

Risk Management Progress Report

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Contact Details:
Debbie Bowring



County Offices, Newland, Lincoln, LN1 1YG
☎:01522 553772 📧 debbie.bowring@lincolnshire.gov.uk

Introduction

1. The purpose of this report is to provide an update on:
 - the key strategic risks facing the Council
 - the activities being undertaken to support the Council in developing a culture of being '*Creative & Aware of Risk*'¹.

Key Messages

Strategic risk register

2. Over the past couple of months, we have undertaken updates from the various risk owners against the strategic risks to gain an assurance that these are being managed effectively.
3. We have also aligned the strategic risks to the new Commissioning strategies from January 2015.
4. Our Strategic Risk Register includes 11 risks – these are;
 - **Safeguarding** – Safeguarding Children
 - **Safeguarding** – Safeguarding Adults
 - **Resilience (Business Continuity)** – Capacity & resilience to responding to, and recover from, wider area and prolonged emergencies and business disruption (e.g. coastal flooding / pandemic flu) impacting on public safety, continuity of critical functions and normal service delivery.
 - **Market Supply Adult Care** – Adequacy of market supply to live within budget
 - **Integration of Health & Social Care Services and the Better Care Fund** – Maintaining a viable, safe & sustainable health infrastructure.
 - **Projects** – Monitoring of designated management projects
 - **Budget – LCC** – Funding and maintaining financial resilience
 - **Governance** – Maintenance of effective governance arrangements including the way we implement transformational change and decisions affecting service delivery
 - **Commissioning** – Commissioning for Lincolnshire doesn't deliver the priorities and benefits
 - **Recruitment / Staffing** – Requirement to have the right people in the right place with the right skills at the right time a) Reshaping our workforce b) Capacity to deliver our core strategic objectives e.g. transformational change, recruitment & retention of specialist skills
 - **Strategic contracts** – Ensuring contracts are fit for purpose in the Commissioning Agenda

¹ The Council wishes to be creative and open to considering all potential delivery options, with well measured risk taking whilst being aware of the impact of its key decisions.

5. There are still a couple of risks that require assurances to be fully explored and the level of risk the Council is prepared to accept to be determined. We shall continue to work with the risk owners firm up control actions and classify the current and target risk scores.

Operational (Tactical) risks

6. The Corporate Risk & Safety Steering Group met on 6th January 2015 and provided an update on the Directorate Risk & Safety Dashboards.
7. The dashboard approach enables the Council to maintain an oversight of its Directorates risk and safety performance. It recognises that there is no single reliable measure of risk and safety performance, opting instead to use a 'basket' of measures to provide information on a range of key risk and safety activities which can be tracked over time to assess overall performance.
8. The 'Risk' element of each dashboard focuses purely on what are considered to be the - biggest (tactical) risks for the 'Directorates'. It also acts as an early warning mechanism for any emerging big risks requiring escalation to the Strategic Risk Register.
9. A summary of each Directorates 'Top 5' risks can be seen in *Appendix 1* from which the following key messages can be drawn:
 - Almost all areas have identified having a tactical risk around 'people', e.g. inability to retain/recruit skilled & motivated staff, a risk which is echoed within the Strategic Risk Register;
 - Almost all areas have identified having a tactical risk around 'budget and lack of future finances to deliver services', a risk which is echoed within the Strategic Risk Register;
 - There are no tactical risks requiring escalation to the Strategic Risk Register or CMB at the present time.
 - There are no risks with 'No Assurance' from a management perspective.

Risk Management – Internal Audit Report

10. Following on from the internal risk audit report that was concluded last year, overall there were a number of key actions as follows:

Number	Action	Update on action	Completed
1	Risk in decision making	<p>Work is underway to raise a revised template around key decisions within the Committee papers.</p> <p>The Council's business plan has recently been agreed and in view of the impending key programs coming into the Council e.g. Agresso implementation, it is more appropriate to run the risk workshops later in the year.</p>	<ul style="list-style-type: none"> • Target for completion June 2015. • Target for completion July 2015
2	Effectiveness of Risk & Safety Groups	Still ongoing, however operation risk continues to be managed through directorate groups.	<ul style="list-style-type: none"> • Completed
3	Financial Procedure		<ul style="list-style-type: none"> • Completed
4	Project risk management	Projects and programs have changed – we are looking to include within our 2015 work program as an in depth piece of work.	<ul style="list-style-type: none"> • Target for completed December 2015

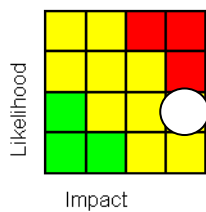
Our Strategic Risks

11. In view of the newly revised Council Business Plan, our strategic risks need to be reviewed - this will commence over the summer months.

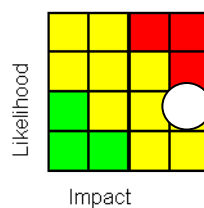
The review will include establishing the current risk appetite over key areas of the business with Members and Senior Officers.

12. Key areas/risks to note are as follows:

Risk 1: Safeguarding Children – *Substantial assurance*



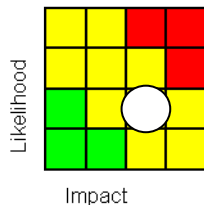
Current risk score



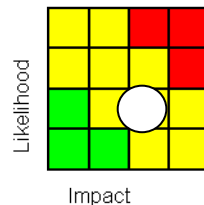
Target risk score

The level of assurance over this risk remains at 'substantial' with the direction of travel increased to 'improving' which is due to the 'good' findings following the Ofsted inspection.

Risk 2: Safeguarding Adults – *Substantial assurance*



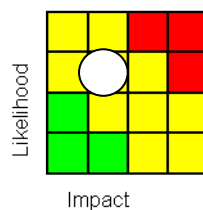
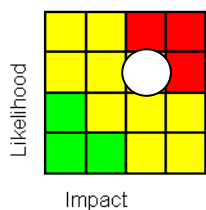
Current risk score



Target risk score

Following a number of audit reports completed in this area which have shown as 'substantial' assurance together with the implementation in January 2015 of the action plan arising from the Peer Challenge, this risk has now reached target score and has been increased to 'substantial' assurance from 'limited'.

Risk 3: Good Business Continuity & Resilience – *Substantial assurance*

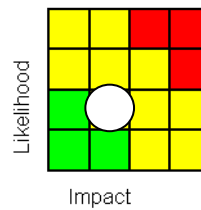
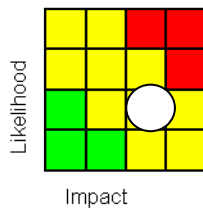


Current risk score

Target risk score

This risk continues to be a relevant risk with no movement on the assurance level, direction of travel or scoring of this risk. However, work is continuing and in particular the action around 'reviewing our preparedness in the event of an emergency and working with partners and looking at joint arrangements with the districts for the LRF and looking at a deal about mutual aid around the region'.

Risk 4: Adequacy of market supply to meet eligible needs for adults- *Substantial assurance*

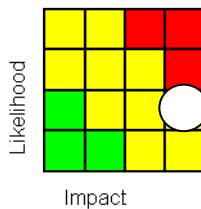
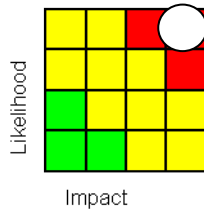


Current risk score

Target risk score

There has been a lot of media interest over the past few months around this particular risk; however this is being managed effectively. Additional funding has been agreed by Executive and Homecare rates have been established and procurement approach agreed.

Risk 5: Integration of Health & Social Care Services and the Better Care Fund – *Limited assurance*



Current risk score

Target risk score

This is a key programme and remains critical to the Councils transformation of adult social care working with health in Lincolnshire.

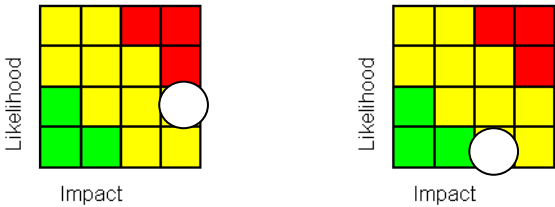
The title of the risk has been amended to include 'The Better Care Fund' as this is linked to this risk. The programme is making good progress in the midst of changing national approaches. We are implementing those changes that we can do without consultation and these are working well. We expect to have a public consultation later in the summer for other proposals.

Risk 6: Monitoring of designated management projects – *Assurance level to be determined*

The Council has a number of key projects that impact the successful delivery of its strategic aims and objectives. This risk associated with each project is managed through appropriate project boards.

Work is underway to co ordinate over the projects.

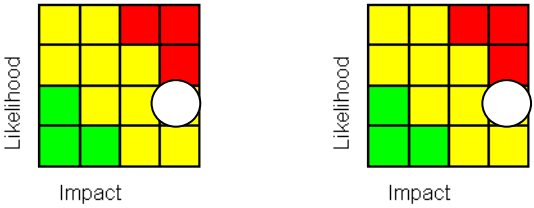
Risk 7: Funding and maintaining financial resilience – Substantial assurance



Current risk score Target risk score

There have been no movement on the assurance level, direction of travel or scoring of this risk since our last report; however the Fundamental Budget Review has been completed and set savings targets for the next few years. There has only been a one year budget set due to the uncertainties.

Risk 8: Maintenance of effective governance arrangements – Substantial assurance



Current risk score Target risk score

Good governance underpins everything we do as a Council and how we deliver services often comes under close scrutiny.

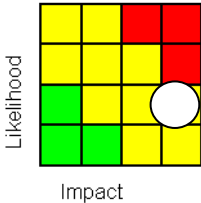
There have been no movement on the assurance level, direction of travel or scoring of this risk since our last report; however the Members code of conduct has been revised and approved in December 2014. The action around the code is the monitoring and implementation of this to ensure effectiveness. The Scheme of Delegation has also been completed.

Risk 9: Commissioning for Lincolnshire doesn't deliver the priorities and benefits

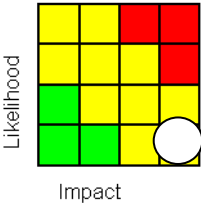
Due to the nature of this risk, it has been decided that it is not a risk in its own right but a risk that affects majority of, if not all the remaining existing strategic risks. In view of this, this risk will be removed from the register at the next time of updating.

Risk 10: Requirement to have the right people in the right place with the right skills at the right time
a) Reshaping our workforce

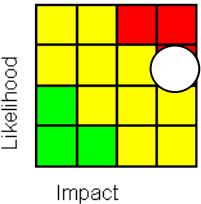
b) Capacity to deliver our core strategic objectives e.g. transformational change, recruitment & retention of specialist skills – *Substantial assurance*



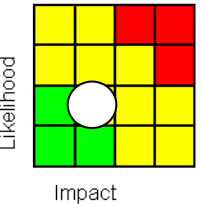
A – Current score



A – Target score



B – Current score



B – Target score

We have obtained confirmation for this risk that the assurance level is at 'substantial' and the direction of travel is 'static'. Even though there is a lot of uncertainty amongst the Council with the various service reviews, it is felt that this risk is being managed effectively.

Risk 11: Ensuring contracts are fit for purpose in the Commissioning Agenda – Assurance level to be determined

Within our work plan for 2015/16, this is an area we will be looking at and the risks associated with contracts.

A copy of the updated Strategic Risk Register can be seen in *Appendix 2*.

Progress against 2015/16 priorities

13. Our priorities for (2015/16) continue to be as follows:

- Continue to track and monitor progress of how the council's strategic risks are being managed.
- Maintenance of the Strategic Risk Register Assurance Map
- Continue to provide 6 monthly progress reports to the Audit Committee (or by exception where necessary)
- Finish developing and launch a range of action based learning activities for staff and elected members to engage with and assist the council in developing a culture of being "*creative & aware of risk*".
- Work with the Risk & Safety groups with support and co-ordinate Health & Safety, Risk and Insurance intelligence.
- Completion and launch of the Risk Management Toolkit
- Refresh the Strategic risk register to fall in line with the new business plan
- Work with Organisational Development in providing training to the key staff within the organisation.

APPENDIX 1 - Directorate Top 5 Risks – as at 31st December 2014

Adult Social Care			
No.	RISK	Level of Mgnt Assurance	Escalation Req'd?
1	Transformation agenda (Health integration - LSSR)	Substantial	No
2	Retention / Morale of staff and maintaining skills to deliver services	Limited	No
3	Budget	Substantial	No
4	Adequacy of market supply and ability to manage demand for services to meet eligible needs of adults	Limited	No
6	Safeguarding of adults	Limited	No

Childrens			
No.	RISK	Level of Mgnt Assurance	Escalation Req'd?
1	Safeguarding of children	Substantial	No
2	Staff safety	Substantial	Nn
3	High risk activities - ensuring we are robust in 'non licensed' adventurous activities such as cycling	Limited	No
4	Building based management	Substantial	No
5	Documentation: Management & Storage	Substantial	No

Environment & Economy			
No.	RISK	Level of Mgnt Assurance	Escalation Req'd?
1	Effective governance of major projects	Substantial	No
2	Ability to recruit and retain suitably qualified and experienced staff	Limited	No
3	Significant budget reductions in light of whole service review leading to failing of critical services	Limited	No
4	Staff resilience and business continuity in light of a significant emergency	Limited	No
5	Fundamental Budget Review impacting on effective and efficient service delivery	Limited	No

Public Health			
No.	RISK	Level of Mgnt Assurance	Escalation Req'd?
1	Contract Management	Limited	No
2	Political - working and decision making in a political organisation	Limited	No
3	Finance - certainty of funding, mgnt of spend, ensuring VFM	Substantial	No
4	Access to and storage/holding of information - sharing with other parties, data protection	Limited	No
5	Lack of performance mgnt framework	Substantial	No

Finance & Public Protection			
No.	RISK	Level of Mgmt Assurance	Escalation Req'd?
1	Inability to recruit & retain skilled staff	Limited	No
2	Insufficient budget to deliver acceptable level of service	Substantial	No
3	Safety of children and adults in and out of county (assessed from a local service perspective)	Substantial	No
4	Compliance with statutory legislation within various services	Substantial	No
5	Reputational risk around relationships with external clients	Limited	No