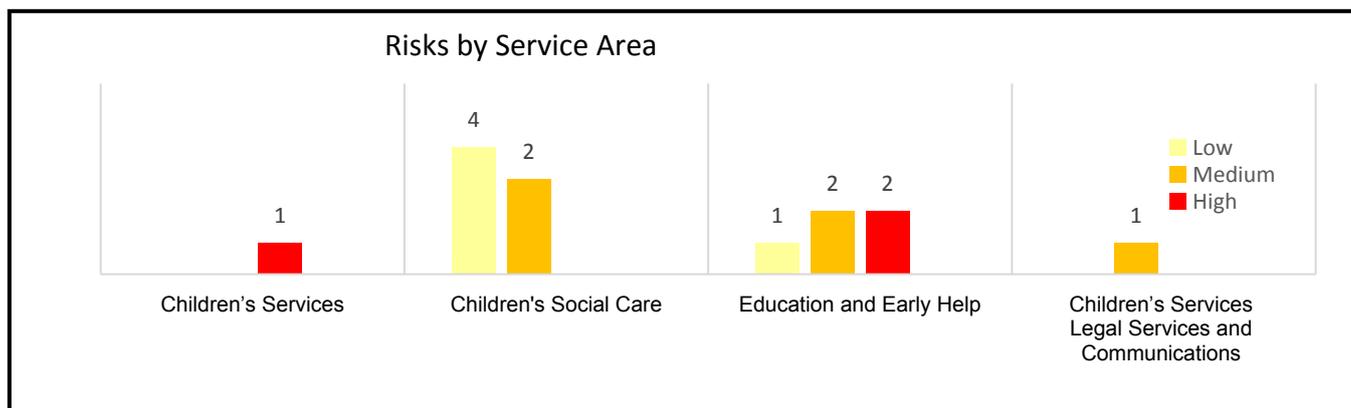
Current Risk Position

There were 13 risks recorded in the Risk Register as at 22 May 2019 which link to the areas of responsibility for this Scrutiny Committee. Of these, only one was initially assessed to be Very High, being **Demand for Children’s Services exceeds the financial provision**. Following the application of mitigating controls by management the Current risk score has been reduced High, further details can be found in Appendix A.

The highest current risk remains as **Insufficient Capacity of the High Needs Block to Meet Demand** with a Current risk score of 20 (High). Following the latest review by the responsible officer, Dawn Stabb – Head of Education & Learning, the risk remains unchanged. Six risks are recorded which retain a Current Score of Medium and details of these can be found in Appendix A.

Of the remaining thirteen risks, eleven were initially considered High risk and two Medium, with all but two of the thirteen seeing a reduction in the risk level following mitigating controls being put in place by management. The detail can be seen in Appendix A and the following chart shows the risk by their Current (Residual) risk score and the areas in which they sit.

Work is underway to identify, describe and record the high-level risks linked to the insourcing of Public Health Nursing, Portage and ROVIC services in April 2019.



It is recommended that Committee consider which if any of the risks shown in this report may be included in its future work plans.

Future Risk Reporting

Maximising access to new software is enabling risk reporting to become more interactive and live. Work has progressed to use PowerBI to provide an interactive visual presentation of current risk information across the Council. This following link can be used [Children’s Services Scrutiny Committee Power BI Data](#) to view the current development of risk reporting for the Scrutiny Committee using PowerBI.

For questions related to the detail of existing risks either the Risk Owner, Accountable Officer or other Children’s Service’s representative will be in attendance at the Scrutiny Committee. For questions related to Council Wide processes please contact Tony Rose (tony.d.rose@devon.gov.uk).

Supporting Appendices

Appendix A - Children’s Services Risks.

Appendix B - Existing Risk Mitigations for Risks with a Current Risk Score of High.

Service Area	Risk Title	Description	Risk category	Inherent Score	Current Score	Risk Owner	Accountable Officer	Latest review
Education and Early Help	Insufficient funding in 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 remains insufficient to meet the demand to deliver the statutory requirements, resulting in reduced SEND outcomes for 0-25, reputational damage including fault found by Ombudsman, and legal challenges through SENDIST.	Operational	20: High	20: High	Julia Foster	Dawn Stabb	23 Mar 2019
Children’s Services	Demand for Children’s Services exceeds the financial provision	Due to an increase in demand for the different services provided by the Children’s Services teams, the budget set for the current financial year may be exceeded, resulting in a potential reduction of service delivery or the possibility of a failure to deliver statutory responsibilities.	Strategic	24: Very high	16: High	Darryl Freeman	Jo Olsson	19 Feb 2019
Education and Early Help	Failure to adhere to the statutory SEND Code of Practice: 0 to 25 Years	Failure to comply with the SEND 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	25 Mar 2019
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. Impact of scheme is not evidenced to secure ongoing funding meaning lack of Early Help function means more cases escalate to statutory functions across a range of services.	Operational	20: High	12: Medium	Dawn Stabb	Dawn Stabb	07 Mar 2019
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 further budget pressures.	Operational	18: High	12: Medium	Damien Jones	Dawn Stabb	28 Jan 2019
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	18 Oct 2018
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	18 Oct 2018

Service Area	Risk Title	Description	Risk category	Inherent Score	Current Score	Risk Owner	Accountable Officer	Latest review
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	22 Jan 2019
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	09 Oct 2018
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	18 Oct 2018
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	18 Oct 2018
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	17 Aug 2018
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	18 Oct 2018

Risk Mitigations (RAG rated as per the Risk Register Entry)

The table below outlines the mitigations recorded against the risks shown above with a Current Risk rating of High. Each mitigation has been rated as Red, Amber or Green by the owner of the action, with those actions which are completed shown in a darker green as per the Key below. Use the risk title to find the relevant actions which go from left to right in each case.

Key to Colours	Completed	Red	Amber	Green		
Risk Title	Current Risk Score	Controls and Mitigations				
Insufficient capacity of the High Needs Block to meet demand	20: High	Green	Amber	<ul style="list-style-type: none"> A reduction in placements in the Independent sector, (management action has set a target to reduce by 40), achievement of this target is adversely affected by statutory protection given to parental preference. This is not being achieved - more and more demand for specialist placements exists - Mitigating control (as below) has prevented further escalation of cost on a per basis in this sector but numbers continue to grow due to lack of places in special schools and delays in opening time. New Special School settings to be agreed Free school (Glendinning House) start date postponed by DfE to Sep 2020 New school (Ace Tiverton) agreed opening Sep 2019 with additional 30 places rising to 72 over next three years Cost analysis of Independent sector placements to achieve value for money in contracts with providers. Block contracting arrangements with preferred providers. Funding would need to be secured to deliver more maintained special school places to mitigate costs further in line with SEN strategic review 	Completed	Element 3 payment levels agreed with schools, Practice is now implemented in mainstream schools, Capacity has increased in maintained special schools. (more places needed) Forward plans proposed in SEN Strategic Review, min additional capacity added over 130 places in last two years.

Risk Title	Current Risk Score	Controls and Mitigations					
Demand for Children’s Services exceeds the financial provision	16: High	Green	<ul style="list-style-type: none"> Regular review of Budgets to consider pressures and demand and to identify where costs can be reduced. Ongoing recruitment initiatives. Inclusion of risks in register including CS Demand, SEN and High Need pressures as well as some linked to Education such as transport. Provision of updates to LG8. 		Amber	<ul style="list-style-type: none"> Lobbying of Government to increase funding in this area. Use of meaningful KPI’s. 	
Failure to adhere to the statutory SEND Code of Practice: 0 to 25 Years	16: High	Amber	<ul style="list-style-type: none"> SEND action group monitoring implementation of the Written Statement of Action Partner and provider organisations plan and monitor compliance with code of Practice and wider improvement plan and report to SEND Improvement Board. Increased partnership working with schools and settings to reinforce partnership approach and consistent use of a graduated response across all schools. 	Red	<ul style="list-style-type: none"> Quality of EHCPs and contributing advice to be quality assured and on time. Timeliness of Final Plans to improve through advice contributions on time, steady rate of Plans produced. Demand will affect achievement of this as capacity remains the same. Parental experience in process to be managed alongside efficiencies to reduce anxiety while children are under assessment. Case management system is being considered through 	Completed	<ul style="list-style-type: none"> SEND Improvement Board in place with good attendance and sign up from all partner organisations. New process being put in place to address timeliness and quality of EHCP plans. Robust monitoring put in place. Quality Assurance toolkit agreed across all education, health and care services. Additional capacity has been agreed to add to SEN team in DCC to address volume of requests for EHCPs in Devon. 99% increase unprecedented in 2017. Capacity in place by April 2018. Review of partner service timeliness of contributions - Ind review identified late advice reduces possibility of meeting deadlines. Educational Psychology Service were under Notice to Improve, but timeliness is now meeting improvement target and notice has been removed

Risk Title	Current Risk Score	Controls and Mitigations					
					procurement with ICT commissioning.		