



Purpose: For Decision

# Committee report

Committee

**AUDIT COMMITTEE**

Date

**26 JULY 2021**

Title

**THE COUNCIL'S RISK PROFILE**

Report of

**ASSISTANT CHIEF EXECUTIVE AND 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 first update of the Strategic Risk Register within the 2021/22 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 (CMT).
3. Strategic risks are also referred to within the Quarterly Performance Management Reports (QPMR) that are presented to Cabinet. The presentation of the Q4 report took place on 15 July 2021.

## Reporting methods

4. 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.
5. All risk scoring is decided by Corporate Management Team which reviews the Strategic Risk Register each month.
6. 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.
7. In order to see which information has been updated since the previous report in March, any additional comments are shown in *italics* in Appendix 1.

## RISK CHANGES

8. Amendments that Corporate Management Team (CMT) have made between the last report to Audit Committee (15 March 2021) and this current report are summarised in the table below (paragraph 10). The register was circulated to CMT in July 2021 and all risk owners provided additional content.

## STRATEGIC CONTEXT

9. 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). The presentation of the Q4 report took place on 15 July 2021.

10. Strategic Risk Register Summary – July 2021 (Full Strategic Risk Register can be seen in Appendix 1)

| Risk no. | Risk Title   | Score (July 2021) | Score (Feb 2021) | Score (Sep 2020) | Comment  |
|----------|--|-------------------|------------------|------------------|--|
| 1        | Lack of financial resource and the ability to deliver the council's in-year budget strategy for 2020/21  | <b>12 RED</b>     | <b>12 RED</b>    | <b>14 RED</b>    | <p>The draft financial accounts for 2020-21 are due to be completed by 31 July and therefore an updated position as at the end of Quarter 4 is not yet available.</p> <p>Savings plans have been impacted by the Covid-19 pandemic. Any shortfalls will be accounted for in the reported 2020/21 outturn when this is available.</p>   |
| 2        | Lack of financial resource and the ability to deliver the council's medium-term financial strategy   | <b>16 RED</b>     | <b>16 RED</b>    | <b>16 RED</b>    | The budget for 2021/22 was approved at Full Council in February 21.  |
| 3        | Insufficient staffing capacity and skills  | <b>9 AMBER</b>    | <b>9 AMBER</b>   | <b>9 AMBER</b>   | Demands upon services continue to be seen although as we move through the recovery phase, there has been a slight decline in response resource requirements. Attention is now being focussed towards the re-opening of services where permitted and consideration of the future ways of working that will afford learning gained from the pandemic to be delivered.  |
| 4        | 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 | <b>6 GREEN</b>    | <b>6 GREEN</b>   | <b>6 GREEN</b>   | <p>A substantial piece of work is to be undertaken this year looking at the future of learning and for work which aims to build staff/manager responsibility for their own learning and that of their teams. The council narrowly missed the apprenticeship targets set by Government this year due to the pandemic but remains a high achiever in terms of CPD apprenticeship programme use.</p> <p>A refreshed plan to take into account the feedback of staff and managers during the period of the pandemic and changes necessary to accommodate new ways of working has been completed.</p> |

| Risk no. | Risk Title  | Score (July 2021)   | Score (Feb 2021)    | Score (Sep 2020)    | Comment   |
|----------|---|---------------------|---------------------|---------------------|---|
| 5        | Failure to improve educational attainment   | <b>10<br/>AMBER</b> | <b>10<br/>AMBER</b> | <b>10<br/>AMBER</b> | The Isle of Wight have had higher proportions of children of school age attending school than nationally since 8 March. Typically, primary attendance has been around 96 per cent and secondary around 92 per cent. The Isle of Wight Council has received positive feedback from the DfE on our attendance levels.   |
| 6        | Failure to identify and effectively manage situations where vulnerable children are subject to abuse            | <b>7<br/>AMBER</b>  | <b>7<br/>AMBER</b>  | <b>7<br/>AMBER</b>  | <p>Corporate Parenting Strategy and action plan were agreed by the Corporate Parenting Board in March 2020 (virtually due to Covid-19). A virtual CPB has continued to take place since June 2020-the board continues to be well attended by Cllrs, all statutory partners and young people, scrutiny of performance and response to Covid-19 were main items.</p> <p>Children's Services were involved with the new Housing Services commissioning strategy to ensure synergy and that young people's needs are identified within the tender. A new SEND strategic board is taking forward the joint commissioning agenda-between LA/CCG addressing recommendations of the recent SEND inspection.</p> <p>The RAFT team have expanded to include 2 x children and young people's mental health practitioners. Together with adult mental health and substance misuse workers, and family support workers, they are delivering support and interventions to enable children to live safely at home. The volunteer co-ordinator and volunteers have been incorporated into RAFT.</p> <p>Case auditing is being maintained during lockdown. A virtual peer review was undertaken by HCC in Sept 2020. Isle of Wight staff continue to participate in peer reviews in Hampshire districts.</p> |
| 7        | Failure to recruit acceptable quality of professional practice across Adult Social Care (ASC) and Housing Needs | <b>8<br/>AMBER</b>  | <b>8<br/>AMBER</b>  | <b>8<br/>AMBER</b>  | <p>We have developed a Pride in Practice Strategy which looks at the quality standards needed across the department – and how we will support and encourage staff to meet those standards. It includes specific sections on “growing our own” social work and other specialist staff – and we now have 9 staff undertaking the apprenticeship SW programme.</p> <p>Focus is also on the recruitment to specialist roles (AMPHs) in the Mental Health Social Work team.</p>  |

| Risk no. | Risk Title   | Score (July 2021)   | Score (Feb 2021) | Score (Sep 2020) | Comment   |
|----------|--|---------------------|------------------|------------------|---|
| 8        | Failure to identify and effectively manage situations where vulnerable adults are subject to abuse                     | <b>10<br/>AMBER</b> | <b>12 RED</b>    | <b>12 RED</b>    | <p>All ASC staff continue to be focused on protecting vulnerable adults in the Islands communities.</p> <p>We continue to support care providers with our daily bulletin and weekly calls from commissioners to provide bespoke support. Development of best practice during Covid-19 through our Ethical Task and Finish Group has continued to be of benefit to our local system. Safeguarding continues to be a key area of focus and June 2021 saw a reduction in the number of safeguarding referrals received by the team.</p>  |
| 9        | Failure to secure the required outcomes from the integration of adult social care and health                           | <b>10<br/>AMBER</b> | <b>12 RED</b>    | <b>12 RED</b>    | <p>The Government has confirmed the continuation of NHS funding to fund the care and support of people being discharged from hospital and to avoid hospital admission: for six weeks in Q1 (March through June) and 4 weeks in Q2 (July through September). The impact of the cessation of funding is being considered and we continue to work closely with CCG colleagues to ensure a consistent use of resources together with joint commissioning and delivery arrangements.</p> <p>Our Discharge to Assess arrangements have been recognised as a model of good practice nationally and we are one of 6 or so sites selected to participate in the national evaluation commissioned by the Department for Health and Social Care (DHSC).</p>                        |
| 10       | Independent Social Care Sector Sustainability (care Homes and Home Care)<br><br>(Previously ASC care provider failure) | <b>12 RED</b>       | <b>N/A</b>       | <b>N/A</b>       | <p>The impact of Covid-19 has led to reduced occupancy levels in some care homes. This is being carefully monitored and proactively managed. Decreasing levels of occupancy increase risk of provider failure. This is managed through weekly contact by a link commissioner and open dialogue with local providers to minimise risk of a care home closing or a provider exiting the marketplace on short notice.</p> <p>Following formal consultation with the Independent sector the council has determined its fee rates for 2021/2022. For Homecare our rate remains competitive and aligns positively with comparator authorities. For Residential Care and Nursing Care we now benchmark in the 4th quartile of all English single tier and county councils.</p> |

| Risk no. | Risk Title   | Score (July 2021) | Score (Feb 2021) | Score (Sep 2020) | Comment   |
|----------|--|-------------------|------------------|------------------|---|
| 11       | Failure of the Highways PFI contract resulting in significant financial and operational disruption for the council and its residents | <b>8 AMBER</b>    | <b>8 AMBER</b>   | <b>8 AMBER</b>   | <p>A savings programme has been established and agreed with Island Roads and reports made to a dedicated savings board. The programme aims to deliver savings in three phases with a majority of the first two phases having been agreed and implemented and the remaining elements by Sept 2021.</p> <p>The third phase of savings are to be agreed and completed by September 2023. The savings are a balance between a requirement to achieve contract savings and maintaining acceptable standards of service delivery.</p> <p>An agreement is now in place between the service provider and the council to facilitate the completion of the Core Investment period of the contract (Milestone 14) by March 2023.</p>   |
| 12       | Failure of the Waste contract resulting in significant financial and operational disruption for the council and its residents        | <b>8 AMBER</b>    | <b>8 AMBER</b>   | <b>8 AMBER</b>   | <p>The Energy from Waste Plant passed its Readiness Tests and has been issued a certificate of Readiness by the Independent Certifier. This means that the individual component parts are all electrified and have been tested in isolation to ensure they pass installation and operational tests. This signifies the successful end to cold commissioning. Hot Commissioning and preparation for the acceptance tests has now commenced.</p> <p>Performance is currently good with almost 100 per cent of municipal waste now being diverted from landfill and over 58 per cent of household waste being recycled or composted</p>  |
| 13       | Achieving the vision for the Island  | <b>12 RED</b>     | <b>12 RED</b>    | <b>12 RED</b>    | <p>The corporate plan is being refreshed in 2021 to take account of the achievements made by the council and changes in its operating environment. This plan will be aligned to the council's vision for the Island and all of the council's key activities and performance metrics derive from it. Service plans and individual employee objectives are being refreshed and will align to the corporate plan.</p> <p>The Pandemic has brought many "hidden homeless" to the direct attention of the housing needs service – who have provided emergency accommodation to as many as 80 people at any one time in response to the Government's call to get "everyone in" on 26th March 2020. In addition, lockdown has placed many households under significant strain which has resulted in a rise in the numbers of people who are fleeing domestic abuse and approaching us because of relationship breakdown.</p> |

| Risk no. | Risk Title   | Score (July 2021) | Score (Feb 2021) | Score (Sep 2020) | Comment   |
|----------|--|-------------------|------------------|------------------|---|
| 14       | Additional demands placed upon the Isle of Wight Council and partners owing to pandemic flu or similar large-scale outbreaks | <b>16 RED</b>     | <b>16 RED</b>    | <b>16 RED</b>    | The Isle of Wight Council Public Health team works closely with Public Health England on all infectious disease outbreaks on the Isle of Wight. This includes surveillance of infectious diseases and notification to council services, participation in incident management and outbreak control meetings, and provision of support to council services in managing health protection incidents. |

## CONSULTATION

11. 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

12. There are no direct financial implications of approving the audit plan which will be carried out within the approved budget.

## LEGAL IMPLICATIONS

13. 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

14. 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

15. Option 1 - Audit Committee approves the strategic risks of the council as set out in paragraph 10 and Appendix 1.  
Option 2 - Audit Committee does not approve the strategic risks of the council as set out in paragraph 10 and Appendix 1.

## RISK MANAGEMENT

16. 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 10 and Appendix 1.

Appendix Attached

Appendix 1: Full Strategic Risk Register

Contact Point: Darren Cole,  
Business Intelligence Officer  
☎ 821000 e-mail [darren.cole@iow.gov.uk](mailto:darren.cole@iow.gov.uk)

WENDY PERERA  
*Assistant Chief Executive and  
Chief Strategy Officer*

COUNCILLOR CHRIS JARMAN  
*Cabinet Member for Strategic Finance,  
Transformational Change and Resources*