



Title: **Strategic Risk Management Quarter 2 2013/14**

Wards Affected: **All Wards**

To: **Audit Committee** On: **22 January 2014**

Key Decision: **No**

Change to Budget: **No** Change to Policy Framework: **No**

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1. Key points and Summary

- 1.1 The Council has developed a new approach to risk management as reported to the Audit Committee in March 2013. This report outlines the council's position at Quarter 2.
- 1.2 Five Key Strategic Risks have been identified for the Council during 2013/14; A lead (sponsoring) director/executive head has be identified for each risk:
- 1.3 The new approach has proved to be effective at a strategic level. Further work will be required to fully embed the new approach within the organisation and to align the management of operational risk with the new approach

For more detailed information please refer to the supporting information attached.

Mark Bennett
Head of Business Services

Supporting Information

A1. Introduction and history

A1 Five Key Strategic Risks have been identified for the Council during 2012/13; A lead (sponsoring) director/executive head has been identified for each risk:

Fair decision making – Mark Bennett

Demand management – Caroline Taylor

Welfare reforms – Charles Uzzell

Finance – Paul Looby

Safeguarding Richard Williams

B2 Position at Quarter 2013/14

B1 Mitigation measures have been identified for all strategic risks. Current effectiveness has been assessed against a four point scale:

Will achieve desired outcomes

Minor improvement actions - monitor

Improvement actions - monitor with concern

Won't achieve desired outcomes



B2 The majority of mitigation measures have been assessed as A or B with no risks identified with category D

B3 Performance overview: (To be read in conjunction with Appendix 1)

1 Fair Decision making

- Actions have been identified to minimise the possibility of a successful legal challenge against the council's decision to reconfigure services.
 - During the year the council has not incurred costs or delays in reconfiguring its services through legal challenge. Key elements in achieving this has been;
 - A clear timetable and process for decision making for the 2014/15 budget with an effective programme of consultation currently underway. This still leaves the Council with tight timetable to meet.
 - Draft Equalities impact assessments are in place these will be updated during the consultation process and be available to members in February 2014 for each proposal classified as a major community interest. Providing members with sufficient information prior to decisions being made

- There is potential to improve the focus of Overview and Scrutiny through closer working with the mayor to identify areas for the board to review
- The council constantly reviews developing court cases from other areas to ensure that its processes remain fit for purpose with regular reports to the Senior leadership Team
- The change in risk rating from B to C in some areas reflects the changing national picture and need to make greater saving with increased community impact.

2 Demand management

- Actions have been identified to enable the Council to understand and plan for changes in demand for through demographic change and changes in government policy
 - Although work has been undertaken in this area this will require further development during 2014/15 in particular the impact of early intervention, demand modelling in the JSNA, and performance reporting
 - Analysis of government policy changes continue to be reported to SLT with an improved identification of actions require, together with reports to members at IEG meetings

3 Welfare reforms

- Actions have been identified to enable the Council to understand and develop actions to mitigate the impact of benefit reforms being introduced during 2013/14
 - Key element have been successfully addressed
 - However, as with the introduction of any new policy careful monitoring will be required, especially to understand and address secondary impacts for example homelessness
 - Take up of the hardship fund has been less than expected the need for further work with partners to raise awareness has been identified

4 Finance

- Actions have been identified to enable the Council to deliver a balanced budget with an agreed level of reserves
 - This risk has been successfully managed at a time when Torbay along with all council's has been required to address the impact of a reduction in grants from central government. Budget proposals for 2014 and 2015 are currently being development with consultation underway
 - A need for more effective recovery planning has been identified

- Managing this risk will be a continuing challenge in future years

5 Safeguarding

- Children's Safeguarding has been a particular focus for the council in recent years with effective measures in place at an operational at strategic level to address this issue
 - The recent Ofsted inspection has recognised these improvements
 - For 2013/14 this will be a continued area for focus to ensure agreed actions continue to be delivered

Conclusion

The development of a new approach has enabled the council to take a more strategic approach to risk management during 2013 /14. Future focus will be to further develop this approach and embed it within the organisation

Appendices

Appendix 1 Strategic Risk Register Summary

Appendix 1- Strategic Risk Register Summary

Strategic Risk Register - Exception Reporting

09/01/2014

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Macros must be "on"

Fair Decision Making:

Measure	Current Strength	Improvement Actions	Progress
Clear timetable and process for decision making	C	Timetable for the release of the Mayor's budget and the associated consultation process including the development of EIAs.	Timetable for release of the Mayor's draft budget / consultation process /development of EIAs has been developed and agreed with senior members and officers.
Effective Consultation	C	Robust consultation plans are in place for each proposal with classified as a major community interest issue.	EIAs & consultation plans are being drafted to ensure consultation can commence on release of draft budget (scheduled for w/c 18th Nov) any delay will impact on the Council's ability to undertake effective consultation.
Equality Impact Assessments undertaken	B	Draft EIAs are in place for each proposal with classified as a major community interest issue and where appropriate those classified as a minor.	As proposals have been developed, EIAs and have been drafted to assess the potential impact of proposals. These will be updated throughout the consultation process and presented to members at their meetings in February 2014
Effective Overview & Scrutiny	C	Identification of appropriate (major community / political interest) areas of activity which Overview and Scrutiny can review to assist the budget setting process.	On release of draft Mayor's Budget, O&S need to determine which specific proposals to review. Sufficient information will be needed in order that the O&S Board
Impact assessments and consultation results available to members when decision are made	A	None	Achieved for 2013/14 budget

Demand Management:

Measure	Current Strength	Improvement Actions	Progress
Effective early intervention	C	Effective partnership working	Budget proposals for 2014/15 could impact on the local authorities (on its own) ability to carry out effective early intervention.
Analyse impact of government policy changes	A	None	Continues to be circulated to SLT on a fortnightly basis. Revised format identifies actions and responsibilities. In addition also reported to members at IEG meetings.

Strategic Risk Register - Exception Reporting

09/01/2014

Introduction of demand modelling within JSNA	C	Introduction of demand modelling within JSNA	Format of next JSNA currently under consideration, due Sept 2014.
Effective long term modelling of demand and analysis of costs (Census 2011)	C	Analysis of 2011 Census	Limited analysis completed to date, including overall Torbay analysis.
Improved planning for demand within budget development	C	Improved planning for demand within budget development	Continue to develop in large budget areas, for example Children's Services Cost Reduction Plan to understand future demand and projections - a new fostering strategy in place. Work also continuing in Adults. Risk to be re-assessed at conclusion of budget round.
Improved planning for demand in medium term financial plan	B	Improved planning for demand in medium term financial plan	Updated Medium Term Financial Plan to be published Nov 2013.
Building demand indicators into performance reports	C	Build measures into key budget areas - e.g. Adults Social Care as part of demand management project.	Early scoping undertaken

Welfare Reforms:

Measure	Current Strength	Improvement Actions	Progress
Follow Fair Funding mitigation measures	B	Following the Local Gov't settlement for 14-16 & prep for universal credit, consider introduction simplified scheme based on banded discounts: streamlined and transparent. If agreed requires Impact Assessments and Consultation.	Communication with Members to commence in the New Year - needs to start March 2014
Assess potential for non payment and secondary impacts and build into 2013/14 budget	B	Development of 2014/15 budget	The impact of non payment of Council Tax has already been built into 14/15 assumptions within the collection funds.
Assess potential for non payment and secondary impacts and build into MTFP	B	To review on-going basis criteria of hardship fund	The review of hardship and other support funds for claimants, and any increase to housing referrals and abandoned calls to customer contact centre is on-going

Strategic Risk Register - Exception Reporting

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Timely & effective advice	B	Voluntary sector briefed and SLA's modified	Identify ways for the R&Bs dept to work with JobCentre to mitigate the impact; and how we engage with customers & stakeholders to identify ways we can help the process of moving back into work and minimise any disruption to other benefits.
Provide emergency funding - hardship and social fund	B	Continued review of hardship fund to ensure that people that need financial assistance are aware and able to get it. Ensure 3rd sector fully aware.	Take up of hardship fund has been less than expected, amendments have been made to scheme.
Monitor impact of reforms including secondary impacts e.g. homelessness and adjust predictions	C	Continue to monitor impact and report to Members. Further engagement with 3rd sector, social and private landlords to investigate secondary impacts	The impact of reforms has been reported to PDG in Nov. Score remains C as the full impact of the year is yet to be determined.

Finance:

Measure	Current Strength	Improvement Actions	Progress
Probability of delivery assessed in budget process	B	Included in 2013/14 budget development	Budget proposals are still being developed for 14/15 and 15/16.
Track delivery of agreed savings	B	More focused budget tracking process under development for 2014/15 service changes. Future improvement actions may include successful implementation of agreed service changes.	First draft to go to Exec Head w/c 28/10
Quarterly budget outturn reports	B	Report progress in accordance with agreed timetable	Continued reporting provides high level of information to officers and members, to assist decision making.
Effective recovery planning	C	To be agreed and reported through SLT	Mixed progress with most areas having achieved, one area has not achieved the savings required.
Review future requirements for service delivery	A	Develop action plans	These have been fed into the development of the budget proposals for 2014-16 and any future actions will be dealt with elsewhere.

Safeguarding vulnerable adults and children:

Measure	Current Strength	Improvement Actions	Progress
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Strategic Risk Register - Exception Reporting

09/01/2014

Continuation of Improvement Programme	A	Continue to report progress to Local Safeguarding Board, SLT and Scrutiny	Awaiting final letter from DfE, regarding intervention status (Dec 5th)
Local Safeguarding Board - Widen membership to reflect changing role of partner agencies by 18 July 2013	A	Focus membership to reflect changing role of partner agencies by 18 July 2013	New executive have been meeting for past 4 months and new chair appointed.
Local Safeguarding Board - Develop a focused programme of scrutiny following publication of Ofsted inspection	A	Develop a focused programme of scrutiny following publication of Ofsted inspection	Quality Assurance Manager to be recruited to, along with a principal social worker. Report to Children's Partnership Executive 13 Nov on full QA process and was approved. To go HWB on 3 Dec.
Local Safeguarding Board - Establish role of new CEO in relation to board	A	Establish role of new Executive Director of Finance and Operations in relation to board	Chair now appointed and monitored by Executive Director of Finance
Effective performance mgmt - Continue to report Key Performance Indicators to SLT and Directors	B	Continue to report Key Performance Indicators to SLT and Directors	Fortnightly report to Directors meeting
Ensure new corporate performance management framework effectively covers safeguarding issues	B	Ensure new corporate performance management framework effectively covers safeguarding issues	Key performance indicators agreed for inclusion in 6 monthly performance report.
Review and implementation of new corporate parenting role (lead member - Cllr Pritchard)	C	Review and implementation of new corporate parenting role	Corporate Parenting Officers Group and Members Group now established and both groups have met.