

## **Audit, Governance and Standards Committee**

12 March 2019

### **Corporate Risk Register and Risk Monitoring**

Report by the Director Communities

#### **Purpose**

To provide the Committee with an update on high priority risks identified by directorate management teams and the progress of the review of corporate risk register arrangements.

#### **Recommendation**

It is recommended that:

1. the updates on the high priority risks are noted;
2. SLT will review the risk register on a quarterly basis. Committee should determine the frequency of how often they receive the risk register for scrutiny. It is recommended that this occurs a minimum of every 6 months and a maximum of quarterly.
3. the updates on the risks for further review, selected at the meeting in November, and the following recommendations are noted;

#### **Emergency Planning - to note**

- a) the recent improvements made to emergency planning resilience in Kingston Council and further improvements in the pipeline.
- b) the actions to introduce the London Emergency Planning 2020 standardisation programme and resilience assurance programme across Kingston Council, with the implementation programme on target to have the required arrangements in place by September 2019.
- c) that a more detailed report on emergency planning resilience will be brought to Community Engagement Committee in the spring 2019.

#### **Brexit preparedness - to note**

- d) the work underway across the council and with local partners to prepare for a 'no deal' Brexit.
- e) that a more detailed, follow-up report will be taken to the Community Engagement Committee - which has responsibility for contingency planning - three months after the UK has left the EU, reporting on impacts on council services, residents, communities and businesses



## Corporate Risk Register

### Risk scoring

Risks are assessed on the basis of their likelihood of occurring (from less than 5% up to greater than 50%) and their subsequent impact (ranging from no material impact up to a potential failure of the Council to deliver some or all of its services). A matrix, shown below, is used to provide an overall numerical score.

Impact	<b>CRITICAL</b>	5	5	10	15	20	25
	<b>SERIOUS</b>	4	4	8	12	16	20
	<b>MODERATE</b>	3	3	6	9	12	15
	<b>MARGINAL</b>	2	2	4	6	8	10
	<b>NEGLIGIBLE</b>	1	1	2	3	4	5
			1	2	3	4	5
		<b>VERY LOW</b>	<b>LOW</b>	<b>MED</b>	<b>HIGH</b>	<b>VERY HIGH</b>	
		<b>Likelihood</b>					

### Corporate Risk Register

Those risks which could have an impact on the functioning of the Council as a whole have been escalated from departmental registers to the Corporate Register. In addition SLT has identified a number of cross cutting risks which have also been included. There are 15 risks, compared with 11 in November. The newly added risks concern SEND support and inspection (CH risks 4 & 5), roll-out of Universal Credit (GR risk 20), property portfolio income exposure (GR risk 25) and delivery of savings (C&C risk 13). The risk on Governance brought in November (SLT risk 2) has since been downgraded.

i)	Ref: CH Risk 2	Title: Dedicated Schools Grant	Score: 20
<b>Description:</b>			
Failure to control escalating school placement costs for children and young people with special educational needs and disabilities (SEND) due to increases in demand and/or school placement costs. Significant pressure on the High Needs Block of the Dedicated Schools Grant (DSG).			
<b>Mitigating action:</b>			
<ul style="list-style-type: none"> <li>Open framework agreements and dynamic purchasing system in place for</li> </ul>			

the procurement of SEND placements. An expanded placement commissioning team manages the identification and purchase of placements in line with children's identified needs, and provides challenge to SEND caseworkers where more cost-effective placements may provide similar or improved outcomes for children and young people.

- Strengthened decision-making and approval processes have been established. There are quarterly Schools Forum meetings to agree priorities for the DSG. Detailed monthly budget monitoring and reporting is in place with oversight and scrutiny by senior leaders and Board of Directors to agree actions where necessary. A three-year SEND transformation plan has been developed to alleviate the demand and cost of SEND school placements. and this is being monitored by the SEND delivery group and SEND Partnership Board, which is chaired by the Chief Executive.

ii)

Ref: CH Risk 3

Title: Placement costs

Score: 20

**Description:**

Failure to control escalating placement costs for children in care and leaving care due to increases in demand and/or placement costs.

**Mitigating action:**

- Open framework agreement and dynamic purchasing system in place for the procurement of care (and SEND) placements. An expanded placement commissioning team manages the identification and purchase of placements in line with children's identified needs, and provides challenge to social work managers where more cost-effective placements may provide similar or improved outcomes for children and young people.
- There is evidence that the team is having a positive impact on reducing individual placement costs. Strengthened decision-making and approval processes have been established including DCS agreement to placements over £2,500 per week. Monthly financial monitoring is in place with oversight and scrutiny by the senior leadership team and reporting to the Board of Directors and Council.

iii)

Ref:CH Risk 4

Title: SEND support

Score: 16

**Description:**

Failure to provide sufficient, appropriate and timely support to children and young people with SEND and their parents.

Children and young people with SEND do not receive a coherent service that meets their assessed needs leading to poor quality outcomes. The company fails

to meet its statutory responsibilities to children with SEND leading to adverse Tribunal judgements and increased costs. There is a poor working relationship with local parents and reputational damage to the company.

**Mitigating action:**

- The risk score has been increased due to the outcomes of the local area SEND reviews in RBWM and most recently in Kingston. SEND reviews have been completed and have led to the establishment of working groups to improve provision for children with SEND and support for those working with them. The resulting action plans are monitored by the partnership groups in both operational areas. The action plan for Richmond and Kingston will be revised to reflect the findings from the inspection and the Statement of Action issued by Ofsted and the CQC. Performance snapshots include key performance indicators to give early warning if service quality and reliability starts to reduce. Additional staffing resources have been agreed to manage the increased demand for Education, Health and Care Plans. A Programme Director has been appointed to lead the SEND transformation programme in Kingston and Richmond.

iv)

Ref: SLT Risk 1

Title: Brexit preparedness

Score: 16

**Description:**

Impact of Brexit on the council services and preparedness for such.

Key issues may include (but are not restricted to): limitations on movement of workers affecting staffing for RBK's partners which utilise or sub-contract to firms with high proportions of EU workers (e.g. ASC / Waste Services); legislation changes across regulatory areas and procurement; goods and services that may be subject to tariffs and border checks; restrictions on EU funding for VCS and charitable sector; local businesses that have customer / supply chains that cross EU boundaries facing increasing costs / delays - and the possible knock-on effect for Business Rates revenue.

**Mitigating action:**

- RBK has stepped up its contingency planning in relation to the potential impacts of a 'hard Brexit'. The Council is closely involved with the London Resilience Forum and the LGA to share learning and best practice, and attends briefing events when arranged by Central Government.

- The Director, Communities has been identified as the Chief Officer coordination lead for RBK and an internal Task & Finish Group has been created, coordinated by the Emergency Planning Manager, which brings together senior officers from across key service areas to assess risk/impact and develop mitigations.
- A set of key work streams has been develop to be overseen by the T&FG and an action log created. Engagement has begun with local partners via the Kingston Strategic Partnership and direct contact to schools and Kingston Hospital.
- A report of Brexit preparations will be taken to Audit Committee on 12 March 2019.

v)

Ref: AD Risk 6

Title: Homelessness

Score: 15

**Description:**

Welfare reforms and particularly the roll out of Universal Credit (UC) resulting in increased risk of homelessness across tenure

**Mitigating action:**

- There is a Corporate Prevention Group focussing on the impacts of Welfare Reforms, which all key partners attend.
- The Welfare Reform team within Housing Options work proactively with affected households and the Financial Inclusion Team (FIT) also assist RBK tenants with financial difficulties.

vi)

Ref: CH Risk 5

Title: Inspection risks

Score: 15

**Description:**

Children's services are judged to be inadequate following an inspection of services for children and young people. There is a failure to trust in the company's ability to protect and promote the education, health and care of children and young people. This may lead to significant reputational damage to the company. Additional management and financial resources are required to improve services.

**Mitigating action:**

- The risk score has been increased following the outcome of the local area SEND inspection because it highlighted a gap in the evidence bank and multi-agency preparation for this particular inspection.
- Effective plans in place to prepare the organisation for inspection including an inspection plan and self-assessment process; however, the focus has been on social care inspections and readiness arrangements are in the process of being strengthened to better the reflect the requirements of

SEND and health service inspections.

- Learning and Improvement Plans identify areas for improvement and are monitored by the Director of Improvement. These are informed by an established programme of performance monitoring and quality assurance activity including casework audits and Practice Weeks. Employees receive regular training, development sessions and briefings to ensure effective practice and inspection readiness.

vii)

Ref: GR Risk 20

Title: Roll-out of Universal Credit

Score: 15

**Description:**

Data from other areas which have had roll out of full service Universal Credit (UC) have indicated an increase in rent arrears and substantial demands on staff.

**Mitigating action:**

- There is a Corporate Prevention Group focussing on the impacts of Welfare Reforms, which all key partners attend. We have the Financial Inclusion Team who assist tenants with financial difficulties, the new housing model is looking at the sign up process to flag new tenants at risk, co-location of DWP at Guildhall has helped with resolving issues.
- There is a flag on UH so rent arrears for UC tenants can be measured separately. Bad debt provision has been increased to account for UC debt.

viii)

Ref: GR Risk 25

Title: Existing property portfolio  
Income Exposure

Score: 15

**Description:**

Of the 163 'Investment properties' in ownership, approximately 58% of investment property income is derived from just 2 properties in Kingston town centre (John Lewis & Conquest House/Kings Place) creating an income exposure risk.

**Mitigating action:**

- Strategic grading review of all assets in progress to assess contribution and exposure by asset. New investment model in progress for approval in April which aims to limit Kingston 'global' income and geographical/income exposure from any single asset's performance. Maintain close relationship with tenant/leaseholder of exposed assets. Consider transfer of assets to new property company once incorporated subject to taxation and legal advice. Immediately consider outsourcing of property management to external company where this supports risk mitigation.

ix)	Ref: C&C Risk 13	Title: Delivery of savings	Score: 15
<p><b>Description:</b></p> <p>Transformation plans and savings programmes for 2018/19 and 2019/20 are delayed or do not realise savings as planned leading to both in-year overspends and/or significant financial pressures in future years. This could reduce our already low reserves and place the Council at significant risk of financial instability.</p>			
<p><b>Mitigating action:</b></p> <ul style="list-style-type: none"> <li>• SLT will receive a monthly update of savings RAG ratings and budget readiness. The level of red savings in 18/19 is £7m and alternative in-year savings have been found for most of these and the forecast overspend is reduced to £1.2m. Further work is ongoing to reduce this still further in the lead up to financial year-end.</li> <li>• Future years proposals have been through detailed review and directors have taken ownership of budgets and are developing their delivery plans.</li> <li>• Regular monitoring in 19/20 will track progress. Budget readiness process will be instigated from March 2019.</li> <li>• In the 2019/20 budget the Council has made a contribution to the general fund reserves of £3.5 m recognising the inherent risks and pressures the Council faces in relation to the financial position. There is a planned contribution across the lifetime of the medium term financial strategy recognising the need to ensure continued financial sustainability.</li> </ul>			
x)	C&C Risk 14	Title: Managing growth	Score: 15
<p><b>Description:</b></p> <p>Increases in demand for support from adults and childrens care services, as well as legislative changes in Housing and adverse impact of extreme weather on highways are all putting pressure on Council budgets. Some of these demand trends are expected to continue and there is a risk that this is not containable within existing budgets without interventions. The MTFs has limited scope to offer budget growth in any area and consequently we need to deliver changes in what and how we deliver to ensure that increased demand can be met within the cost envelope.</p>			
<p><b>Mitigating action:</b></p> <ul style="list-style-type: none"> <li>• Growth needs have been assessed as part of the 19/20 budget setting</li> </ul>			

process and budget has been allocated to meet unavoidable pressures. Monthly budget review and monitoring will help us identify growth pressures early in 19/20 and delivery against savings plans will be tracked.

- Some of these proposals are intended to reduce demand which in turn will reduce the potential for future growth pressures. Budget readiness process will be instigated from March 2019.

**xi)**

**C&C Risk 15**

**Title: Funding changes**

**Score: 15**

**Description:**

2019/20 is the last year of a 4-year funding settlement. Future funding will be determined by the spending review, the fair funding review, business rates retention and the London Pilot as well as specific funding initiatives such as the Better Care Fund (due to end in 2 years). There is a risk that these changes could adversely affect the level of funding received by the Council and consequently require increased levels of savings to be delivered. There is also the risk that the high levels of uncertainty mean our financial plans contain a high level of assumptions that could prove to be inaccurate. This would impact strategic decision making and reduce confidence in the Council's ability to manage within budget.

**Mitigating action:**

- The SFS will analyse all technical funding announcements and provide input to all consultations on the spending review, fair funding and business rates. Networks with the Society of London Treasurers, the Deputy Treasurers Group and technical forums enable us to receive information early and benefit from a wide range of expertise across London.
- Regular review and stress testing of the MTFP will enable us to test resilience and benchmark our assumptions against other Councils.

**xii)**

**COM Risk 10**

**Title: Emergency planning**

**Score: 15**

**Description:**

Robustness of local arrangements and responding to changes to London wide Emergency Planning requirements, if not implemented could affect RBK ability to respond to local and pan London emergencies and support local residents, businesses and partners.

**Mitigating action:**

- Implementation of LA actions from Emergency Planning 2020 and Standardisation program.
- A new command and control structure introduced from February 2019 - Council Gold, Silver and Local Authority Liaison Officers.
- All plans and capability documents are being reviewed to align with standardisation and London Concept of operations. Internal Council Desk top exercise to be delivered June 2019.

xiii)

COM Risk 12

Title: Service delivery

Score: 15

**Description:**

Cyber Security - Old and unsupported operating systems, lack of staff awareness and training, cyber attack etc - leading to data loss or loss of systems for a period of time.

**Mitigating action:**

- Links to LGA, NCSC to develop and evolve the skills needed. Cyber security manager leading with changing and improving Council Systems, PSN test, cyber essentials. Staff have undertaken Information Governance training and phishing test completed.
- A report on Cyber Security and Information Governance is being taken to to Audit Committee on 12 March.

xiv)

AD Risk 1

Title: Adult safeguarding

Score: 10

**Description:**

A serious safeguarding failure occurs. Need to undertake DoLs assessments in time.

The adult in question will come to harm which could result in litigation against the council and a corresponding loss of income and adverse publicity against the council.

**Mitigating action:**

- We have carried out a great deal of work to improve the standard of adult safeguarding in Kingston. We have now improved training for staff, centralising triaging in the Access Team to make decision making more consistent and all staff are now more skilled in dealing with investigations.
- We have now trained all staff to carry out DOLs/best interest assessments and expect them to carry out a minimum number of assessments per year.

This has given us more oversight of assessments and massively reduced the cost of assessments as we commission far fewer assessments.

- Improving processes: The safeguarding forms used by social work staff are now integrated within the IAS system.
- Triaging of safeguarding cases now takes place centrally; the Safeguarding Team and Short Term Team have now merged, which ensures that the service is more robust and resilient.
- Processing of previous DoLs assessments : a dedicated member of staff has been employed to improve the processes in place regarding DoLs authorisations.
- The recording database has been changed, there is a monitoring process in place for conditions attached to DoLs authorisations, and an enhanced process is in place for recording information on RPRs. Work has been completed on previous DoLs assessments that were not well filed and processed, although there remains a small risk that other paper work may be discovered.
- The risk in relation to payment as a result of legal action through the Court of Protection remains although the local authority has not yet been advised of any payment due.
- Introduce Safeguarding Audit to improve quality, enhance practise to make safeguarding personal, with individuals at the heart of the work.
- Fully recruited 3 full-time best interest assessors.

xv)	CH Risk 1	Title: Childrens safeguarding	Score: 10
-----	-----------	-------------------------------	-----------

**Description:**

A serious safeguarding failure occurs

- The child in question will come to harm.
- There may be litigation against the council and a corresponding loss of income.
- There would be adverse publicity against the council.

**Mitigating action:**

- Clear mechanisms in place for reporting concerns about a child.
- Clear Threshold Framework in place through Single Point Access and Multi Agency Safeguarding Hub (MASH).
- Local Safeguarding Children's Board. Arrangements in place to transfer to new strategic and operational framework following national review of LSCBs.

