



Purpose: For Decision

Committee report

Committee	AUDIT COMMITTEE
Date	14 March 2022
Title	THE COUNCIL'S RISK PROFILE
Report of	ASSISTANT CHIEF EXECUTIVE AND DIRECTOR OF STRATEGY

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".

RECOMMENDATION

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| <ol style="list-style-type: none">2. Option 1 – Audit Committee approve the Strategic Risks of the council as set out in paragraphs 15-20 and Appendix 1. |
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BACKGROUND

3. This is the fourth and final update of the Strategic Risk Register within the 2021/22 reporting period.
4. A revision of the Corporate Plan 2021-25 was approved by Full Council on 17 November 2021 and the Strategic Risk Register was reviewed to ensure it remained aligned to the new plan. Of key importance has been improving the way mitigation is presented in the report. Whilst general commentary provided by risk owners is usually detailed and relevant the mitigations need to have clear timescales and lines of responsibility to enable the Audit Committee to track their delivery and be assured that the risks are being sufficiently managed.
5. The application of the Risk Management Framework within the Isle of Wight Council has been subject to an Internal Audit and was granted an outcome of "Reasonable Assurance." Actions identified as a result of that Audit that have either been completed, are in progress, or are planned in a future period.
6. Strategic risks are also referred to within the Quarterly Performance Management Reports (QPMR) that are presented to Cabinet. The presentation of the Quarter 3 report took place on 10 February 2022. The dates for subsequent reports are shown below:

Quarter 4 -2021/22 (January 22 – March 22) – 12 May 2022
Quarter 1 -2022/23 (April 22 – June 22) – 8 September 2022

CORPORATE PRIORITIES AND STRATEGIC CONTEXT

7. 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 Q3 report took place on 10 February 2022.

Provision of affordable housing for Island Residents

8. Whilst this report has no direct impact on the provision of housing for Island Residents it will play an important part on reporting on the progress towards the delivery of key activities concerned with that outcome.

Responding to climate change and enhancing the biosphere

9. Whilst this report has no direct impact on the progress toward the delivery of the [Council's Climate and Environment Strategy](#) or direct impact on the decision on the Island's designation as a [UNESCO Biosphere](#), it will play an important part in reporting on the progress towards the delivery of key activities from within the Corporate Plan that are being delivered in line with these matters.

Economic Recovery and Reducing Poverty

10. Progress towards Economic Recovery and the reduction of poverty is a key outcome for the Isle of Wight Council, and this is reflected in the Corporate Plan 2021-25. As such, Strategic Risks 1 and 2 as detailed in Appendix 1 relate to the ability of the Council to meet its statutory financial obligations as a Local Authority.

Impact on Young People and Future Generations

11. The decisions the Council makes now not only affect current residents, but may have long term impacts, both positive and negative, on young people and future generations. These impacts may not immediately be apparent or may not emerge for a number of years or decades. Impacts will be interrelated across the various domains of young people's lives from housing, employment or training, health and the environment.
12. The United Nations Conventions on the Rights of the Child (UNCRC) in 1989, in particular article 12, places a duty for children and young people to have an active voice in decision making on matters that affect them. We value the views of our young people. Incorporating coproduction and consultation with young people into our decision making process is a robust way of ensuring young people's views are taken into consideration. Participation workers experienced in coproduction can support engagement with the Youth Council, our Island children, and wider groups of young people to ensure the voice of young people is sought, heard, and acted upon on important matters that will affect them.

13. Appendix 1 - Risks 5 and 6 contain information relating to this priority.

Corporate Aims

14. The Strategic Risk Register is comprised of the key risks to the delivery of the IWC Corporate Plan as identified by the Isle of Wight Council’s Corporate Management Team.

REPORTING METHODS AND RISK CHANGES

15. 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.

16. All risk scoring is decided by Corporate Management Team which reviews the Strategic Risk Register each month as the Chief Executive Officer and the Directors have the statutory responsibility for managing the risks. The risk scoring matrix from which these scores are derived is shown below. Further explanation of how scores are calculated can be seen in Appendix 2.

likelihood/Probability	4	7	11	14	16
	Likely	Medium	Medium	High	<u>VERY HIGH</u>
	3	4	8	12	15
	Unlikely	Low	Medium	High	<u>VERY HIGH</u>
	2	2	5	9	13
Unlikely	Low	Low	Medium	High	
1	1	3	6	10	
Remote	Low	Low	Low	Medium	
Scale	1	2	3	4	
	Low	Medium	High	Major	

17. 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.

18. In order to see which information has been updated since the previous report in December, any additional comments are shown in italics in Appendix 1.

19. Amendments that Corporate Management Team (CMT) have made between the last report to Audit Committee (6 December 2021) and this current report are summarised in the table below (paragraph 13). The register was circulated to CMT in January and February 2022 and all risk owners provided additional content.

20. Strategic Risk Register Summary – February 2022 (Full Strategic Risk Register can be seen in Appendix 1)

Risk no.	Risk Title	Score (Feb 2022)	Score (Nov 2021)	Score (Sep 2021)	Comment
1	Lack of financial resource and the ability to deliver the council's in-year budget strategy for 2021/22	5 GREEN	9 AMBER	12 RED	<p><i>The latest financial report for quarter two forecasts that the IWC will be within budget for 2021-22</i></p> <p><i>As at the end of quarter two the main impact forecast is the income loss being incurred in council services and which results in an estimated circa £2.7 million, however it is expected that circa £0.4 million will be recovered via the government's Sales, Fees and Charges Scheme and the remaining balance of circa £2.3 million will be funded from the Covid-19 Contingency of circa £15 million that has been set aside to mitigate the financial impact of Covid-19 over the next three financial years.</i></p>
2	Lack of financial resource and the ability to deliver the council's medium-term financial strategy	9 AMBER	16 RED	16 RED	<p><i>The budget process for 2022/23 is well under way. The budget was approved by Full Council in February 2022. The Fair Funding Review and the changes to the Business Rates retention scheme that would have informed the 2022/23 budget setting process have been delayed once again and will not take place before the budget is set and instead, a one year settlement issued for the interim period.</i></p>
3	Insufficient staffing capacity and skills	9 AMBER	9 AMBER	9 AMBER	<p><i>We have been successful in securing funding from the Local Government Association (LGA) to assist us in developing our workforce planning approach and standardised succession planning and talent management arrangements across the council. The LGA workshops for this activity commenced in mid-November and were completed in January 2022. This will be used as a basis for enabling all services to review and plan succession.</i></p> <p><i>The annual flu vaccination programme for front line staff and other business critical roles ran successfully through to the end of December 2021.</i></p>
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	6 GREEN	6 GREEN	6 GREEN	<p><i>Regular quarterly programme of manager conferences is taking place, Corresponding quarterly Leadership forums are in place for senior managers and a "Growing Leaders" network is also in place to aid development and testing of initiatives and to act as think tanks for common problems and issues</i></p> <p><i>The People and Organisational Development strategy has now been approved by the corporate management team and the associated action plan is now in operation – The Strategic Manager for Workforce Learning & Development is leading and operating a regular</i></p>

Risk no.	Risk Title	Score (Feb 2022)	Score (Nov 2021)	Score (Sep 2021)	Comment
	corporate plan				<i>project group with quarterly reports to be provided to CMT.</i>
5	Failure to improve educational attainment	10 AMBER	10 AMBER	10 AMBER	<p><i>Good proportions of children of school age attending school during the first half of autumn term 2021 and early Spring term 2022 – Primary school attendance between 90 percent (above the national average of 88 percent), Secondary school attendance between 85 percent (slightly above national average of 83 percent).</i></p> <p><i>Headteachers are now very competent in dealing with positive COVID cases amongst their staff and students, however, if in doubt, they are still able to seek advice from the Local Authority’s school improvement and public health teams.</i></p> <p><i>Staff absence due to COVID is adding significant pressure to schools. They are innovating to try and keep as many pupils as possible learning in schools, with the use of extended classes and additional adults to cover classes. However, there have been times, when additionally, there have been no supply teachers available, and some year groups in some schools have had to switch to remote learning.</i></p> <p><i>77 percent of IW schools are currently rated good or outstanding and signs from inspections undertaken last academic year would suggest that this will improve over the coming months once.</i></p> <p><i>The school improvement team have continued to work with schools preparing for inspection under the new Ofsted framework that was implemented in September 2019. This has started again this term, with the full schedule of inspections due to resume from February 2022.</i></p>
6	Failure to identify and effectively manage situations where vulnerable children are subject to abuse	7 AMBER	7 AMBER	7 AMBER	<p><i>Ofsted undertook a focussed inspection in July 2021 of the Isle of With Children’s Social Care Service. The letter of findings was published early September 2021.</i></p> <p>Headline findings</p> <p><i>‘The senior leadership team has continued at pace with their transformation project since the previous inspection in November 2018, when they were judged to be good. During the pandemic, they have implemented a new social work model and approach, which has had a</i></p>

Risk no.	Risk Title	Score (Feb 2022)	Score (Nov 2021)	Score (Sep 2021)	Comment
					<p>positive impact on social work practice. The new approach is evident in children's records and other documents which are written directly to the child and family. Senior leaders acknowledge that further development and embedding of the approach across all areas of practice would strengthen the impact of this model on improving children's circumstances.'</p> <p>Ofsted 2021</p> <p>A new Quality Improvement Plan (QUIP) has been developed. The self-evaluation is being updated covering 2021 ahead of the annual conversation the Director and senior managers have with Ofsted in March 2022.</p>
7	Failure to recruit acceptable quality of professional practice across Adult Social Care (ASC) and Housing Needs	8 AMBER	8 AMBER	8 AMBER	<p>All ASC staff continue to be focused on protecting vulnerable adults in the Islands communities.</p> <p>We are currently undertaking recruitment for a number of key senior roles within the department which have recently become vacant, and focus remains on the recruitment to specialist roles in the Mental Health Social Work team. Against a backdrop of a national skills shortage in this area we are offering existing staff the opportunity to train as Approved Mental Health Professionals (AMHPs).</p> <p>Ongoing pro-active attendance management, with the support of a dedicated Attendance Officer, is proving highly effective in managing and supporting staff with periods of absence.</p>
8	Failure to identify and effectively manage situations where vulnerable adults are subject to abuse	10 AMBER	10 AMBER	10 AMBER	<p>Safeguarding continues to be a key area of focus and September 2021 saw an increase in the number of safeguarding referrals received by the team with a noticeable increase in the referrals from residential care homes, home care agencies and the ambulance service. The number of concerns and enquiries from those referrals has seen a small decrease. Performance continues to be good with over 98 per cent of safeguarding meetings being held within 7 days demonstrating timely and effective triage.</p> <p>A full review of all outstanding Deprivation of Liberty Safeguards (DoLS) referrals has been undertaken to identify the most effective way of addressing the backlog which has built up following a change in the legal framework and the pandemic. We have seen a small reduction in the number of applications awaiting assessment and we continue to closely monitor the</p>

Risk no.	Risk Title	Score (Feb 2022)	Score (Nov 2021)	Score (Sep 2021)	Comment
					situation and to triage all referrals ensuring that those which are a priority receive prompt attention.
9	Failure to secure the required outcomes from the integration of adult social care and health	10 AMBER	10 AMBER	10 AMBER	<p>The national scheme to provide additional funding to Health partners to support with Hospital Discharge (HDS1 and HDS2) will now continue to 31/03/2022. We have seen an increase in financial liability for care and support as a result of the Discharge to Assess policy implementation and continue to review on a monthly basis the impact of these arrangement to mitigate so far as is possible long term effect.</p> <p>The focus on improving and maintaining hospital flow continues to drive a number of process changes. The System Resilience Board takes ownership of the programmes of work arising from escalation and monitors the delivery of actions in a timely way.</p> <p>The key challenge in relation to responsiveness to hospital escalation continues to be the fragility in the workforce across the Island.</p>
10	Independent Social Care Sector Sustainability (care Homes and Home Care) (Previously ASC care provider failure)	12 RED	12 RED	12 RED	<p>The National Living Wage increase and impact are now known and will form the basis of the consultation to determine the fair cost of care locally for the next financial year. Recent workforce challenges have identified that care providers need to consider and review the rates of pay they offer to ensure that they are able to recruit staff more easily and to better manage retention. It is likely that any increase in staff wage will be reflected in the consultation and passported to the council as part of the financial pressures indicated by providers during the forthcoming fee consultation for 2022/2023.</p> <p>Workforce pressures have impacted on care homes and home care providers over recent months. Business Continuity Plans are being reviewed with local providers to ensure continuity of care where there may be workforce challenges and where necessary the council is using its own workforce to provide emergency care and support.</p>
11	Failure of the Highways PFI contract resulting in significant financial and operational disruption for	8 AMBER	8 AMBER	8 AMBER	Island Roads are making good progress in the work required relating to structures for Milestone 14. The programme of contract savings is continuing with a majority of the first two phases having been agreed and Ringway Island Roads have agreed to forward fund the savings amounts in the budget by end of March 2022.

Risk no.	Risk Title	Score (Feb 2022)	Score (Nov 2021)	Score (Sep 2021)	Comment
	the council and its residents				Ongoing discussions are taking place to resolve outstanding PFI contract issues by end March 2023.
12	Failure of the Waste contract resulting in significant financial and operational disruption for the council and its residents	8 AMBER	8 AMBER	8 AMBER	<p>Hot Commissioning and preparation for the acceptance tests commenced in <i>January 2022 with acceptance tests scheduled to begin in March 2022.</i></p> <p><i>All household collections have continued during the COVID-19 restrictions. Recycling rates and service satisfaction levels have remained high with almost 100 percent of municipal waste consistently being diverted from landfill and over 55 percent of household waste being recycled or composted</i></p>
13	Achieving the vision for the Island	12 RED	12 RED	12 RED	<p>A full review of the IWC Risk Management Strategy has begun and will include a review of both the format of the Strategic Risk Register and Risks that are considered to be part of it. A Draft Strategy is planned to be completed by December 2021 at which point consultation will take place before and an implementation plan will be initiated.</p> <p><i>A new Corporate Plan was approved by Full Council in November 2021 - The delivery of the plan will be tracked through the Quarterly Performance Management Report that is presented to the IWC Cabinet.</i></p> <p><i>Our request to increase Information, Advice and Guidance (IAG) and specialist housing court desk services to meet the increasing need that is reported /projected was agreed. We successfully secured RS14 funding to continue and develop our response to single rough sleepers. In addition, we also submitted and were successful in our bid for RSAP (Rough Sleeper Accommodation Programme) funding (£390,000 capital + £82,500 revenue). This will see the IWC purchase and renovate 5 single units of accommodation for people that have or are experiencing rough sleeping.</i></p>
14	Additional demands placed upon the Isle of Wight Council and partners owing to pandemic flu or similar large-scale outbreaks	16 RED	16 RED	16 RED	<i>An Incident Response Plan specifically produced for the joint public health team, combined with staff receiving specific training set to role allocations will enhance the team's overall response capability, linked to the authority's own response arrangements and those of the Local Resilience Forum to allow greater prominence within the command-and-control structures that are established.</i>

Risk no.	Risk Title	Score (Feb 2022)	Score (Nov 2021)	Score (Sep 2021)	Comment
					<p>In line with the UK Government Covid-19 Roadmap, the Isle of Wight Council (IWC) reviewed and updated the Local Outbreak Plan in March 2021. The IWC Covid-19 Local Outbreak Management Plan 2021 details how the Council and its partners will respond to further outbreaks of infection and will be reviewed on a quarterly basis unless learning from an incident or outbreak requires it to be reviewed sooner.</p> <p>A Covid-19 working group brings together system-wide representatives to discuss the Covid-19 situation on the Island and escalate concerns which are then fed into the Covid-19 Health Protection Board chaired by the DPH. Tabletop exercises have been held at working group and health protection board level to test the plan.</p> <p><i>A dashboard of the situation on the Isle of Wight with regard to Covid infections, deaths, hospitalisations, and vaccinations is published daily.</i></p>
15	Dealing with threats to business continuity (including cyber incidents)	9 AMBER	9 AMBER	9 AMBER	<p><i>It is critical that all services have a business continuity plan (BCP) in place for how they will function in the case of loss of ICT services for delivery to their customers. All department management must create a business continuity plan, register it with Emergency Management (EM) and then train all staff in its existence and what actions they should all take in the event of loss of ICT services.</i></p> <p><i>All Services have been advised and reminded of this requirement – 27 of 30 BCP’s have been completed, with only Highways PFI and Planning services outstanding. This is being followed up regularly and flagged to Corporate Management Team.</i></p> <p><i>A Cyber Incident Response Plan has been drafted to provide a structured and systematic incident response process for all cyber security incidents that affect any of the Isle of Wight Council's information technology (IT) systems, network, data, and information assets, including the council's data held or IT services provided by third-party vendors or other service providers.</i></p> <p><i>Isle of Wight Council is part of a response framework at county level should an incident occur that identifies key considerations in the event of a cyber-attack that has a wider impact than one of the organisations individually.</i></p>

CONSULTATION

21. 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

22. There are no direct financial implications of approving the Strategic Risk Register.

LEGAL IMPLICATIONS

23. 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

24. The council as a public body is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities between people from different groups and to foster good relations between people who share a protected characteristic and people who do not share it. The protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
25. It is considered that there are no direct equality and diversity implications of this report for any of the protected groups.

OPTIONS

26. Option 1: Audit Committee approves the strategic risks of the council as set out in paragraphs 15-20 and Appendix 1.
27. Option 2: Audit Committee does not approve the strategic risks of the council as set out in paragraphs 15-20 and Appendix 1.

RISK MANAGEMENT

28. 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.

EVALUATION

29. Option 1 is recommended in that from the information provided in the report and appendices is based on the views of the IWC Corporate Management Team.

APPENDICES ATTACHED

30. Appendix 1: Full Strategic Risk Register

31. Appendix 2: IWC Risk Scoring Matrix

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