

AUDIT AND RISK ASSURANCE COMMITTEE

19 September 2019

Subject:	Strategic Risk Register Update
Director:	Executive Director – Resources Darren Carter Director – Education, Skills and Employment Chris Ward
Contribution towards Vision 2030:	
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DECISION RECOMMENDATIONS

That Audit and Risk Assurance Committee:

1. Notes the risks included in the strategic risk register as at August 2019.
2. Notes and comments upon the details requested at the meeting on 25 July 2019 in respect of the establishment of the client function for the contract between the council and Sandwell Children's Trust.

1 PURPOSE OF THE REPORT

- 1.1 To update members of the Committee on the council's strategic risks, the assessment of these risks and the arrangements in place to manage these.
- 1.2 The report also updates members of the Committee on the matter relating to the establishment of a client function for the contract between Sandwell MBC and the Sandwell Children's Trust Limited for the delivery of children's social care services.

2 IMPLICATIONS FOR SANDWELL'S VISION

- 2.1 Effective risk management is a key element of good corporate governance, as noted in the council's [Code of Corporate Governance](#), and is essential to the overall performance of the council in meeting its vision 2030. Good risk management will ensure that resources are used efficiently and effectively in the delivery of the Sandwell vision and that assets and resources are protected against risk in the most efficient way.

3 BACKGROUND AND MAIN CONSIDERATIONS

- 3.1 The council is no different to any organisation, and will always face risks in achieving its vision and objectives. Sound risk management can be seen as the clear identification and management of such risks to an acceptable level.
- 3.2 The strategic risk register does not include all of the risks that the council faces. It represents the most significant risks (as set out in the council's corporate risk management strategy) that could potentially impact on the achievement of the council's corporate priorities and vision. Other risks are captured within directorate, operational, programme, project or partnership risk registers in line with the council's corporate risk management framework and strategy.
- 3.3 A summary of the strategic risks is included at Appendix A of this report. The risk register currently includes 15 strategic risks- six red risks, eight risks assessed as amber and one green risk. Mitigating actions continue to be implemented and are monitored by risk owners to ensure that risks are reduced to acceptable levels. Risk 4c (demand for children's social care, risk 27 (funding and resource allocation), risk 40 (school place planning) and risk 52 (Better Care Fund and Public Health grant) are all red risks relating to central government financing of local government services, over which the council has little control and scope to mitigate. The council is currently lobbying central government to:

- Address the national crisis in funding the children's social care services that has arisen due to unprecedented increase in the number of children in the social care system.
- Put in place a long term funding settlement for local government that provides adequate funding and allows councils to plan for the future without the instability created by one year funding settlements.
- Deliver a multi year capital funding settlement which allows the council to deliver the programme of expansion works to our secondary schools that will address the challenges in meeting our duty to provide sufficient good school places.
- Deliver on the long term commitment to put in place a national solution to the funding of adult social care services.

- 3.4 Since last reported to the Committee, there has been one key change to the strategic risk register in respect of risk 21a – Compliance with General Data Protection Regulations and Data Protection Act, with the risks score increasing from amber to red. The increase in the assessment of this risk has resulted from the identification of a greater volume of electronic records held by the Council that need to be reviewed and managed in accordance with agreed retention periods. The Data Protection Act 2018 (DPA) requires the Council proactively manage its data and not simply retain it for unnecessary periods of time. The need to comply with the DPA is an ongoing duty and the Council will be required to continually improve how it manages its data, be clear on why and how it is used, ensure it is held securely and those handling it do so understanding their duties and obligations.
- 3.5 Matters have also been compounded more recently by the volume, complexity and scope of Freedom of Information Act requests and Subject Access Requests that have been received. Such request requires the review and extraction of a considerable volume of potentially relevant information which must be then assessed to determine what is disclosable (or not) under the DPA and FOIA.
- 3.6 Additional support has been redirected from within the Council to help meet this demand and further additional external resource is being sourced so as to ensure the Council meets its obligations as effectively as possible.
- 3.7 At the meeting of the Audit and Risk Assurance Committee on 25 July 2019, members of the Committee requested further detailed information be presented to the Committee on the arrangements the council is putting in

place to establish a client function for the contract between Sandwell MBC and the Sandwell Children's Trust Limited.

- 3.8 On 1 April 2018, the provision for the delivery of children's services under section 497A (4B) of the Education Act 1996 was transferred from the council to Sandwell Children's Trust Limited (the Trust) under a statutory direction from the Secretary of State dated 6 October 2016.
- 3.9 As part of this direction, a service delivery contract between the council and the Trust was set up which detailed how the Trust would deliver these services on behalf of the council who retained the statutory responsibility for children's social care in the borough.
- 3.10 In order to ensure that the contract obligations are met by both the council and the Trust, and that effective contract monitoring takes place, a range governance arrangements are set out in the Contract as follows:
- the Operational Partnership Board (OPB)
 - the Strategic Partnership Board (SPB)
 - the Contract Representatives
 - informal liaison between senior representatives from the council and the Trust and
 - the Trust's attendance at Council democratic meetings.

The Contract Representative for the council is the person that carries out the client function; the role is described in the Contract as "the day to day representative for managing the Service Delivery Contract".

- 3.11 As noted above, this report provides details of the actions that are taking place to establish a client function to monitor the Service Delivery Contract and ensure that it operates and is discharged effectively.

4 THE CURRENT POSITION

- 4.1 To date, performance monitoring of the contract between the Trust and the council has been undertaken by the Executive Director of Children's Services and the Children's Services Finance Business Partner for the past 12-18 months using the governance arrangements outlined above. For example, monthly meetings of the OPB (whose membership includes the Chief executive and directors from the Trust as well as the council's Executive Director for Children's Services and Finance Business Partner) take place where delivery and progress against the agreed key performance indicators and finances are discussed. Quarterly meetings of the SPB (whose membership includes the council's Cabinet Member for children's services, the Chief Executive and directors as well as the Chair, Chief Executive and directors of the Trust) also take place to consider

performance and other strategic matters such as future finances, improvement and other strategic matters such as the Regional Adoption Agency.

- 4.2 In addition to the above, the Trust representatives have attended a number of council scrutiny meetings to report on the Trust's operations and performance.
- 4.3 The current arrangements in place and the day to day involvement of the Executive Director for Children's Services and the Finance Business Partner is not a sustainable arrangement in the longer term and so a post has been created and resourced for a period of three years (to coincide with the expectation in the Contract that services will receive an Ofsted judgement of 'good' by 2022).
- 4.4 The post will also manage the Contract with Adoption@Heart, the Black Country Adoption Agency. Government legislation requires local authorities to move their adoption services into regional adoption arrangements by 2020 at the latest. The Black Country councils have worked together to establish a Black Country Regional Adoption Agency called Adoption@Heart. Adoption services were transferred from Sandwell Children's Trust to Adoption@Heart on 1 April 2019.
- 4.5 The Job Description for the client function/ Contract and Client Relationship post sets out the following responsibilities:
 - To establish and maintain effective contract and client relationship management arrangements for the delivery of the commissioning work programme across the council's statutory children's services functions
 - To support the Executive Director of Children's Services to provide high level professional advice to the Council and Cabinet Members, and to report to the council's relevant Scrutiny Committees, on the council's statutory children's services functions,
 - To work in collaboration with and support Sandwell Children's Trust to achieve its outcomes, and to be the Intelligent Client for the council.
 - To work in collaboration with and support the Regional Adoption Agency, Adoption@Heart, to achieve its outcomes, and to be the Intelligent Client for the council.
 - To provide contract management and monitor the operational delivery of Sandwell Children's Trust and Adoption@Heart; holding both to account on behalf of the council's statutory responsibilities for children's services.

- 4.6 The client function will report directly to the Strategic Partnerships and Commissioning Manager, who in turn is line managed by the Executive Director of Children's Services. Recruitment will begin in September 2019.

5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

- 5.1 The review of the strategic risk register and the details of the client function, have been discussed with the risk owners and reported to the Executive Management Team and members of the Cabinet.

ALTERNATIVE OPTIONS

- 6.1 Whilst this report does not require a decision and therefore, alternative options do not need to be considered, when measures are being considered for the mitigation of each of the strategic risks, this takes into account any alternative options available.

6 STRATEGIC RESOURCE IMPLICATIONS

- 7.1 Corporate resources have been identified to fund the post and associated costs for a period of three years.

LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 The new client post will ensure that there is full compliance with all legal and governance requirements relating to the Contracts for statutory children's services, and also the governance arrangements for both the Council and the Trust, and the Regional Adoption Agency.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 As a decision is not being sought in this report, it is not necessary to undertake an Equality Impact Assessment.

10 DATA PROTECTION IMPACT ASSESSMENT

- 10.1 As a decision is not being sought in this report, it is not necessary to undertake a Data Protection Impact Assessment.

11 CRIME AND DISORDER AND RISK ASSESSMENT

- 11.1 There are no crime and disorder risks arising from this report.

12 SUSTAINABILITY OF PROPOSALS

12.1 There are no direct sustainability issues arising from this report.

13 HEALTH AND WELLBEING IMPLICATIONS

13.1 There are no direct health and wellbeing implications from this report.

14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

14.1 There is no direct impact on any council managed property or land from this report.

15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

15.1 The purpose of the report is for the Audit and Risk Assurance Committee to note the council's key strategic risks as summarised in Appendix A and also to note the progress made in respect of the establishment of a client function to monitor the contract between Sandwell MBC and Sandwell Children's Trust Limited.

16 BACKGROUND PAPERS

Sandwell Children's Trust performance report to Scrutiny Committee –
12 November 2018

Regional Adoption Agency report to Scrutiny Committee –
7 January 2019

Sandwell Children's Trust performance report to Scrutiny Committee – 18
March 2019

APPENDICES:

Appendix A - Strategic risk register summary as at August 2019

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