

CORPORATE STRATEGIC RISK REGISTER FOR CHILDREN, ADULTS AND COMMUNITY HEALTH SERVICES

**AUDIT COMMITTEE
MEETING DATE 2018/19**

22nd April 2020

CLASSIFICATION:

Open

If exempt, the reason will be listed in the main body of this report.

WARD(S) AFFECTED

All Wards

Group Director

Anne Canning, Group Director of Children, Adults and Community Health Services

1. GROUP DIRECTOR'S INTRODUCTION

- 1.1 This report updates members on the corporate risks for the Children's Adults and Community Health Services Directorate as at March 2020. It also identifies how risks within the Directorate are identified and managed throughout the year and our approach to embedding risk management.

2. RECOMMENDATION

- 2.1 The Audit Committee is recommended to note the contents of this report and the attached risk registers and controls in place.

3. REASONS FOR DECISION

- 3.1 Risk management is fundamental to effective business management and it is vitally important that we know, understand and monitor the key risks and opportunities of the Council. Officers and members are then able to consider the potential impact of such risks and take appropriate actions to mitigate those as far as possible. Some risks are beyond the control of the Council but we nevertheless need to manage the potential impact or likelihood to ensure we deliver our key objectives to the best of our ability. For other risks, we might decide to accept that we are exposed to a small level of risk because to reduce that risk to nil is either impossible or too expensive. The risk management process helps us to make such judgements, and as such it is important that the Audit Committee is aware of this.

4. BACKGROUND

- 4.1 The current Directorate risk profile was reviewed by the Directorate of Children's, Adults and Community Health Services Management Team in March 2020. Detailed risk registers, for Children's Services, Hackney Learning Trust (HLT), Adults Services and Public Health have been prepared and were reviewed by the Management Team and the high-level Directorate risks highlighted and included at Appendix one.

4.2 Policy Context

All risk related reporting is in line with the Council's Risk Policy, ratified biennially by the Audit Committee, and also fully supports the framework and ideology set out in the Risk Strategy.

4.3 Equality Impact Assessment

For the purposes of this report, an Equality Impact Assessment is not applicable, although in the course of Risk Management (and associated duties) all work is carried out in adherence to the Council's Equality policies.

4.4 Sustainability

This report contains no new impacts on the physical and social environment.

4.5 **Consultations**

In order for Risk Registers to progress to Audit Committee, they will already have been reviewed by the relevant Senior Management team within the corresponding Directorate. Any senior officer with any accountability for the risks will have been consulted in the course of their reporting.

4.6 **Risk Assessment**

The Risk Register is attached at Appendix one to this report.

5. DIRECTORATE RISK REVIEW

5.1 The Directorate Risk Register comprises those that represent the most significant risks faced by the Directorate. Separate risk registers for Public Health, Adult Services, Children's Services and the Hackney Learning Trust are maintained and sit beneath the Directorate Risk Register and are available for review on Pentana.

Children and Family Risks

5.2 There has been no significant change to the profile of risks for Children and Families set out in our report to Audit Committee last year. Further external pressures which may impact on expenditure are, however, highlighted in the risk register set out at Appendix one, namely:

- Demand for services is increasing due, in part, to the impact of austerity, benefit changes and housing issues on families within Hackney which are impacting on the level of need in the borough. We anticipate that Universal Credit may further increase the demand for services. New and emerging risks to young people, including those associated with criminal exploitation and serious violence are also resulting in increased identification and demand. Increasing demand is creating a need to expand staffing and associated support services. There are particular pressures in relation to the number of 16 and 17 year olds becoming looked after as a result of homelessness, which in turn is increasing pressures in relation to placements and leaving care services.

5.3 The impact of this increase in demand is captured through budget monitoring reported to Cabinet through the Overall Financial Position (OFP) report. It has also been built in to our budget planning for 2020/21.

5.4 Each year we categorise the risk of a 'Child or young person suffering significant harm, injury or death' as red. Despite our positive assessment of the controls in place to mitigate the likelihood of this occurring the impact of and the many external factors that have a bearing on such an event lead us to the conclusion that this is inevitably high risk.

5.5 It is also emphasised that controls in relation to the risk of harm, injury or death are subject to external review through the Ofsted inspection process. Our last inspection in November 2019 rated our Children's social care services as 'requires improvement' overall, with the impact of leaders on social work practice with children and families and the experiences and progress of children who need help and protection judged as 'requires improvement', while the experiences and progress of children in care and care leavers judged as 'good'. This is a decline in our rating compared to the last inspection in the summer of 2016.

5.6 The Children and Families Service will be submitting an action plan to Ofsted at the end of March 2020 to address the concerns they have highlighted. The implementation and impact of the action plan is subject to robust oversight and governance by the Mayor, councillors and senior officers. There is commitment from the Chief Executive and political leadership to set ambitious aspirations for the Service.

HLT Risks

5.7 **Downgraded risks:** Two risks have been downgraded since last year:

- The risk of **government reforms impacting on education service delivery** has reduced in light of the establishment of the Hackney Schools Group Board. This model, together with greater alignment of HLT to the Council, maintains the education service in Hackney as a single Council Education Department covering all areas of responsibility (including traded services and the Schools Requiring Additional Support function). Although the new government did not make any new policy announcements on education policy in the Queen's speech, this will be kept under review.
- The risk arising from anticipated **changes to the National Funding Formula (NFF) having a negative impact on HLT income & delivery** has also been downgraded. The 3 year education settlement provided by the government provides additional protection from any changes currently proposed to the NFF and the immediate likelihood of risk has, therefore, dropped. This will, however, be kept under review.

5.8 **New risks:** Two additional risks have been added

- Insufficient provision to meet growing demand for SEND places locally in the face of increasing EHCP referrals reflects the challenges in meeting statutory responsibilities efficiently (under the Children & Families Act). The lack of local provision is being addressed through the implementation of a SEND provision plan. The continued lack of sufficient resources to meet the growing demand for SEND support services in the borough also remains a challenge. This is being mitigated in part through a mixture of efficiencies and some additional funding.
- The exclusion of SEND children & young people has been separated

from the existing overall school exclusion risk because these are amongst the most vulnerable pupils and the mitigation is more specific to the EHCP annual review process or the use of alternative provision.

- 5.9 **Ongoing risks:** In addition to the new risks outlined above, a further 12 risks continue to present challenges and are reported on the attached register. Of these, the following have been identified as presenting particular challenge to HLT's operations and financial stability:
- **Rigg Approach** (SEND Transport Assistance) – Significant progress to mitigate this risk through the identification of Andrew's Road site as an alternative to Rigg Approach has been made. However, the risk of disruption of services to the 500 vulnerable children and young people transported by the SEND Travel Assistance Service pending the transfer of the SEND Transport Fleet to the Andrew's Road site, remains high.
 - **Meeting statutory requirements for SEND included in the Children and Families Act** - Concerns still remain regarding completion of EHC Plan assessments within 20 weeks. In addition, the service has experienced significant staffing challenges impacting on services delivery. It is, however, anticipated that a substantial recruitment programme for SEND Services will make a positive impact on meeting statutory requirements.
 - **Escalating SEND spend** – Whilst SEND budget pressures are currently being offset by some additional funding alongside savings in other areas of HLT, this remains an area of significant risk. Furthermore, although new proposals for funding pupils with EHC Plans have been formulated, these will require a period of testing and detailed refinement. Any new funding changes of this magnitude must, however, be carefully implemented and managed with effective governance arrangements in place to ensure transparency and accountability.
 - **Safeguarding considerations for those pupils who are not registered at a school** (this relates to Electively Home Educated (EHE) pupils, children missing from education, children attending unregistered settings, children who are yet to be allocated a school place, etc) – This remains a high profile issue and was identified as an area of concern in the recent inspection of Local Authority Children's Services. There is an expectation that the borough must work to ensure the safety and wellbeing of all such pupils, challenging existing legislative frameworks and guidance where necessary to do so, and working with partners to ensure effective and robust identification, tracking, consultation and referral.
 - **School Places** - The risk with regard to surplus primary school places remains high, posing significant risks to schools' financial viability. Projections of the demand for primary school places indicate an increasing and potentially substantial surplus, which carries with it significant financial risks to maintained schools, and therefore to the Council. Whilst the risk of insufficient secondary places also remains high, this will be kept under review and may be lowered in the light of further changes to demand.
 - **Pupil Exclusion** – Rates of exclusion in Hackney schools remain amongst the highest in the country. HLT has developed an action plan setting objectives to

maximise inclusion and minimise exclusion. To ensure delivery of these objectives, a Board chaired by the Group Director Children, Adults & Community Health and an Executive Group chaired by the Director of Education / Head of HLT have been implemented and is meeting regularly. In the meantime, this risk remains high

Public Health

- 5.11 Risks within commissioned Public Health services have not changed substantially since last reported to the Committee. The service's highest area of spend and risk relates to sexual health services, as set out in 'CACH PH 007 Sexual Health'. Testing for sexually transmitted disease is a demand-led service, delivered mainly by NHS providers in locations across London and beyond. The Council has limited control over that demand and the clinical imperative is for as many high risk, asymptomatic residents as possible to undertake regular tests. In order to manage the financial risk to the council, London boroughs have collectively undertaken a recommissioning exercise that aims to reduce the likelihood of the financial risk being realised. Controls include the introduction of an online service for residents to order self-testing kits that will be delivered to an address of their choosing (positive results will be dealt with in person rather than via automatic reply); and a sub-regional procurement of services from genitourinary medical (GUM) clinics that allows lead areas to contract manage NHS providers more clearly and apply an integrated tariff that is harmonised across London. This has already saved the council over £1m in the cost of services, but demand rises by roughly 10% every year.
- 5.12 Other risks that are being actively management are 'CACH PH010 Substance Misuse Recommissioning' and 'CACH PH009 Budget'. The substance misuse recommissioning is included largely because it is a vital services with a significant budget, and we are ambitious to keep delivering outcomes whilst having to achieve savings. The overarching budget risk remains relatively amber due to sustained reduction in income from external sources, and the dependency on a pan-London approach taking affect to secure sexual health savings. As noted in the risk register, the public health management team is monitoring regularly the implementation of plans to mitigate these pressures and deliver agreed savings over the medium term.
- 5.13 Coronavirus disease still remains a significant risk , some of the staff are working remotely and some staff are working at the Clinical Effectiveness group at Queen Mary University where they are doing vital work in support of our Covid response, the work includes daily Covid-19 monitoring from primary care, Identification of vulnerable at risk groups from Covid-19 and support to general practice in managing Covid-19 . Letters for critical staff and Agency workers have been issued so that their children can continue to go to school. Purchase orders are being signed off on time for providers to get paid appropriately, We also have a coronavirus expenditure log that we have created to keep track of our budget for

Public Health. The daily service update form is completed daily to keep Hackney Management team aware of all Covid-19 related developments in the borough.

Adult Services

- 5.14 The core Adult Services risks remain consistent with the risks highlighted to the Audit Committee last year and the likelihood of most risks has largely stayed the same. In two cases the risks have increased in likelihood due to fragility in the provider market, whilst in two other cases the risks have reduced in likelihood due to improvements in planning for the transition of cases from children's to adults. Reasons are highlighted in the description and updates on the risk register.
- 5.15 Within the service there remains a risk about the resilience and sustainability of the social care provider market in the context of rising demand and increased complexity and acuity of need for service users. Work is ongoing to remodel demand and pressures on social care, and this continues to be looked at as part of the work on integration with health and voluntary sector services. In 2017 the Government set expectations of a Green Paper on future long-term funding for social care but this has not yet been forthcoming. In March 2020 the Government announced that it would be consulting widely on ideas for future funding arrangements. The focus of these announcements to date has focused on support and funding for older adults and so far makes little mention of working age adults which is a concern as this represents a large proportion of people currently supported by Adult Services in Hackney.
- 5.16 There continues to be national concern about the sustainability of the provider market, including an increasing number of providers who are returning contracts to local authorities, and falling into administration. Work is continuing to support a healthy local provider market, as reflected in the risk register. This includes paying a fair but affordable rate to provide quality care, and a check of the financial health of organisations through the procurement process and robust, regular contract management and market development through provider networks.
- 5.17 We take the protection of our most vulnerable clients very seriously, which is why adults safeguarding remains an identified risk on the register. The local Safeguarding Adults Board, and the Head of Adult Safeguarding, has enabled strong multi-agency work to both prevent abuse and neglect, and to investigate and resolve safeguarding issues in a personalised way. The controls in place to manage this risk were assessed by a team of external reviewers organised by the Association of Directors of Adult Social Services in April 2018 as part of a Service Led Improvement Peer Review. This provided a constructive review of the effectiveness of the measures in place to prevent and manage safeguarding risks, and the team were very positive about what they observed. They also recommended some areas to improve on which have been added to local safeguarding delivery plans.

- 5.18 Management of the risk relating to the in-house provided Housing with Care service has led to a reduction in the likelihood rating. The service which is made up of 14 schemes across the borough supporting over 250 people is a registered service and is therefore subject to inspections by the CQC. There is a risk that when the CQC re-inspects the service again in 2020 as a follow up to the 'Requires Improvement' rating, that the service fails to demonstrate sufficient improvements. To mitigate this risk a number of controls have been put in place which includes the development of a detailed improvement plan with additional resources put in place to support its delivery and regular reporting to monitor risks and issues. As is the process with all providers, the findings of the inspection has also completed the Council's Provider Concerns process which is led by the Head of Commissioning for Adult Services and has previously been successful in supporting external providers to make significant improvements to quality.

Integrated Commissioning

- 5.19 Each of the four Integrated Commissioning Workstreams maintains a register of risks and issues relating to that area. These registers operate according to a standard 'RAG' risk-assessment matrix based on criteria approved by the Integrated Commissioning Board. This approach is aligned with the risk approach taken by the CCG, London Borough of Hackney and the City of London Corporation. Any risks within the four registers which are scored 'red' are escalated to the Integrated Commissioning Board (ICB) in a monthly summary report. The ICB also may ask for assurance around risks which are not 'red', as it sees fit.

Link to ICB papers from January 2020:

<http://www.cityandhackneyccg.nhs.uk/Downloads/About%20Us/Committees/Integrated%20Commissioning%20Board/ICB%20Agenda%20%20Papers%20-%2016%20January%202020.pdf>

- 5.20 The ICB has recently established a Risk Management Working Group to provide a forum for collective management of risks across all workstreams and enabler groups. The group is due to meet for the first time in March 2020, and will review workstream and enabler group risk registers and provide challenge to and discussion of the registers, to give a deeper level of assurance to the ICB, ensure consistency of scoring and monitoring of risk, and to identify any risks that need escalation to the ICB which do not meet the threshold for escalation.

6. COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

- 6.1 Effective risk management is a key requirement for good financial management and stability. This becomes more significant as funds available to the Council are reduced and budget reductions are made.
- 6.2 The Directorate seeks to mitigate risks as they are identified. In some instances, where there are volatile external factors and uncertainty, this will be through

seeking access to reserves maintained by the Group Director of Finance and Corporate Resources.

6.3 There are no direct costs arising from this report.

7. COMMENTS OF THE DIRECTOR OF LEGAL SERVICES

7.1 The Accounts and Audit Regulations 2011 require the Council to have a sound system of control which includes arrangements for the management of risk. This Report is part of those arrangements and is designed to ensure that the appropriate controls are effective.

7.2 There are no immediate legal implications arising from this report.

APPENDICES

Appendix one – CACH risk register.

BACKGROUND PAPERS

In accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012 publication of Background Papers used in the preparation of reports is required

None

Report Author	Jackie Moylan ☐ 020 8356 3032
Comments of the Group Director of Finance and Corporate Resources	Michael Honeysett ☐ 020 8356 3332
Comments of the Director of Legal Services	Dawn Carter-McDonald ☐ 020 8356 4817