

ROTHERHAM BOROUGH COUNCIL – REPORT TO AUDIT COMMITTEE

1.	Meeting:	Audit Committee
2.	Date:	23 April 2014
3.	Title:	Corporate Risk Register
4.	Directorate:	Environment & Development Services

5. Summary

Attached to this report is the current Corporate Risk Register summary. The summary shows the risks associated with the Council's most significant priorities and projects, and actions being taken to mitigate these risks.

The Council's key current risks continue to relate to the financial pressures faced by the Council. There are also significant risks associated with achieving economic growth and the impact of the welfare reforms.

Risks associated with Digital Region have been lowered to reflect the decision by South Yorkshire councils to close the network and the expectation that funding for closure is in place.

6. Recommendations

The Audit Committee is asked to:

- **note the Corporate Risk Register summary attached at Appendix A**
- **confirm the current assessment of the Council's top corporate risks**
- **indicate any further risks or opportunities that it feels should be added to the risk register.**

7 Proposals and Details

7.1 Format

This report contains the latest position on the Corporate Risk Register. The Corporate Risk Register summary is attached at **Appendix A**. This reflects the current risk assessments for each corporate priority or project in the Corporate Risk Register.

This covering report highlights the top inherent risks.

There are 3 overall categories of risk (RED, AMBER, GREEN) representing varying degrees of exposure. Each category contains a range of risk scores, so there are varying degrees of risk within each category. Appendix A shows the risk category and score for each priority or project included in the register before and after risk mitigation actions.

7.2 Highest inherent risks

The risk register summary shows risks in descending inherent risk order, to emphasize the most significant risks faced by the Authority. The top risks requiring close monitoring are:

- Managing Government budget reductions - unable to maintain key services due to budgetary limits.

Despite very challenging circumstances, the Council has maintained its successful track record of containing spending within available budget. This performance is to the Council's credit. However, the Council has to save a further £40m+ in 2014/15 and 2015/16, making it even harder to manage within available resources.

The Council is changing the way it works with communities and its citizens to meet their needs in response to the significance of the financial challenges facing the Council that lie ahead. SLT and Cabinet will continue to monitor very closely the overall financial performance and position of the Council and put in place a strategy to take proportionate and appropriate actions to ensure the Council budget and financial position is sustainable.

- Welfare Reforms

Government welfare reforms implemented from April 2013 are beginning to have substantial implications for residents affected by benefits reductions and there is a knock-on impact on Council services.

Services are tracking implications and informing Members as appropriate, so that appropriate decisions can be made where necessary.

- Delivering effective Children's Services within budget

On-going action is being taken by management to provide services within the budget available. Cabinet is being kept informed of the relevant financial challenges as part of the budget monitoring and budget setting processes and is making decisions accordingly.

- Economic Growth

The risk associated with achieving Economic Growth remains Red in recognition of the on-going weak economic conditions.

7.3 Other key developments / changes during the period

A new risk has been added at the request of the Public Health service relating to pandemics and communicable diseases. This not only addresses the major risk currently posed to that service but also illustrates the changing face of the authority and its responsibilities.

Two risks have been removed from the register:

- Making best use of properties and expanding Worksmart; The move to Riverside and extended 'worksmarting' of other office-based staff along with good performance in disposing of surplus properties, mean these aims are sufficiently progressed to warrant this risk's removal from the corporate risk register. It will continue to be reviewed as part of the EDS top priorities / risk register
- Financial impact of mesothelioma claims to be paid through Municipal Mutual Insurance, as the impact is now more clearly known and has been fully provided for.

The Corporate Priorities column has also been updated to reflect the newly defined Corporate Priorities for the period 2013-16.

8. Finance

The risks contained in the register require ongoing management action. In some cases additional resources may be necessary to implement the relevant actions or mitigate risks. Any additional costs associated with the risks should be reported to the SLT and Members for consideration on a case by case basis.

9. Risks and Uncertainties

It is important to review corporate risks on an ongoing basis, to ensure risks relating to the Council's key projects and priorities are effectively monitored and managed by the Strategic Leadership Team and Members.

10. Policy and Performance Agenda Implications

Risk Management is part of good corporate governance and is wholly related to the achievement of the objectives in the Council's Corporate Plan.

11. Background Papers and Consultation

This report reflects the latest updates provided by the respective 'lead officers'.

Contact Names:

Colin Earl, Director of Audit and Asset Management, x22033

Andrew Shaw, Insurance and Risk Manager, x22088

Appendices

Appendix A Corporate Risk Register Summary

APPENDIX A: SUMMARY CORPORATE RISK REGISTER

No	Risk	Pre Controls 1- 25	<u>Lead officer</u> Key Actions/Updates	Post Controls 1 - 25	Links to Corporate Priorities
0027	Managing Government budget reductions - unable to maintain key services due to budgetary limits	25	<u>Martin Kimber</u> <ul style="list-style-type: none"> • High priority, driven through Strategic Leadership Team and Cabinet • Actions to mitigate budget reductions are continually being identified • Budget principles have been revised which will see a different approach to the way services are delivered. 	20	All Priorities
0037	Welfare Reform: <ul style="list-style-type: none"> • Significant pressures arising from the localisation of various resources and a reduction in overall funding available, limited administration capacity and reduced collection of Council Tax. • Potential major impact of reduced housing benefits, leading to higher debts, increasing demand for shrinking services, and increasing poverty and vulnerability. Potential to increase gap in communities' needs. • Negative overall impact on the local economy, with spiralling consequences. • Potential increase in crime. 	25	<u>Karl Battersby</u> <ul style="list-style-type: none"> • Effective communications especially in relation to discretionary benefits administered by the Council and arrangements for assisting those in need to access benefits. • Additional HRA resources are being deployed to support Council tenants. • The significant risk is now associated with uncertainty over the introduction of Universal Credit by the Government. Implementation should have commenced in October 2013, but there is still no date or any other details as the nationwide programme has slipped. • Contract with LASER credit union has been extended until March 2015 and Depot for supply of food to local food banks is now open offering further opportunities. 	16	All Priorities

No	Risk	Pre Controls 1- 25	Lead officer Key Actions/Updates	Post Controls 1 - 25	Links to Corporate Priorities
0022	Unable to deliver effective Children's Services within budget	25	<u>Joyce Thacker</u> <ul style="list-style-type: none"> • Continuous monitoring of budget and reporting to SLT / Cabinet • On-going monitoring and reporting of budget position, with improvement expected in the budget outturn position. • Ofsted inspection profile maintained / improved. • Strategy in place for 14/15 to create additional capacity for teenage foster placements to reduce reliance on out of authority placements. 	16	Priority 2: Protecting our most vulnerable people and families, enabling them to maximise their independence
0040	Developing economic growth, increase business rates income and increase opportunities for residents	20	<u>Karl Battersby</u> <ul style="list-style-type: none"> • Significant and previously successful inward investment activity • Detailed support programme for local businesses • High quality start up facilities • Maximising location and transport advantages. 	16	All Priorities
0033	Funding of the Digital Region Project to provide comprehensive broadband facilities across South Yorkshire	20	<u>Martin Kimber</u> <ul style="list-style-type: none"> • A decision has been taken by South Yorkshire Councils to close the network in an orderly and solvent manner, following BIS's decision (as the major shareholder) to withdraw future funding for the project. • Closure plan progressing. • Funding for closure in place; at this stage funding is considered sufficient to meet expected liabilities. 	12	Priority 1: Stimulating the local economy and helping local people into work

No	Risk	Pre Controls 1- 25	<u>Lead officer</u> Key Actions/Updates	Post Controls 1 - 25	Links to Corporate Priorities
0021	Failure to sustain improvement in Children's Services	20	<u>Joyce Thacker</u> <ul style="list-style-type: none"> • Attainment at Key Stage 4 in the 5 + A* - C, including English and Maths, is 3.3% above national average. 5 + A* - C in all subjects is 2.1% above national average. • Key Stage 2 attainment in reading, writing and maths combined increased 1.6% to 71.6% against current national average of 76%. Gap reduced by 0.6% during 12/13. • Investigation by South Yorkshire Police continues into historical Child Sexual Exploitation cases. • OFSTED is now operating under a new inspection framework for Children's Services which is a much harder test and now encompasses the whole of Safeguarding Children and Families activities under a single framework. Preparation for inspection is underway and being monitored by the CYPS Improvement Panel. • Appointment successful for permanent Director of Safeguarding, Children and Families. • External reviews undertaken of front door, child in need teams and LAC. • 71.4% of 451 Ofsted regulated services good or better • School Improvement Self-Assessment completed. 	12	Priority 2: Protecting our most vulnerable people and families, enabling them to maximise their independence

No	Risk	Pre Controls 1- 25	Lead officer Key Actions/Updates	Post Controls 1 - 25	Links to Corporate Priorities
0041	Improving health and well-being	20	<u>Tom Cray</u> <ul style="list-style-type: none"> Health and Wellbeing strategy in place and being delivered through a set of six workstreams, monitored by a multi-agency steering group. Strong focus on prevention, independence and helping people to help themselves. Public health fully integrated into the council and improvements planned through the Public Health Outcomes Framework via the Public Health Commissioning Plan The Better Care Fund plan has been developed to increase integrated working across health and social care and a first submission for Better Care Funding has been made 	12	Priority 4: Helping people to improve their health and wellbeing and reducing inequalities within the borough
0044	Family Poverty <ul style="list-style-type: none"> Tackling poverty is a key priority for the Health and Wellbeing Board and the 11 most deprived neighbourhoods agenda 	20	<u>Joyce Thacker</u> <ul style="list-style-type: none"> 'Families for Change' programme established and contract let Early help family support programme in place Ofsted evidence shows that schools are making effective use of the additional pupil premium funding designed to help disadvantaged families. Level and eligibility for free school meals is up from 7,997 in 2012 to 8,098 in October 2013. Take up was 74.28% in 11/12 and is now 80% Work is underway for the 'Free School Meals' offer for all Key Stage 1 pupils. 	12	Priority 2: Protecting our most vulnerable people and families, enabling them to maximise their independence

No	Risk	Pre Controls 1- 25	Lead officer Key Actions/Updates	Post Controls 1 - 25	Links to Corporate Priorities
0031	Academies, Free Schools and other school settings - Potential impact on LA schools and the Council e.g. loss of revenue, falling pupil numbers, reduced attainment, breakdown in relationships etc	16	<u>Joyce Thacker</u> <ul style="list-style-type: none"> • By April 2014 there will be 24 schools in the Borough converted to Academy status. Relationships have been maintained and all schools continue to sign up to the Rotherham School Improvement mission. • School Governing Bodies continue to meet in whole Learning Community meetings, exploring the implications of Academy conversion, collaborative / partnership working and other models • Continue to enhance current strong working relationships with converted and proposed future Academy Trusts. • Academy sponsor for the new Central Primary School has been selected by a convened panel, approved by Cabinet and DfE notified. • The first Free school application is in to set up an Alternative Provision/ Pupil Referral Unit in Rotherham • Maximise potential for income generation with Academies through the provision of quality services via competitive SLA agreements. 	12	Priority 2: Protecting our most vulnerable people and families, enabling them to maximise their independence

No	Risk	Pre Controls 1- 25	<u>Lead officer</u> Key Actions/Updates	Post Controls 1 - 25	Links to Corporate Priorities
0030	Schools Collaboration- impact of schools commissioning on LA services	16	<u>Joyce Thacker</u> <ul style="list-style-type: none"> • Monitoring of schools' appetite for change is on-going. Positive discussions continue between the Rotherham School Improvement Partnership and Teaching School Alliance • Portfolio of services review completed. Schools and Academies continue to procure many RMBC services at present via Service Level Agreements • Work continues in relation to the new schools funding arrangements effective from 2015 onwards. • Academies continue to buy back LA provided services via SLA maximising potential income streams. 	12	Priority 2: Protecting our most vulnerable people and families, enabling them to maximise their independence

No	Risk	Pre Controls 1- 25	<u>Lead officer</u> Key Actions/Updates	Post Controls 1 - 25	Links to Corporate Priorities
0042	Maximising reputation opportunities; enhancing reputation as a leading authority, delivering services to others, attracting businesses, positive Public recognition.	12	<u>Martin Kimber</u> <ul style="list-style-type: none"> • Media handling policy and guidelines approved and communicated to managers, based on risk management principles • Positive article on Rotherham (March 2014), headed “Resilience in Rotherham” appeared in Municipal Journal following interview with Chief Executive • Budget consultation – strong engagement with local communities through development of e-consultation on 2014/2015 budget proposals • Rotherham CSE team win national award – Longest Journey Under Challenging Conditions – in recognition of continued improvements in service delivery • Two shortlisted entries in Local Government Chronicle Awards – Heart Town Partnership and HR / Shared Services • Digital engagement strategy under development – supporting greater engagement with communities, • Reputational risk presented by forthcoming publication of independent inquiry into historic CSE cases – communications strategy to be developed (to include national / regional / local and specialist media). 	9	All priorities

No	Risk	Pre Controls 1- 25	<u>Lead officer</u> Key Actions/Updates	Post Controls 1 - 25	Links to Corporate Priorities
0045	<p>Pandemics and communicable diseases.</p> <p>Risk now rests with local authority since transfer of Public Health Service.</p>	8	<p><u>John Radford</u></p> <ul style="list-style-type: none"> • Multi agency plans in place to manage risks of communicable disease and potential pandemics. • Flu and targeted vaccination programmes initiated • At risk groups identified and immunised 	6	<p>Priority 4: Helping people to improve their health and wellbeing and reducing inequalities within the borough</p>