



Committee report

AUDIT COMMITTEE

Date	29 JULY 2019
Title	THE COUNCIL'S RISK PROFILE
Report of	ASSISTANT CHIEF EXECUTIVE & CHIEF STRATEGY OFFICER

EXECUTIVE SUMMARY

1. The purpose of this report is to give the committee an opportunity to review the current position with regard to the council's strategic risks. The committee's terms of reference include the provision for consideration of "the effectiveness of the council's risk management arrangements".

BACKGROUND

2. This is the second update of the Strategic Risk Register within the 2019-20 reporting period. The risks were included within the Isle of Wight Council's revised Corporate Plan that was approved by Full Council in July 2019 or have been added by the Corporate Management Team.
3. Strategic risks are also referred to within the Quarterly Performance Management Reports (QPMR) that are presented to Cabinet. The Quarter 4 QPMR was reviewed by Cabinet on 13 June 2019.

RISK CHANGES

4. Two additional strategic risks have been added since May's Audit Committee meeting. These risks have been raised based on Internal Audit report that raised serious concerns in each of these areas. The new risks are:-
 - (a) **insufficient regulatory compliance for buildings under the council's ownership;**
 - (b) **non-compliance with General Data Protection Regulations (GDPR).**
5. The mitigation for these new risks is based on the action plans (including target dates and responsible officers) recommended by the Audits.
6. Audit Committee requested that updates regarding these two risks be presented to them in September 2019 (for the GDPR risk) and December 2019 (for the regulatory compliance risk). This report will give an idea of progress in the interim.

7. Corporate Management Team (CMT) have made no changes to any of the risk scores between the last report to Audit Committee (20 May 2019) and this current report. The register was considered by CMT on 16 July 2019.

Reporting methods

8. Updates are requested from all mitigation owners at the beginning of each month. These updates are then added to the risk register and included in this report.
9. All risk scoring is decided by Corporate Management Team which reviews the Strategic Risk Register each month
10. Risk owners have been requested to provide timescales for the mitigating actions associated with each risk where it is possible and appropriate to do so.
11. In order to see which information has been updates since the previous report in May 2019 any additional comments are shown in *italics*. Where mitigation has not been updated the date of the last update is shown.

Strategic risks

12. Each strategic risk and its mitigation are detailed below:

Lack of financial resource and the ability to deliver the council's in-year budget strategy		Assigned to: Director of Finance and Section 151 Officer			
Inherent score	Target score	Current score	Previous scores		
			May 19	Apr 19	Mar 19
16 RED	5 GREEN	3 GREEN	3 GREEN	3 GREEN	6 GREEN
Mitigation					
Close monitoring of revenue spend	<i>Budget positions are reported quarterly to service management, CMT and Cabinet. At the end of Quarter 4 the draft outturn indicated a saving against budget of £0.445million.</i> <i>Further update will be provided in line with end of quarter reporting one of finance to Cabinet (September 2019)</i>				
Close monitoring of income realisation against target	<i>Income realisation is monitored monthly and reported to cabinet quarterly. At the end of Quarter 4, the draft outturn indicated an overachievement of £247,000.</i> <i>Further update will be provided in line with end of quarter reporting one of finance to Cabinet (September 2019)</i>				
Close monitoring of achievement of savings plans	<i>Achievement of savings are monitored monthly and reported to cabinet quarterly. At the end of Quarter 4, it is forecast that we will underachieve by £1,.133million however alternative savings have been identified which is forecast to result in a total forecast saving against budget of £0.445million as reported</i>				

	<p>above.</p> <p>Further update will be provided in line with end of quarter reporting one of finance to Cabinet (September 2019)</p>
Close monitoring of capital spend	<p>Budget positions are reported quarterly to service management, CMT and Cabinet. At the end of Quarter 4, the draft outturn for the capital programme indicated expenditure of £62.2million against a budget of £89.7 million and slippage of £27.5 million where spend will now take place in the next financial year.</p> <p>Further update will be provided in line with end of quarter reporting one of finance to Cabinet (September 2019)</p>

Lack of financial resource and the ability to deliver the council's medium-term financial strategy		Assigned to:			
		Director of finance and section 151 officer			
Inherent score	Target score	Current score	Previous scores		
			May 19	Apr 19	Mar 19
16 RED	9 AMBER	13 RED	13 RED	13 RED	10 AMBER
Mitigation					
Updated medium term financial strategy (MTFS)	The MTFS is reviewed regularly by Financial Management as part of the budget setting process. A full revision of the budget and future forecast and resulting savings requirements is presented to Full Council each February.				
2019/20 budget setting process	The budget for 2019/20 was agreed by Full Council in February 2019. The budget includes the identification of £5.5million of savings, the delivery of which will be monitored throughout the year. A capital programme of £206.5million was also agreed and will be subject to regular monitoring throughout the year.				
2020/21 budget setting process	Will commence in the 2019/20 financial year.				

Insufficient staffing capacity and skills		Assigned to:			
		Director of Corporate Services			
Inherent score	Target score	Current score	Previous scores		
			May 19	Apr 19	Mar 19
16 RED	8 AMBER	8 AMBER	8 AMBER	8 AMBER	8 AMBER
Mitigation					
Delivery of recruitment and retention strategy and action plan	<p>The scoping of a recruitment and retention strategy and plan is currently underway with a key focus being given to securing:</p> <ul style="list-style-type: none"> • a improvement in the council being recognised as a good employer. • a reduction in the number of interims and agency staff required in critical occupational roles. 				

	<ul style="list-style-type: none"> • more timely recruitment through increased efficiency in recruitment processes. • securing the right people, in the right place, at the right time. <p>This has now been divided into 3 projects:</p> <p>Recruitment processes and systems-new recruitment policy has been published and work being done with the transactional team to refresh the managers guidance. There has been a meeting with Absoft and awaiting indicative costs and timescales. Then looking at manager stakeholder involvement. Unfortunately, Absoft (SAP Consultancy company) are unable to assist so other options are now being discussed and considered.</p> <p>Our employment offer-scoping brand and webpages on the intranet; working with NHS partner re potential of sharing of benefits. Looking at Hay model of reward and liaising with council's active travel team. An Adult social care careers page is now up and running and our recruitment policy has been updated.</p> <p>Workforce planning-this is lower priority than other two. Will include talent management and succession planning. Intend to have toolkits in place by quarter 4 2019/20.</p>
<p>Regular monitoring, analysis and review of organisational health indicators</p>	<ul style="list-style-type: none"> • Organisational Health indicators are reviewed by Cabinet every six months. <i>The last update having been provided to their meeting in June 2019. Overall there continues to be a downward trend in the number of days absence lost due to sickness although an emerging trend indicates that staff appear to be off work due to sickness less frequently than before but when off work due to illness that they are off for longer. This will be reviewed and monitored over the next reporting period to establish what, if any, remedial action can be initiated to address this emerging trend. This will continue to be reviewed.</i> • Attendance and wellbeing performance measures continue to be monitored by service departments and oversight is maintained by the human resource service. Improvements continue to be seen by way of reductions in absence and the number of occurrences of absence although natural seasonal peaks and troughs continue to be apparent, <i>and which will continue to show certain departments such as adult social care and children's services as having higher levels of sickness due to the number of staff working directly with the public and measures taken to prevent vulnerable people from becoming unwell. A mental health first aiders networking group is in place who monitor and share information about key mental health issues and who provide assistance in the promotion of wellbeing. Additional training is to be trialled for a small number of key individuals to develop further knowledge and skills to assist managers and staff in prevention strategies and guidance necessary when poor or declining mental health symptoms are becoming apparent.</i>
<p>Workforce planning</p>	<ul style="list-style-type: none"> • A revised performance review process, designed in conjunction with managers has now been formally launched for 2019/20 period, supported by training for managers and underpinned by a range of guidance toolkits for both managers and staff. Short pulse surveys will be undertaken throughout the year in order to measure the success or otherwise of the new approach. • <i>The first mini survey has been undertaken with staff which shows a pleasing initial improvement by an upward trend from a baseline of 49.4% to 64.4%In the number of staff who report that they feel their personal performance review is a valuable opportunity to set objectives for the year.</i>

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A change in organisational culture fails to keep a pace with the speed of organisational change, negatively impacting on the delivery of the required transformation to deliver the corporate plan		Assigned to: Director of Corporate Services			
Inherent score	Target score	Current score	Previous scores		
			May 19	Apr 19	Mar 19
16 RED	6 GREEN	8 AMBER	8 AMBER	8 AMBER	8 AMBER
Mitigation					
Leadership and management development	<ul style="list-style-type: none"> The council's leadership and management learning and development programmes are being refreshed for 2019/20 based on successes from 2018/19. Key focuses will be on commercialisation, digitalisation and agile working. In addition there have been identified communication and engagement forums established for differing groups of managers that will assist with professional development, talent management as well as to encourage creative and innovative thinking in responding to council management challenges. <i>A calendar of networking events for leaders and managers has been developed. This will encourage all managers and leaders to get involved with shaping work in support of the corporate priorities.</i> <i>The Leadership Forum comprising direct reports to CMT members will discuss and interpret the priorities to enable them to shape communications to their middle managers and teams.</i> <i>The Growing Leaders network will develop the work at an operational level and the managers conferences will pick up, test and communicate with the wider management workforce.</i> <i>People Performance Management training for the new processes has been attended by 53 managers to date with more sessions taking place in June/July 2019</i> 				
Workforce development programmes/initiatives	<ul style="list-style-type: none"> Workforce learning and development core programmes are being refreshed for 2019/20 based on successes from 2018/19. Key focuses will be on commercialisation, digitalisation and agile working <i>A project has commenced looking at the procurement of a new Learning Management System (LMS) which will enable ease of identifying appropriate style and content of learning and development opportunities to suit a more agile workforce.</i> 				
Delivery of the council's BIG Action Plan	<ul style="list-style-type: none"> <i>A refreshed BIG Action Plan has been launched with staff</i> <i>In this reporting period, the focus has been given the re-launch of a number of internal leadership and management forums in which managers may network and be engaged in the development of new initiatives, tools and techniques that help everyone to grow and improve. The first of these, with the help of the council's two graduate trainees, will be the launch of a think tank scheme for staff to submit their ideas for commercial opportunities and/or efficiency savings and improvements.</i> 				

	<ul style="list-style-type: none"> The council's two graduates, appointed in November 2018, have been working on the development of a staff ideas scheme in support of the BIG action plan. Their newly designed approach was launched at the Managers Conference on June 28. They are due to commence their next placements on digitalisation and will become involved in the development of a number of projects that aim to improve accessibility to council services, including the re-design of the council's website. There is continued roll out of the replacement IT equipment programme in which staff are being enabled to have the right tools for the job and which enables them to work more efficiently and from any location. Over 900 new laptops have now been deployed across the workforce to date.
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Failure to improve educational attainment		Assigned to:			
<i>(This risk will be reviewed following the release of 2018/19 academic year results during the summer)</i>		Director of Children's Services			
Inherent score	Target score	Current score	Previous scores		
			May 19	Apr 19	Mar 19
16 RED	6 GREEN	10 AMBER	10 AMBER	10 AMBER	11 RED
Mitigation					
Delivering Educational Excellence – ensuring that all schools are good or better		<ul style="list-style-type: none"> Annual reviews of every school with termly challenge visit and bespoke improvement support Annual discussions with academies. Supporting governing bodies to improve. Training opportunities that raise awareness and improve safeguarding practices. Identifying a 'targeted offer' and 'establishing 'good practice reviews'. Implementing a high quality and cohesive professional offer. Investing in recruitment and retention strategies. Developing an 'affordable schools' strategy. Prepare schools for new Ofsted framework being implemented in September 2019. <i>Of the 17 Ofsted inspections (including both full and monitoring inspections) on IW schools in the 2018/19 academic year every one stated that the schools were improving.</i> 			
Delivering Educational Excellence – building on the improvements in standards		<ul style="list-style-type: none"> Use the Leadership and Learning Partner (LLP) to support and challenge the improvement of standards in Island community schools. Provide guidance and support on Key Stage 1 and Key Stage 2 standards and statutory assessment arrangements. <i>Key Stage 2 results for 2018/19 have shown considerable improvement especially in Mathematics as a result of a targeted intervention in Maths teaching. This will be followed up over the next academic year to ensure improvements are embedded. 74% of IW pupils achieved age related expectations (ARE) in Maths which was an 8% improvement on 2017/18</i> <i>IN reading and writing IW pupils results also improved and, in both cases,</i> 			

	<i>narrowed the gap between IW achievement and the national average.</i>
Delivering Educational Excellence – ensuring schools are good for all children	<ul style="list-style-type: none"> • Use the LLP annual visit to evaluate the performance of vulnerable groups of children and the provision for them. • Further develop schools' leadership of teaching and learning: getting it right for all pupils including the more vulnerable. • Build upon joint training with Her Majesty's Inspectorate and other leading experts on inclusion matters for secondary schools. • Provide ongoing support and challenge in relation to exclusions and attendance. • Work with local stakeholders to develop a better transition between schools and employment. • Develop support to parents of home educated children. • <i>76% of IW schools are currently rated good or outstanding and signs from inspections undertaken in 2018/19 is that this will improve</i>
Delivering Educational Excellence – leading a cohesive system for children based on effective partnership working	<ul style="list-style-type: none"> • Work in partnership with the two dioceses who provide many of the Island's schools. • Liaise with education partners including teaching schools, trusts and others to focus their potential for impact. • Work with south coast universities to promote excellence, aspiration and opportunities for routes into higher level education. • Support and challenge for all schools that become academies. • Improving community perceptions of education on the Island. • Enhance careers advice and guidance and engagement with industry and commerce.

Failure to identify and effectively manage situations where vulnerable children are subject to abuse		Assigned to: Director of Children's Services			
Inherent score	Target score	Current score	Previous scores		
			May 19	Apr 19	Mar 19
16 RED	5 GREEN	8 AMBER	8 AMBER	8 AMBER	8 AMBER
Mitigation					
Corporate Parenting Board	<p>The Ofsted inspection report published on 7 January 2019 highlights that:</p> <p>“Corporate parenting is much stronger across the council since the last inspection. The Corporate Parenting Board receives regular, comprehensive performance data and reports, enabling effective scrutiny and challenge. The Corporate Parenting Board maintains a strong focus on achieving positive outcomes for children in care and care leavers. A high number of young people are supported to attend university and the council actively promotes apprenticeships, particularly for those with care experience. ‘Hearing young people’s experience’ (HYPE), Isle of Wight’s children in care council, is an active and influential part of the Corporate Parenting Board.”</p> <p><i>Corporate Parenting Board meetings take place quarterly</i></p>				

Multi-agency integrated commissioning board	<p>Children’s social care is going out to sole tender for a Pathways to Independent Adulthood supported accommodation provision. This is one of four recommendations for improvement from the 2018 Ofsted inspection. The risk that has now emerged is that this offer may not align with current provision funded by Housing or provision that will result from the re commissioning of provision by Housing in 2020. <i>The tender is now out to advert with plan to let contracts from September 2019. This has been raised at the Housing Vulnerable People Programme Group which will now provide the oversight of all commissioning, activity and housing provision across the council.</i></p>								
Quarterly performance reports to Scrutiny Committee	<p>Performance reports are viewed regularly by the Policy and Scrutiny Committee for Children’s Services. <i>A report was provided to elected members at committee on 23 May 2019 which involved constructive challenge by elected members. Committee were also presented with a comprehensive insight into the quality assurance framework that underpins the performance reports. Members were reassured of the robust arrangements that were in place.</i></p>								
Regular scrutiny of social work caseloads	<p>The Ofsted inspection report published on 7 January 2019 highlights that: “The vast majority of practitioners say that their caseloads are manageable. Inspectors found that a small number of caseloads were too high. The local authority has secured further financial investment to reduce caseloads further.”</p> <p><i>Caseloads are scrutinised by senior management on a weekly basis and the transformation programme which started in February 2019 will secure further improvements in caseloads.</i></p>								
Quality assurance framework (monthly case audits concentrating on quality of practice)	<p>Audits began in April 2018 and are continuing. They include practice observations, auditing of supervision files and quarterly ‘windows into practice’ weeks. <i>Quarterly reports are provided to senior managers which identify key themes and these become a focus for workforce development.</i></p> <p>Monthly meetings now take place to review audits and actions and quality of practice.</p>								
Annual self-evaluation and annual conversation between Director and Ofsted	<p>An Ofsted inspection of children’s social care services took place in November 2018, with the report published in January 2019. https://files.api.ofsted.gov.uk/v1/file/50048228</p> <p>Judgement highlighted below:</p> <table border="0" data-bbox="480 1608 1457 1877"> <tr> <td>The impact of leaders on social work practice with children and families</td> <td>Good</td> </tr> <tr> <td>The experiences and progress of children who need help and protection</td> <td>Good</td> </tr> <tr> <td>The experiences and progress of children in care and care leavers</td> <td>Good</td> </tr> <tr> <td>Overall effectiveness</td> <td>Good</td> </tr> </table> <p><i>An annual self evaluation was produced for the annual conversation with Ofsted in April 2019. This highlights strengths and areas for development, which Ofsted will use as basis for potential inspections.</i></p>	The impact of leaders on social work practice with children and families	Good	The experiences and progress of children who need help and protection	Good	The experiences and progress of children in care and care leavers	Good	Overall effectiveness	Good
The impact of leaders on social work practice with children and families	Good								
The experiences and progress of children who need help and protection	Good								
The experiences and progress of children in care and care leavers	Good								
Overall effectiveness	Good								

Failure to recruit acceptable quality of professional practice across Adult Social Care (ASC)		Assigned to: Director of Adult Social Care			
Inherent score	Target score	Current score	Previous scores		
			May 19	Apr19	Mar 19
14 RED	6 GREEN	10 AMBER	10 AMBER	10AMBER	10 AMBER
Mitigation					
ASC Programme Board	<p>All ASC projects are reviewed monthly by the ASC Programme Board with any exceptions being escalated to the ASC Transformation Board. Programme board highlight report reflects the corporate standard.</p> <p><i>Highlights and key issues from the ASC Programme are included in a council wide summary report of all programme activity that is presented on a bi-monthly basis to the Strategic Programme Board (whose membership is the same as the Corporate Management Team) and a member review board chaired by the leader.</i></p>				
ASC restructure to support person centred care	A review is under way of the current structure, services and processes within ASC to be completed Autumn 2019 .				
ASC recruitment and retention	<p><i>Vacancy monitoring within ASC now forms part of the monthly ASC Service Board Performance Report. The temporary ASC recruitment co-ordinator appointed now supports with vacancy management, recruitment advertising, interviews & pre-employment checks, this has resulted in an overall reduction of number of vacancies, improved retention and time to hire of candidates. A rolling advertisement campaign has overall proved successful</i></p>				
ASC Learning and Development (L&D) Plan	<p>Human Resources and L&D are working together to explore workforce development and career pathways. Current pathways already include the apprenticeship degree in social work. Consideration is also being given to building up a strategic partnership with a local university.</p> <p><i>The Social Work Apprenticeship has been approved and ratified nationally and the Council is seeking to support 4 members of staff to gain their SW degree via this route with the University of Winchester from September 2019. (two of these staff will be from ASC and 3 from CSC)</i> <i>A substantial programme of training has been delivered in the Adelaide and Gouldings in support of CQC inspection preparation and action plans.</i></p>				
Mobile working pilot	<p>Laptops have been deployed to the Review / Long Term Conditions teams and the feedback from staff has been very positive. Due to the extensive handovers from ICT, no additional training has been required at this time due to staff being able to complete their work in the same way as they do in the office. Learning & Development have re-circulated the online training available for programmes such as OneNote and staff have been sharing their tips and tricks for the new equipment.</p> <p>The roll out of new equipment to the remainder of ASC has been captured in both the County Hall Moves project and the Windows 10 Laptop Deployment project. The remaining staff based at Enterprise House are due</p>				

	to receive their new kit by 5 July 2019. ASC teams not based at Enterprise House (i.e Hospital Social Work Team) will receive their new kit prior to December 2019.
New person-centred, strengths-based assessment forms LAST UPDATE MAY 2019	The strengths-based approach forms have been revisited, training sessions are planned for end of April 2019 with go-live planned for end of August 2019.

Failure to identify and effectively manage situations where vulnerable adults are subject to abuse		Assigned to: Director of Adult Social Care			
Inherent score	Target score	Current score	Previous scores		
16 RED	6 GREEN	9 AMBER	Apr 19	Mar 19	Feb 19
			9 AMBER	9 AMBER	9 AMBER
Mitigation					
ASC Programme Board	<p>All ASC projects are reviewed monthly by the ASC Programme Board with any exceptions being escalated to the ASC Transformation Board. Programme board highlight report reflects the corporate standard.</p> <p><i>Highlights and key issues from the ASC Programme are included in a council wide summary report of all programme activity that is presented on a bi-monthly basis to the Strategic Programme Board (whose membership is the same as the Corporate Management Team) and a member review board chaired by the leader.</i></p>				
'Deprivation of Liberty Safeguards' (DoLS) backlog clearance programme Last update APR 2019	<p>In November 2017, ASC identified some 750 outstanding DoLS referrals awaiting assessment, of which 120 were classified as high priority. Funding was identified to commission an external agency to complete outstanding assessments.</p> <p>Current levels are at 271 with only 8 priority one, assessments for these are being undertaken. Authorisation of outstanding assessments is being maintained; additional trained staff have been identified and are now on the rota to support full time assessors to manage the current and future demand for assessments. Analysis of the renewals of existing assessments is being undertaken to support any capacity issues that might be identified.</p>				
Mental Health Action Plan Last update APR 2019	<p>An action plan has been produced in response to the independent review of mental health social work practice – the Mental Health Team has been heavily engaged in its development and this is on target. Permanent new group manager in place and business case is being developed to increase the size of the team and to support the AMPH out of hours services; dedicated expertise in S117 is in place and supporting policy is in final draft.</p>				
Safeguarding Action Plan Last update APR 2019	<p>Completed and signed off. Following the Making Safeguarding Personal (MSP) audit there will a new plan to address any new or emerging issues; Review of the practice guidance is complete; MSP toolkit for ASC practitioners in place.</p>				

Learning Disability (LD) Homes Service improvement plans	<p>There are policies and procedures in all of the homes for people with a learning disability, for whistleblowing, safeguarding and ongoing training and awareness for staff. The service and group manager carry out planned audits and unannounced visits on a regular basis. <i>Senior management in addition also carry out unannounced visits.</i> Additional safeguarding training sessions <i>were carried out are currently being arranged for all support staff</i> in May and June.</p> <p>Lessons learnt from safeguarding incidents are shared at the monthly registered managers meetings.</p>
Centralisation of outreach teams	<p><i>The Manager has applied to CQC to become the single registered manager for the combined service, the application has been acknowledged and put through to the second stage (interview) although no date has yet been set. This will formally bring the regulated activity under one single manager. An action/improvement plan is in place for the service.</i></p> <p><i>The CQC application to register one service at Sandown Barracks has been submitted and we await an outcome. The date requested for a centralised move is week commencing the 22 July. The IT Department have been consulted in relation to IT and telephone requirements. The two separate teams that are changing their normal place of work have been consulted.</i></p> <p><i>CM2000 - There is now a project board in place to govern the delivery of the CM2000 rostering system which should be live in July 2019. The Response Coordination Team have undertaken their system training and the service is due to train all front-line staff in the use of the system and the hand-held devices.</i></p>

Failure to secure the required outcomes from the integration of adult social care and health		Assigned to: Director of Adult Social Care			
Inherent score	Target score	Current score	Previous scores		
16 RED	6 GREEN	12 RED	12 RED	12 RED	12 RED
Mitigation					
ASC Programme Board	<p>All ASC projects are reviewed monthly by the ASC Programme Board with any exceptions being escalated to the ASC Transformation Board. Programme board highlight report reflects the corporate standard.</p> <p><i>Highlights and key issues from the ASC Programme are included in a council wide summary report of all programme activity that is presented on a bi-monthly basis to the Strategic Programme Board (whose membership is the same as CMT) and a Member review board chaired by the Leader.</i></p>				
Transformation programme and operational integration Last update FEB 2019	<p>Work on the following programmes/operations will be based on the pathway and financial model produced by consultants Carnall Farrar:</p> <ul style="list-style-type: none"> • LD integration. • Mental health integration. 				

	<ul style="list-style-type: none"> • Rehab/reablement and recovery. • Integrated Locality Services – Community Services. • Continuing health care. • Integrated quality function. • Hospital flow/discharge.
Responsiveness to hospital escalations Last update FEB 2019	Senior ASC staff are on call seven days a week in order to direct resources to those people deemed medically fit for discharge and the responsibility of ASC. In addition, the Single Point of Commissioning (SPOC) Team continues to identify all providers willing and able to respond to requests at weekends to assess people deemed as requiring either residential care or domiciliary support. Delayed transfers of care (DTC) meeting chaired by the Director of Adult Social Services occurs every Friday, which provides the single and agreed DTC count.

The council fails to achieve the required outcomes from its significant contractual relationships and fails to successfully resolve some anomalies in the contracts' interpretation (in relation to the 25-year highways PFI contract)		Assigned to: Director of Neighbourhoods			
Inherent score	Target score	Current score	Previous scores		
			May 19	Apr 19	Mar 19
16 RED	5 GREEN	9 AMBER	9 AMBER	9 AMBER	9 AMBER
Mitigation					
Waste management contract monitoring arrangements	<p>The mechanical treatment plant has been run for a 30-day continuous test as part of the commissioning activities to test the ability to extract materials from the recycling and the residual waste streams. This test has shown that the plant needs some adjustment to maximise efficacy and recycle extraction to accord with the council's expectations and Amey's obligations under our contract. A further 30-day test will be run once the plant outputs have been rebalanced, <i>In July the parties have agreed an updated testing protocol for the acceptance procedure with increased output and monitoring requirements.</i></p> <p>Work on the energy from waste plants is progressing and working toward the revised autumn completion date. The council is aware that the plant supplier has some financial risks, which Amey are working proactively to resolve.</p>				
PFI – Establish and deliver available savings	<p>Savings will result from changes to the contract specification and to the standard of service being delivered. The level of reduction in service standards will be a balance between the need to achieve the required savings and maintaining an acceptable standard of service delivery. These changes also need to be accepted by the lenders who provide the required up-front capital investment.</p> <p><i>A savings programme has been established and agreed with Island Roads (IR) and reports made to a dedicated savings board. The programme aims to deliver savings in three phases which will be</i></p>				

	<p><i>delivered as follows:-</i></p> <ul style="list-style-type: none"> <i>Phase 1: commenced in April 2019. £608,000 per annum net savings delivered although some provisions for CCTV and Street Cleansing have been brought back in after further consideration of stakeholder views</i> <i>Phase 2: £900,000 per annum savings to be identified by 30 September 2019 with \$450,00 being implemented by 1 October 2019 and the remaining £450,000 by 1 April 2020</i> <p><i>Phase 3: £500,000 further per annum net savings to be identified by 31 December 2019</i></p>
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Brexit - Uncertainty during transition period, followed by potential legislative, funding and policy changes after the UK leaves the EU may adversely affect the council and its ability to provide services.		Assigned to:			
		Chief Executive			
Inherent score	Target score	Current score	Previous scores		
			Mar 19	Feb 19	Dec 18
16 RED	6 GREEN	14 RED	14 RED	14 RED	14 RED
Mitigation					
Working group of senior officers in place to define IWC strategy for Brexit	Given the current uncertainty regarding the national position the Brexit group is now meeting monthly to focus on the medium to long term impacts				
Oversight of any potential legislation changes in respect of right to live and work and freedom of movement that may affect our workforce	A key link officer has been appointed to monitor the potential impact on the Isle of Wight workforce.				
Membership of professional and local government bodies aids horizon scanning	Staff are encouraged to use their formal and informal external networking groups to share information on the potential impact of Brexit.				
Management of change approach to mitigate against significant impact to the organisation and its staff (programme governance framework)	<p>Refreshed project and programme governance approach has been agreed by CMT and overall programme summary reports are being presented to a strategic programme board and a member review board. Refreshed guidance will highlight the need for change control within projects.</p> <p><i>A revised Programme Management Framework has been drafted by Organisational Intelligence. The aim of this policy is to establish boundaries between Programmes that need to deliver outcomes and benefits and Projects that need to deliver outputs and capabilities. Programme Health checks will take place throughout June and July 2019 and will inform the revised training offer for programme managers.</i></p>				
Detailed project plans to manage implementation of changes	All projects will be managed in accordance with the project and programme management framework. The Organisational Intelligence Team will provide assurance to CMT that this is happening via summary reports to CMT compiled in partnership				

	<p>with directorate representatives.</p> <p>The first series of health checks for strategic projects has commenced and will take place throughout June and July 2019 <i>and will inform the revised training offer for project managers.</i></p>
Understanding and acting on intelligence from the Local Government Association (LGA), the Chartered Institute for Public Finance Accountants (CIPFA) and other local government sources	These channels will continue to be monitored in the period running up to and after Brexit.
Oversight of general changes in legislation or governance arrangements that may affect the council	Anticipated changes in legislation and governance will be monitored through membership of Lawyers in Local Government, and other legal publications subscribed to.

Achieving the vision for the Island		Assigned to:			
		Chief executive			
Inherent score	Target score	Current score	Previous scores		
			May 19	Apr 19	Mar 19
14 RED	6 GREEN	10 AMBER	10 AMBER	10 AMBER	10 AMBER
Mitigation					
Quarterly Performance Management Report (QPMR) updates	<p>Performance and finance are reported on a quarterly basis to Cabinet. The performance measures included in the report are based on the 2017-20 Corporate Plan. The corporate plan is currently under review and the associated QPMR will be updated and reformatted to reflect this.</p> <p><i>A revised Performance Management Framework has been drafted and circulated for review by CMT. The framework clearly shows the various levels at which performance is reported from Service Boards up to Cabinet.</i></p> <p><i>A project is being scoped that will improve the visualisation of the QPMR and enable reporting of the metrics in a range of formats to suit the audience.</i></p>				
Senior management restructure	The recruitment process is complete, and all posts have been filled.				
Programme governance framework	<p><i>A framework (agreed by CMT) has been in operation since December 2018 and summary reports reviewed bi-monthly by a Strategic Programme Board (which has the same membership as CMT) and a member review board chaired by the Leader.</i></p> <p><i>A revised Programme Management Framework has been drafted that takes on board the lessons learned since December 2018 which places greater emphasis on the governance of both</i></p>				

	<i>programmes and projects to ensure that good practice is followed by all Programme and Project Managers</i>
Regeneration programme	Key physical regeneration projects within the programme are progressing. Short and medium-term housing programme confirmed. 2019/20 budget pressures have led to re-prioritisation of activity. Regeneration Strategy was presented to Cabinet in June 2019
Strategic risk register	<p>The register has been reviewed by CMT and was first presented in its new format in December 2018. Revisions in the format of strategic risks were requested by the Audit Committee and these have been incorporated.</p> <p><i>The strategic risk register has been transferred to the council's new IWC Risk management system to enable formal reporting from the system and to further enable risk and mitigation owners to update directly. The roll out to directorate representatives will take place during July. A revised Risk Management Framework has been agreed by CMT. This framework is prescriptive in how risks are managed and updated and at which levels of the organisation they should be reported and escalated.</i></p> <p>The Strategic Risk Register is periodically presented to Audit Committee and in future will clearly indicate to them where mitigation has not been updated.</p>

Additional demands placed upon the Isle of Wight Council and partners owing to pandemic flu		Assigned to:			
		Director of Public Health			
Inherent score	Target score	Current score	Previous scores		
			Mar 19	Feb 19	Dec 18
16 RED	16 RED	16 RED	9 AMBER	9 AMBER	N/a
Mitigation					
Internal arrangements		<p>The IWC Pandemic Influenza Plan was written by members of the IWC Public Health Team in consultation with the Emergency Management Department in 2016, based on national guidelines and the Hampshire & IOW Local Health Resilience Partnership (LHRP) Health Protection Incident and Outbreak Plan.</p> <p>The Pandemic flu plan should closely link with IWC departments business continuity plans, these plans were reviewed by the IWC Emergency Management Team</p>			
External arrangements		<p>This IWC Pandemic Influenza Plan tested during the Hampshire and Isle of Wight table top exercise, held in December 2016, and updated to incorporate the learning from this exercise and published in January 2017. A further table top exercise will be held in December 2019 and the plan will be updated based on the</p>			

	<p>findings of that exercise.</p> <p>Further meetings will be held with key staff from the IOW CCG and NHS Trust to ensure that progress is being made by the Trust to have robust pandemic flu plans in place to support in the development of those plans and check that they are collegiate by September 2019.</p>
Provision of up to date information	<p>Pandemic flu guidance is displayed on the Isle of Wight Council website and covers such things as checklists for businesses and guidance for specific operational settings such as police and fire and rescue services.</p> <p>The risk of pandemic influenza and mitigating actions was raised at the Multi agency Island Resilience Forum held on 05 June 2019.</p>

Insufficient regulatory compliance for buildings under the Council's ownership.			Assigned to:		
			Director of Regeneration		
Inherent score	Target score	Current score	Previous scores		
			May 19	Apr 19	Mar 19
16 RED	16 RED	16 RED	16 RED	16 RED	N/A
Mitigation					
Implement appropriate arrangements for Water Services Management (WSM)		<p>Target date – September 2019</p> <p><i>Arrangements are currently in place with an external provider (overseen by the Corporate Property Maintenance team), for water systems management. Retendering of this contract is overdue.</i></p> <p><i>Work is currently in progress to develop a new relevant specification on which a new contract can be let. The contract and supporting documentation/specification is being prepared by Corporate Property Maintenance Team in conjunction with Procurement and will be put out to tender in the near future. This work will most likely will be completed in October 2019.</i></p>			
Formalise arrangements with Isle of Wight Fire and Rescue Service (IWFRS) to undertake fire risk assessments (FRAs) on the council's behalf		<p>Target date – September 2019.</p> <p><i>The proposed arrangements for Hampshire and Isle of Wight fire and rescue services and corresponding uncertainty is hampering discussions on this matter.</i></p>			
Produce and maintain a full record of buildings and their respective FRA details		<p>Target date – June 2019</p> <p><i>In progress. Corporate Property Maintenance Team are looking to bring in some additional surveyor capacity to assist in developing this. Discussions taking place with HR and Procurement to recruit a new</i></p>			

	surveyor quickly.
Ensure all council properties occupied by vulnerable people have an up to date FRA	Target date – June 2019. <i>IWFRS currently undertaking programme of FRAs, programme is co-ordinated by health and safety section. Programme prioritised by Health and Safety Team.</i>
Review the required frequency of water risk assessments for all council properties	Target date – June 2019 <i>This is in progress and forms part of the new contract specification for Water systems Management. The risk assessment frequency is set out in the specification of the new water hygiene contract.</i>
Identify a suitable mechanism to evidence the current safety status of all council properties	Target date – June 2019 A way forward has been identified and will involve changes to existing ICT systems. Initial scoping discussions with ICT have started.

Non-compliance with General Data Protection Regulations (GDPR)			Assigned to: Assistant Director of Corporate Services		
Inherent score	Target score	Current score	Previous scores		
			May 19	Apr 19	Mar 19
16 RED	6 GREEN	16 RED	16 RED	16 RED	N/A
Mitigation					
Review of Information Asset Register template to better support GDPR compliance		The template is being prepared to not only provide technical GDPR compliance but also to try and ensure that it is a useful document and simply a technical compliance exercise. Target date – July 2019			
Full update of Information Asset Registers		The information asset owners will be responsible for updating their asset registers when the new template is available. To ensure this is achieved a temporary Records Management Officer will be employed to assist asset owners. <i>The council has recruited to this post subject to references. It is hoped the person will start within 4 weeks.</i> Target date – December 2019			
Identify the current GDPR status of all ICT systems and record on a central register		System information will be included in the revised IAR template and explicitly collected here. Systems owners should have this identified already and therefore task is to create the central register. Target date – September 2019			
Identify all staff within services who hold		The records management officer will work alongside procurement and service managers to identify all contracts – July 2019			

contract management responsibilities	
Update all contracts over £25,000 to ensure GDPR compliance	Target date – March 2020
Conduct gap analysis of GDPR reporting to governance forums and ensure that all issues addressed	Procurement representative has already been appointed to the governance group. Further gap analysis will be undertaken – August 2019
Update Protective Marking Policy and cascade to all staff	Policy has been updated. Target date – January 2020
Update IWC Corporate Retention Policy and cascade to all staff	Policy to be updated. Option to consider removing the retention schedules from current policy and incorporating these within the IAR and leave a standalone records management policy. Target date – January 2020

STRATEGIC CONTEXT

13. Strategic risks are those that have the potential to prevent the council from achieving its strategic priorities. Senior managers ‘own’ strategic risks according to their particular responsibilities. Strategic risks are brought to the attention of Cabinet in that they are linked to the corporate priorities of the council in the Quarterly Performance Management Report (QPMR). A Quarter 4 report was presented on 13 June 2019.

CONSULTATION

14. The review of each strategic risk has been undertaken by senior managers according to their particular responsibilities. Members of the Corporate Management Team have reviewed the strategic risk register. Cabinet members are also given the opportunity to review risks as part of the QPMR.

FINANCIAL / BUDGET IMPLICATIONS

15. There are no direct financial implications of this report, although many of the controls employed to manage strategic risk do have significant financial and resource implications.

LEGAL IMPLICATIONS

16. The Accounts and Audit Regulations 2015 require that the council reviews its system of internal control including its risk management arrangements. This report is therefore concerned in part with improving the way the council manages risk and also in giving the committee the opportunity to play its part

in overseeing risk management arrangements. These are important features in the council's governance arrangements.

EQUALITY AND DIVERSITY

17. The council has a legal duty under the Equality Act 2010 to seek to eliminate discrimination, victimisation and harassment in relation to age, disability, gender re-assignment, pregnancy and maternity, race, religion, sex, sexual orientation and marriage and civil partnership. It is considered that there are no direct equality and diversity implications of this report for any of the protected groups.

OPTIONS

18. Option 1 - Audit Committee approves the strategic risks of the council as set out in paragraph 12.
- Option 2 - Audit Committee does not approve the strategic risks of the council as set out in paragraph 12.

RISK MANAGEMENT

19. While this report is concerned with the subject of strategic risk itself, the key risk is that the council fails to recognise the importance of identifying, assessing and managing strategic risk. The result would mean that risks are more likely to occur or that the council will fail to plan for their impact.

RECOMMENDATION

Option 1 - Audit Committee approves the strategic risks of the council as set out in paragraph 12.

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