
MID YEAR RISK MANAGEMENT UPDATE REPORT 2018/19

SUMMARY REPORT

Purpose of the Report

1. To update Members on the approach to and outcomes from the Council's Risk Management processes.

Summary

2. Positive progress continues to be made within the Authority regarding the management of key strategic risks and with the work undertaken by Officers to manage operational risk.

Recommendation

3. It is recommended this Risk Management Report be noted.

Reasons

4. The recommendation is supported to provide the Audit Committee with evidence to reflect on the Council's approach to Risk Management.

**Paul Wildsmith
Managing Director**

Background Papers

- (i) Council's Risk Management Strategy
- (ii) Corporate and Group Risk Registers
- (iii) Risk Management Report to Audit Committee July 2018

S17 Crime and Disorder	This report has no implications for crime and disorder
Health and Well Being	There is no specific health and well-being impact
Carbon Impact	There is no specific carbon impact
Diversity	There is no specific diversity impact.
Wards Affected	All wards are affected equally
Groups Affected	All groups are affected equally
Budget and Policy Framework	This report does not recommend a change to the Council's budget or policy framework
Key Decision	This is not a key decision
Urgent Decision	For the purpose of the 'call-in' procedure this does not represent an urgent matter
One Darlington: Perfectly Placed	There is no specific relevance to the strategy beyond a reflection on the Council's governance arrangements
Efficiency	Insurance premiums reflect the pro-active approach taken to risk management within the Council.
Impact on Looked After Children and Care Leavers	The report does not impact upon Looked After Children or Care Leavers.

MAIN REPORT

Background

5. Risk Management is an essential part of effective and efficient management and planning and it strengthens the ability of the Council to achieve its objectives and enhance the value of services provided. It is also an important element in demonstrating continuous improvement as well as being part of the Council's Local Code of Corporate Governance that reflects the requirements of the CIPFA / SOLACE Framework of Corporate Governance.

Information and Analysis

Strategic Risk Outcomes

6. A key element of the Council's planning process is that the areas of potential risk, which could adversely impact on the ability to meet objectives, are identified together with the officer responsible for managing that risk. These risks are plotted on to a standard likelihood and impact matrix with reference to management controls in place and working. The shaded part of the matrix signifies the area above the 'risk appetite line'. Risks in this region require further specific management i.e. are priorities for improvement that have an appropriate improvement action plan. Risk matrices, that reflect the updated Council structure from 1 June 2018, are attached at Appendices A-D and show the current Council Corporate and Group risks.

7. All risks are continually managed during the year by Corporate and Group Management Teams including any emerging risks identified. In addition, Assistant Directors are required to confirm in their Annual Assurance Statements that processes are in place to ensure that controls identified to support the positioning of risks on the risk matrices are in place and working.
8. The information that follows, provided by appropriate Group staff, details progress made on improvement actions for those risks identified as above the risk appetite line.
 - (a) **Corporate Risks (Appendix A)** – One corporate risk has been identified.

(C5) Council unable to meet its obligations under information governance agenda.

- (i) As reported to the October 2018 Audit Committee, the Council continues to make steady progress on the implementation of the information governance programme. The Council now has a fairly comprehensive record of its processing activities, with almost all service areas having completed an Information Asset Registers (IAR). These are live documents and will be reviewed at least annually. Having completed the IARs the Council has also made significant progress in ensuring all services have GDPR compliant privacy notices in place. These are available via the Council's [website](#). The Internal Audit Work Programme Template has now been updated to include questions aimed at gauging a services level of compliance with various aspects of GDPR/The Data Protection Act 2018. The Data Protection Officer (DPO) and the Principal Lawyer (Commercial) have updated the Council's procurement documents and Standard Terms and Conditions for the provision of services to ensure any new contracts with data processors are GDPR complainant and have advised IAOs to issue variation letters to those contractors who already process personal data on behalf of the Council. The Council has amended the Information Security Incident Management Process to ensure decisions can be made and personal data breaches reported to the ICO, where appropriate, within the 72 hour time limit set in the GDPR. The revised process includes a standard and consistent risk assessment method. Since the October 2018 report the Council has implemented a Data Protection Impact Assessment Tool (DPIA) to ensure DPIAs are undertaken in all instances where they are legally required. The DPO has also issued advice on what the Council needs to do to ensure its CCTV is complainant with GDPR and the advice of the Surveillance Camera Commissioner's advice and met with the IAO earlier this month to progress that work.

- (b) **Children and Adults (now includes the Commissioning Group and Public Health) (Appendix B)** –five risks have been identified

(C & A1) Inability to contain placement costs for children looked after due to lack of sufficient in house placements.

- (i) A full Transformation and Efficiency programme is being delivered with the key objective of developing sufficient provision within or close to Darlington that meet the needs of the looked after children. This includes

in-house foster care, residential care and specialist provision for complex needs. Due to the changing complexities and the demand for placements not just locally, but also regionally and nationally, the work will be informed by other localities, and joint working will take place where this can add value.

(C & A 3b) Inability to recruit and retain sufficient qualified suitably experienced social workers in Adult Services impacts on cost and quality of service.

- (i) Challenges remain in recruiting into Team Manager, Senior Practitioner and experienced Social Worker posts in Adult Services. Availability of agency staff has also been limited. Actions have been taken to review job descriptions and grading of posts and this should improve recruitment outcomes. Market supplements are also in place.

(C & A 5) Failure to identify vulnerable schools and broker appropriate support to address needs.

- (i) Academies that are underperforming are discussed with the Regional Schools Commissioner (RSC) who has responsibility for academies in a regular termly meeting. Support is brokered or commissioned by the RSC for academies that are under-performing. Vulnerable schools are identified through review of performance data and other contextual information on a termly basis. The Local Authority has responsibility for its maintained schools. The recently established Education Strategy Group consisting of LA and Head representatives from primary, secondary and FE phases has agreed key strategic aims and is further developing the sector led improvement model in Darlington. This will identify support needs in individual schools and where capacity and expertise may be available in other settings.

(C & A 8) Increased demand for services impacts negatively on plans for budget efficiencies.

- (i) The Transformation Programme continues to remodel and redesign the way Adult Social Care is delivered in Darlington. All four key work streams contribute to how demand is being managed. There is a specific work stream that is redesigning the way enquiries are screened and dealt with, to improve efficiency and effectiveness of contacts. This is progressing well, with the online directory live from March 2018.
- (b) **Economic Growth Group (Appendix C)** – no risks have been identified as above the appetite line.
- (c) **Neighbourhood Services and Resources Group (Appendix D)** – no risks have been identified as above the appetite line

Operational Risk Outcomes

- 9. The Insurance Group continues to meet representatives of the Council's insurers to examine insurance claims. The Insurers are able to provide the Group with an

update in relation to trends and operational risks to enable continuous improvement to the safety culture within the organisation.

10. At the last meeting of the Insurance Group, the Council's Insurer's reported that our claims experience was extremely favourable. In particular, Public Liability claims had a repudiation rate of 92.6% compared to 79% nationally.
11. The organisation has over 70 health and safety champions. Champions are Assistant Director (AD) appointed and receive health and safety training and meet regularly with AD's and play a key role in raising awareness, monitoring work practices and communicating health and safety messages.
12. The Corporate Health and Safety Policy has again been revised along with the General Statement of Intent. Employees with access to a PC will be able to access the Policy and through Academy 10 complete an assessment of understanding. Operational employees are issued with a Policy booklet and a tool box talk. The 'Think Safety' commitment poster has also been updated and signed by AD's and has been displayed within council buildings.
13. Violence and aggression, manual handling and slips, trips and falls continue to be the main accident kinds within the organisation. Measures to reduce the risks of injury and ill health in these areas include the ongoing implementation of arrangements such as; the Employee Protection Register, lone working devices and conflict management training. Moving and handling of people processes have been reviewed resulting in improved risks assessments procedures and the development of further training for key employee groups. We continue to promote the importance of near miss reporting corporately. A significant number of near miss reports relate to the potential for slip, trip and fall accidents, these are thorough investigated by management and appropriate action taken to reduce the risk of future accidents.
14. It was previously reported that a review of working practices had been completed by the Health and Safety Unit working with the Highway Construction Section and implementation has seen a reduction in the total amount of cable strikes noted by the service. Services are continuing to monitor this closely. Additional HSG47 training covering excavation works has previously been completed by all managers, site supervisors, foreman and operatives. During the quarter 1 May 2018 to 31 July 2018 there had been no cable strikes in the service area whilst undertaking excavation works. Health & Safety are happy that safe systems of work are embedded within the service area and will monitor during the next quarter (August to October 2018) before closing.
15. Following the three year programme to convert all Street Lighting lanterns to LED the Council is now saving approximately £368,000 per year on energy costs. The number of Street Lighting faults has reduced from 4,249 in 2012/2013 to 719 in the first six months of 2018/2019.
16. During the summer the Council carried out a £900k programme of Micro Surfacing. This process helps seal the road surface to prevent potholes forming. This year 103 streets totalling almost 13 miles of road were treated.
17. The annual Coarse Visual Inspection (CVI) of the unclassified road network was received from our survey contractor on 7 November. This has been processed and

is showing a Performance Indicator of 16% of the network requiring attention, compared with 22% in 2017/2018. This shows that the Micro Surfacing and other maintenance schemes have contributed to an overall improvement in network condition.

18. The Highway Asset Management team have been working with our software supplier to further develop the Council's United Kingdom Pavement Management System (UKPMS). By processing condition surveys & works records the system is able to produce prioritisation lists for roads as well as projecting condition & assigning treatments. This assists the engineers in determining which roads to include in future programmes of works.
19. Members will be aware of the several gale force storms throughout the summer. Due to trees being in full leaf, we have had trees and limbs fail. With a very high percentage being not foreseeable we have been or will likely be able to successfully defend compensation claims received.

Conclusion

20. The Council's pro-active approach to risk management continues to produce positive results for the Authority.

Outcome of Consultation

21. There has been no formal consultation in the preparation of this report.

RISK MATRIX
CORPORATE RISK REGISTER

LIKELIHOOD	A Very High				
	B High				
	C Significant			5	
	D Low			3, 4, 15,16, 17	
	E Very Low		1		
	F Almost Impossible				
		IV Negligible	III Marginal	II Critical	I Catastrophic
IMPACT					

CORPORATE RISK REGISTER

Risk No.	Risk	Responsible Person	Movement in Period	Reason for Movement on Matrix	Progress on Action Plan for Risks Above the Appetite Line that have not moved
C1	Implementation of recommendations from the Capital Process Review is needed to improve effective capital project management	Ian Williams	None at E/III		
C3	Corporate Premises Risks	Ian Williams	None at D/II		
C4	Business Continuity Plans not in place or tested for key critical services.	Ian Williams	None at D/II		
C5	Council unable to meet its obligations under the information governance agenda.	Paul Wildsmith	None at C/II		See main body of report at paragraph 8 (a) i
C15	Not maximising the opportunity for Darlington Borough Council that is brought about by being part of the Combined Authority with devolved powers and new transport opportunities for the North.	Paul Wildsmith	Deleted from D/II	The Combined Authority is now embedded and Darlington Borough Council is well represented at Cabinet and the various Committees.	

Risk No.	Risk	Responsible Person	Movement in Period	Reason for Movement on Matrix	Progress on Action Plan for Risks Above the Appetite Line that have not moved
C16	Children's Services unable to exit DfE intervention arrangements following Ofsted's "Inadequate" judgement owing to failure to achieve the necessary service improvements	Suzanne Joyner	Deleted from D/II	Re-inspection completed, Ofsted judgement improved from Inadequate to Requires improvement to be Good, resulting in formal intervention ceasing.	
C17	Brexit could result in changes to laws, regulations, government policy or funding when/if the UK leaves the EU which could impact on Darlington Borough Council's ability to achieve its objectives.	Paul Wildsmith	Emerging Risk D/II	There remains a great degree of uncertainty around Brexit and the future relationship is yet to be defined.	

RISK MATRIX

CHILDREN, ADULTS AND PUBLIC HEALTH

LIKELIHOOD	A Very High				
	B High			8	
	C Significant		9a, 9b 10	1, 3b, 5	
	D Low			3a	
	E Very Low				
	F Almost Impossible				
		IV Negligible	III Marginal	II Critical	I Catastrophic
IMPACT					

CHILDREN, ADULTS AND PUBLIC HEALTH RISK REGISTER

Risk No.	Risk	Responsible Person	Movement in Period	Reason for Movement on Matrix	Progress on Action Plan for Risks Above the Appetite Line that have not moved
C&A 1	Inability to contain placement costs for children looked after due to lack of sufficient in house placements.	Jane Kochanowski	None at C/II		See main body of report at paragraph 8 (b) i
C&A 3a	Inability to recruit and retain sufficient qualified suitably experienced social workers in Children's Services impacts on cost and quality of service.	Jane Kochanowski/	Moved from C/II to D/II	All team manager and above are permanent staff in Children and Young People, and turnover is low at this level. We have recruited to all permanent social work vacancies. The vacancy rate is at 5% and as such is within normal range for the authority. Existing agency workers are covering maternity, sickness and temporary capacity where needed	See main body of report at paragraph 8 (b) ii
C&A 3b	Inability to recruit and retain sufficient qualified suitably experienced social workers in Adult Services impacts on cost and quality of service.	James Stroyan	None at C/II		
C&A 4	Insufficient school places to meet parental preferences and expansion of house building in the borough.	Tony Murphy	Deleted from to D/II	Pupil place planning procedures enacted to ensure sufficient capacity in the system	

Risk No.	Risk	Responsible Person	Movement in Period	Reason for Movement on Matrix	Progress on Action Plan for Risks Above the Appetite Line that have not moved
C&A 5	Failure to identify vulnerable schools and broker appropriate support to address needs	Tony Murphy	None at C/II		See main body of report at paragraph 8 (b) iii
C&A 6	Budget savings not realised through services promoting and supporting independence in the community	Suzanne Joyner	Deleted from C/II	Budget savings achieved in 2017/18. Currently underspending on 2018/19 budget.	
C&A 7	Delivery of the outcomes of the Better Care Fund Plan approved by NHS England is not achieved	Christine Shields	Deleted from D/II	Plan approved	
C&A 8	Increased demand for services impacts negatively on plans for budget efficiencies	James Stroyan	None at B/II		See main body of report at paragraph 8 (b) iv
Risk No.	Risk	Responsible Person	Movement in Period	Reason for Movement on Matrix	Progress on Action Plan for Risks Above the Appetite Line that have not moved

C&A 9a	Risk Reworded Market (Domiciliary Care Residential Care providers) failure following the Care Act/Living Wage	Christine Shields	None at C/III		
C&A 9b	Risk Reworded Market (Domiciliary Care Residential Care providers) for Vulnerable Families with Children (including SEND) experiences provider failure	Christine Shields	None at C/III		
C&A 10	The Deprivation of Liberty Safeguards Threshold changes significantly increases the amount of people deprived of their liberty resulting in potential for increased legal challenge	James Stroyan	None at C/III		

Risk No.	Risk	Responsible Person	Movement in Period	Reason for Movement on Matrix	Progress on Action Plan for Risks Above the Appetite Line that have not moved
C&A 12	Failure to re-procure an integrated sexual health service and impact of people accessing sexual health services	Miriam Davidson	Deleted from C/II	The new service was operational from August 2018 and has been successfully mobilised over a 12 week period. Mobilisation is successfully continuing and therefore the risk has reduced and can now be deleted.	
C&A 13	Changes to Education Funding, resulting in expected loss of grant income	Tony Murphy	Deleted from C/III	Education Support Grant reduction has minimal impact on DBC due to high level of academisation.	

RISK MATRIX

ECONOMIC GROWTH & NEIGHBOURHOOD SERVICES GROUP

LIKELIHOOD	A Very High				
	B High				
	C Significant		9		
	D Low			1, 7, 8, 13,14	
	E Very Low			12	
	F Almost Impossible				
		IV Negligible	III Marginal	II Critical	I Catastrophic
IMPACT					

ECONOMIC GROWTH GROUP RISK REGISTER

Risk No.	Risk	Responsible Person	Movement in Period	Reason for Movement on Matrix	Progress on Action Plan for Risks Above the Appetite Line that have not moved
EG & NS 1	Investment in regeneration projects is not delivered	Ian Williams	None at D/II		
EG & NS 7	Financial implications of Maintaining and conserving key capital assets within the borough	Guy Metcalfe, Pauline Mitchell, Dave Winstanley	None at D/II		
EG & NS 8	Ability to adequately address the affordable housing requirement	David Hand	None at D/II	.	
EG & NS 9	Delay to new Local Plan.	David Hand	None at C/III		
EG & NS 10	Complexity of delivering multiple Economic Growth sites to meet growing demands and ambitious timescales. (e.g. Central Park, Ingenium Park, Faverdale, Darlington Growth Hub, Morton Palms and other investment enquiry sites)	Dave Winstanley	Deleted from D/II	Multiple Economic Growth sites to meet growing demands and ambitious timescales delivered.	
Risk No.	Risk	Responsible Person	Movement in Period	Reason for Movement on Matrix	Progress on Action Plan for Risks Above the Appetite Line that have not moved

EG & NS 12	Planning Performance at risk of Standards Authority intervention	David Coates	None at E/II		
EG & NS 13 Previously RE 16	Significant impacts arising from the reduction in available cash/resources to the local economy, Council and businesses due to the impacts of Welfare Reform.	Pauline Mitchell	None at D/II		
EG & NS14 Previously RE 24	Risk Reworded Regulatory risks associated with provision of services including Street Scene Environmental services Building services (Gas Legionella etc.) and the Lifeline service	Ian Thompson /Pauline Mitchell	None at D/II		
EG & NS 15 and RE 25	Risk of legal challenge on decisions made at Group level	Ian Thompson /Pauline Mitchell	Deleted from D/III	Related to a particular issue which no longer presents a risk.	

RISK MATRIX

RESOURCES GROUP

LIKELIHOOD	A Very High				
	B High				
	C Significant		1, 2, 9		
	D Low		3, 5		
	E Very Low				
	F Almost Impossible				
		IV Negligible	III Marginal	II Critical	I Catastrophic
IMPACT					

RESOURCES GROUP RISK REGISTER

Risk No.	Risk	Responsible Person	Movement in Period	Reason for Movement on Matrix	Progress on Action Plan for Risks Above the Appetite Line that have not moved
RE1	VAT (Planning expenditure in terms of capital)	Elizabeth Davison	None at C/III		
RE2	Fraud in General	Andrew Barber	None at C/III		
RE3	ICT security arrangements inadequate	Ian Miles	None at D/III		
RE5	Increased sickness absence adversely affects service delivery	Elizabeth Davison	None at D/III		
RE9	Instability within financial markets adversely impacts on finance costs and investments	Elizabeth Davison	None at C/III		
RE16 Now EG & NS 13	Significant impacts arising from the reduction in available cash/resources to the local economy, Council and businesses due to the impacts of Welfare Reform.	Pauline Mitchell		Shown on Appendix C Risk Matrix	
Risk No.	Risk	Responsible Person	Movement in Period	Reason for Movement on Matrix	Progress on Action Plan for Risks Above the Appetite Line that have not moved

RE24 Now EG & NS14	Risk Reworded Regulatory risks associated with provision of services including Street Scene Environmental services Building services (Gas Legionella etc.) and the Lifeline service	Ian Thompson /Pauline Mitchell		Shown on Appendix C Risk Matrix	
RE 25 and EG & NS 15	Risk of legal challenge on decisions made at Group level	Elizabeth Davison/ Luke Swinhoe/ Ian Miles	Deleted from D/III	Related to a particular issue which no longer presents a risk.	