



## Audit and Governance Committee

<b>Date:</b>	1 February 2023
<b>Reference number:</b>	N/A
<b>Title:</b>	<b>Risk Management Group Update</b>
<b>Cabinet Member(s):</b>	N/A
<b>Contact officer:</b>	Maggie Gibb, Head of Business Assurance (& Chief Internal Auditor)
<b>Ward(s) affected:</b>	N/A
<b>Recommendations:</b>	Members are recommended to <b>note</b> the report.
<b>Reason for decision:</b>	Summarise why the recommended option is preferred

### **1. Executive summary**

- 1.1 The purpose of the report is to provide an update on the Risk Management Group (RMG) meeting held on 16 December 2022.
- 1.2 The Council's Risk Management Framework including the Terms of Reference for the Risk Management Group was approved by the Audit and Governance Committee in June 2021.

### **2. Content of report**

- 2.1 The Corporate Director for Children's Services attended the meeting along with the Development Manager, Head of Finance and Service Director for Education.
- 2.2 The Children's Services directorate has a well-established Risk Escalation Framework, with risk being a standing item at the senior leadership team meetings. All Risk Escalation Frameworks are due for review and update during Q4 of 2022/23 to ensure they remain fit for purpose.

- 2.3 Since joining Buckinghamshire Council in September 2022, the Corporate Director for Children's Services has engaged in a thorough review of the strategic, service, and key financial risks within his directorate in conjunction with the Corporate Risk Management team.
- 2.4 Since the Service last presented to Risk Management Group, the Service has been subject to four regulatory inspections. In December 2021, Ofsted conducted their Inspecting Local Authority Children's Services (ILACS) reinspection of services for children in need of help and protection, children looked after and care leavers. This inspection found that Buckinghamshire was no longer 'Inadequate', and the overall judgement of Children's Services was 'requires improvement to be good'.
- 2.5 The key risk themes were as follows:

**CS-CSC-03 Recruitment & Retention** - IF we are unable to attract, retain and develop a workforce that is competent, confident, motivated and works together in business-critical roles THEN children will not receive the support they need leaving vulnerable children at greater risk of poorer outcomes. In addition, capacity to improve services will be compromised and may hinder our ambition to be good.

**CS-CSC-10 Unregulated Placements** - IF there is not central Government intervention in the external placements market in line with the recommendations of the Care Review, THEN continued shortage of supply will lead to further excessive costs, poor placement choice, more Buckinghamshire children being placed further away from the county, further unregulated placements being made and poor outcomes.

**CS-CSC-14 Unaccompanied Asylum-Seeking Children** - IF the government continues to direct the Council through the mandated National Transfer Scheme, THEN this will place further pressure on our children in care and leaving care teams and as a result will hinder our ambition to be good.

**CS-CSC-18 Placement Sufficiency** - IF we fail to develop a Placement Sufficiency Strategy that accurately reflects the current position and clearly articulates the service's plans to increase the availability of provision for our children and young people THEN we will not meet their needs or provide them with a safe place to live and thrive within Buckinghamshire.

**CS-E-07 SEND Improvements** - IF we do not make sufficient progress against the Written Statement of Action (WSOA) THEN this will impact on the quality of services provided to children and families and create reputational damage to the council.

**CS-E-13 Government policy changes** - IF changes in government policy place any additional unfunded burden on our council, THEN the service will have limited capacity to deliver statutory functions.

2.6 Children's Services key financial risk themes were summarised as follows:

**CS-KF-01 Debt Management** - If there is an inability to implement efficient debt recovery then this will create a pressure on service budgets. This includes debts that are incorrectly raised to the wrong debtor or for incorrect amounts and debts raised with other public sector agencies such as other LAs and the CCG.

**CS-KF-02 Children's Social Care increased demand and unit costs** - If increased demand for Children's Services continues at a rate which outstrips demand growth built into future budgets, then this will create additional budget pressures leading to requirements to reduce services in other areas. Increased costs may arise due to increases in demand and/or increases in average unit costs.

**CS-KF-03 SEND increased demand and unit costs** - Numbers of pupils needing Education, Health, and Care Plans (EHCPs) are projected to increase over the medium term. If demand for placements in specialist provision continues to increase, there is a risk that the High Needs Budget will continue to overspend and the DSG deficit will increase.

**CS-KF-05 Maintained school's financial issues** - If schools get into financial difficulty, then there is a risk that the LA will need to write off any deficits for schools that are rated Inadequate by Ofsted and are required to convert to academy status with a sponsor.

**CS-KF-06 Financial Management Culture** - If a strong financial management culture is not in place within Children's Services, then there is increased risk of overspend.

**CS-KF-09 Payment Performance** - If invoice payments are not made in a timely way there will be an increase in complaints and reduced reputation with external suppliers.

**CS-KF-10 Agency Staffing Costs** - IF we are unable to attract and retain permanent staff THEN our reliance on agency staff will continue to create pressures within staffing budgets.

**CS-KF-11 Loss of School Improvement Monitoring and Brokerage Grant** - IF the council is unable to agree de-delegation of funds from maintained schools, THEN there is a risk that the council will not be able to fund core school improvement activity.

**CS-KF-12 Unaccompanied Asylum-Seeking Children** - IF the government continues to direct the council under the National Transfer Scheme, THEN this will increase the financial burden on the council

2.7 The risks were discussed in detail, as well as the mitigating actions being challenged by the members.

2.8 Risks which had been de-escalated or closed were included in the report from the Children's Services directorate.

- 2.9 The Service Director for Highways and the Procurement Lead and Mobilisation Director attended the meeting to provide the Risk Management Group with a detailed update on the transition of the highways contract from a single provider to an alliance partnership to take effect from 1 April 2023. The key risks and mitigating actions were presented to RMG, and numerous member questions were answered.
- 2.10 An independent review is also being carried out by Mazars to provide assurance over the effectiveness of the transition to the new arrangement, and the findings will be reported to the Audit and Governance Committee at a future meeting.

### **3. Other options considered**

- 3.1 This should include information on the pros and cons of each option.

### **4. Legal and financial implications**

- 4.1 None.

### **5. Corporate implications**

None

### **6. Local councillors & community boards consultation & views**

- 6.1 N/A.

### **7. Communication, engagement & further consultation**

- 7.1 N/A.

### **8. Next steps and review**

- 8.1 The next meeting of the Risk Management Group is to be held on 30 January 2023.

### **9. Background papers**

None

