

**FOR PUBLICATION**

**DERBYSHIRE COUNTY COUNCIL**

**AUDIT COMMITTEE**

**16 July 2024**

**Director of Finance**

**Overview of Children's Services Risks**

**1. Purpose**

- 1.1 This report is provided as background information for the Audit Committee's review of risk management in the Children's Services department.

**2. Information and Analysis**

- 2.1 The Audit Committee is conducting a rolling review of departmental risk management arrangements with Executive Directors.
- 2.2 The meeting will be attended by Carol Cammiss, Executive director of Children's Services, to discuss the effectiveness of risk management arrangements and principal risks in her department. Carol will give a short overview of the arrangements in her department, followed by questions and discussion with the committee members.
- 2.3 Children's Services owns two risks on the current strategic risk register. The risks are listed below with full details updated to 2024-25 Quarter 1 provided in Appendix 2:
- Protection of vulnerable children
  - Inability to meet Placement sufficiency Duty
- 2.4 An abridged version of the full Children's Services risk register is provided for background information in Appendix 3. The appendix shows updates to 2023-24 Quarter 4 only as the full 2024-25 Quarter 1

updates are currently being finalised. A full version of the register with all data held on APEX can be provided to the committee if required.

### **3. Alternative Options Considered**

3.1 This is a regular rolling review of departmental risk management by the Audit Committee.

### **4. Implications**

4.1 Implications are discussed in Appendix 1.

### **5. Consultation**

5.1 No formal consultation was undertaken in the preparation of this report. The risk register was prepared for the committee by the CST Risk & Insurance team.

### **6. Background Papers**

6.1 Electronic files held by Risk and Insurance, Finance Division, County Hall Complex.

### **7. Appendices**

7.1 Appendix 1 – Implications

7.2 Appendix 2 – Children’s Services strategic risks (on strategic risk register)

7.3 Appendix 3 – Children’s Services full risk register (abridged version)

### **8. Recommendations**

That the Audit Committee:

a) Reviews the information provided in this paper for discussion with Carol Cammiss.

### **9. Reasons for recommendations**

9.1 The Audit Committee is charged with providing risk management assurance within the Council.

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## **Implications**

### **Financial**

- 1.1 Financial implications are noted in the strategic and departmental risks where applicable in Appendix 2 and Appendix 3.

### **Legal**

- 2.1 Legal implications are noted in the strategic and departmental risks where applicable in Appendix 2 and Appendix 3.

### **Human Resources**

- 3.1 Human resources implications are noted in the strategic and departmental risks where applicable in Appendix 2 and Appendix 3.

### **Information Technology**

- 4.1 Information technology implications are noted in the strategic and departmental risks where applicable in Appendix 2 and Appendix 3.

### **Equalities Impact**

- 5.1 Equalities impact implications are noted in the strategic and departmental risks where applicable in Appendix 2 and Appendix 3.

### **Corporate objectives and priorities for change**

- 6.1 The strategic risk register, departmental risk registers and corporate risk management strategy underpin the successful delivery of the Council's objectives and deliverables set out in the Council Plan and service delivery plans.
- 6.2 The council's corporate risk management strategy is designed to strengthen risk management arrangements to underpin improved performance across the Council, and to deliver greater public value from its work.

### **Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)**

- 7.1 All other implications are noted in the strategic and departmental risks where applicable.

**Strategic Risk Register**

**2024-25 Quarter 1 (30 June 2024)**

**Extract – Children’s Services risks**

**Protection of vulnerable children**

Failure to protect the most vulnerable in our society could lead to significant fines; special measures; litigation; decreased staff morale; reputational damage. Risk can never be eliminated entirely, however Derbyshire continuously seeks to strengthen risk management and practice in cases known to the Authority. As demonstrated recently, heightened media attention at times of national or local tragedy can impact on referral rates and capacity to respond for a variety of reasons. However, the overall impact on the Council would be expected to be moderate. A range of robust mitigation measures are in place and will continue.

APEX Unique Risk Number (URN): 522

**Risk Owner:** Carol Cammiss, Executive Director of Children’s Services

**Assessment history:**

Target	Likelihood:	2023-24 Q1	2023-24 Q2	2023-24 Q3	2023-24 Q4	2024-25 Q1	Likelihood:
Green (9) by 25/09/23	Possible (3)	Amber (12)	Green (9)	Green (9)	Green (9)	Green (9)	Possible (3)
	Impact: Moderate (3)						Impact: Moderate (3)

**Reputation impact assessment:** High

**Financial impact assessment:** Band 3 (Loss between £100,000 and £1 million)

**APEX quarterly commentaries:**

Quarter ending	Progress commentary (by risk owner)
30 June 2024	Risk remains moderate. Likelihood of a significant incident occurring is possible though we continue to have robust risk mitigations in place alongside assurance activity to support our knowledge base concerning good practice and emerging areas of risk. The QA framework, supported by the QA Board, continue to support organisational awareness, learning and development.
31 March 2024	Risk impact remains moderate as the likelihood of a significant incident occurring is possible though the risk mitigations in place and assurance about practice are strong and our QA frameworks continue to robustly support ongoing organisational learning and development.
31 December 2023	Risk impact has been maintained at 'moderate' in this quarter to reflect the comprehensive actions in place to mitigate. The recent ILACS inspection and our own QA framework provides assurance the mitigations are supporting service delivery and risk minimisation.

30 September 2023	Risk impact has been reduced to 'moderate' in this quarter to reflect the narrative provided for this risk in the last quarter. In particular it is noted that the overall impact on the council in relation to this risk would be expected to be moderate and there are a range of robust mitigations in place to manage this risk which will continue long term.
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### Inability to meet Placement sufficiency Duty

Due to national shortages the council continues to find it difficult to deliver on its statutory duty of suitable Children in Care placements. Whilst every child is found a placement due to sufficiency sometimes these are not the most suitable for that child. This therefore demonstrates there is a risk that children are in placements that are not in line with their care plans and that there are not enough suitable Children in Care placements to meet demand. Along with the risk of difficulty in finding suitable placements in line with care plans, there is also a substantial risk to the council regards escalating costs and financial implications where Children in Care placements are inflated due to placement type and/or supply Vs. demand.

APEX Unique Risk Number (URN): 517

**Risk Owner:** James Gracey, Director of Strategic Commissioning, Quality & Performance

#### Assessment history:

<b>Target</b>  Green (9) by 25/09/23	Likelihood: Possible (3)	<b>2023-24 Q1</b>	<b>2023-24 Q2</b>	<b>2023-24 Q3</b>	<b>2023-24 Q4</b>	<b>2024-25 Q1</b>	Likelihood: Probable (4)
	Impact: Moderate (3)	Green (8)	Green (8)	Red (20)	Red (20)	Amber (16)	Impact: Significant (4)

**Reputation impact assessment:** Low

**Financial impact assessment:** Band 6 (Loss between £5 million and £10 million)

#### APEX quarterly commentaries:

Quarter ending	Progress commentary (by risk owner)
30 June 2024	Continued work including tender opportunities now in place to ensure that there is greater oversight and management around placements, sufficiency and costs. Placement planning moves to become more strategic and joined up ensuring better flow. Still significant risk due to financial constraints and pressures and the national context.
31 March 2024	Work continues to identify areas for improvement and reduction of risk around placement sufficiency. The risk is still classed as substantial for financial reasons but as the intelligence improves and the actions gather pace, there is the anticipation that could reduce to significant by new update.
31 December 2023	Clearer focus across the organisation about children in care placements and the difficulties faced within this due to escalating costs and sufficiency issues has meant that there has been a more thorough

	and effective reflection on the current risks posed. Therefore the risk has been updated to show a more realistic position.
30 September 2023	Tender now being revised due to unsuccessful award. Therefore no change.

Risk severity matrix and tables

Risk severity matrix

<b>Impact Score</b>	Substantial	5	Blue	Green	Amber	Red	Red
	Significant	4	Blue	Green	Amber	Amber	Red
	Moderate	3	Blue	Green	Green	Amber	Amber
	Minimal	2	Blue	Blue	Green	Green	Green
	Negligible	1	Blue	Blue	Blue	Blue	Blue
			1	2	3	4	5
			Rare	Unlikely	Possible	Probable	Almost certain
			<b>Likelihood Score</b>				

## Impact scoring

The highest scoring area (the 'primary impact') used to assess risk severity.

	Impact grading	Public and employee health, safety and wellbeing	Community	Economy	Environment	Service Disruption	Skills capability	Legal	Contracts and Partnerships	Information Security
5	<b>Extremely high</b>	Substantial level of harm to the health, safety and wellbeing of the community, members of the public or employees	Substantial disadvantage to large parts of the community and/or many vulnerable residents	Substantial negative impact on the County's economy, including hard infrastructure	International and/or national environmental damage	Substantial external or internal disruption and/or loss of service (more than seven days)	Substantial under-performance from skills gaps and/or shortages	Substantial legal action, claims and/or penalties against or by the Council	Substantial impact on service delivery from a contract and/or partnership failure	Substantial breach; Information Commissioner Office (ICO) fine; loss of ISO 27001 certification
4	<b>High</b>	Significant level of harm to the health, safety and wellbeing of the community, members of the public or employees	Significant disadvantage to large parts of the community and/or some vulnerable residents	Significant negative impact on the County's economy, including hard infrastructure	Significant regional environmental damage and/or failure to meet all or most internal climate change targets	Significant external or internal disruption and/or loss of service (between three to seven days)	Significant under-performance from skills gaps and/or shortages	Significant legal action, claims and/or penalties against or by the Council	Significant impact on service delivery from a contract and/or partnership failure	Significant external breach with no loss of sensitive data; or minor external breach with loss of sensitive data



	<b>Impact grading</b>	<b>Public and employee health, safety and wellbeing</b>	<b>Community</b>	<b>Economy</b>	<b>Environment</b>	<b>Service Disruption</b>	<b>Skills capability</b>	<b>Legal</b>	<b>Contracts and Partnerships</b>	<b>Information Security</b>
<b>3</b>	<b>Moderate</b>	Moderate level of harm to the health, safety and wellbeing of the community, members of the public or employees	Moderate disadvantage to large parts of the community and/or some vulnerable residents	Moderate negative impact on the County's economy, including hard infrastructure	Moderate regional and/or major local environmental damage and/or failure to meet many internal climate change targets	Moderate external or internal disruption and/or loss of service (between 24 to 48 hours)	Moderate under-performance from skills gaps and/or shortages	Moderate legal action, claims and/or penalties against or by the Council	Moderate impact on service delivery from a contract and/or partnership failure	Significant internal breach with no loss of sensitive data; or minor internal breach with loss of sensitive data
<b>2</b>	<b>Low</b>	Minimal level of harm to the health, safety and wellbeing of the community, members of the public or employees	Minimal disadvantage to the community and/or some vulnerable residents	Minimal negative impact on the County's economy, including hard infrastructure	Minimal regional and/or local environmental damage and/or failure to meet some internal climate change targets	Minimal external or internal disruption and/or loss of service (less than 24 hours)	Minimal under-performance from skills gaps and/or shortages	Minimal legal action, claims and/or penalties against or by the Council	Minimal impact on service delivery from a contract and/or partnership failure	Minor external or internal breach with no loss of sensitive data
<b>1</b>	<b>None</b>	No impact	No impact	No impact	No impact	No impact	No impact	No impact	No impact	No impact

## Likelihood scoring

5	<b>Almost certain</b>	The event is expected to occur every year
4	<b>Probable</b>	The event could occur every year
3	<b>Possible</b>	The event could occur every two years
2	<b>Unlikely</b>	The event could occur every five years
1	<b>Rare</b>	The event could occur every 10 years or longer

## Reputation impact assessment

<b>Extremely High</b>	Lasting or permanent national/local brand damage resulting from adverse comments in national press and media. Members/Officers almost certainly forced to resign.
<b>High</b>	Temporary national/local brand damage lasting up to two years from coverage in national and/or regional press/media. Members/Officers potentially forced to resign.
<b>Moderate</b>	Temporary local brand damage lasting up to one year from extensive coverage in regional press/ media.
<b>Low</b>	Temporary local brand damage lasting up to a few weeks from minor adverse comments in regional press/social media.
<b>Extremely Low</b>	Negligible local brand damage from limited adverse comments with minimal press/social media.

## Financial impact assessment

Each risk is assessed for the potential range of capital and/or revenue loss to the Council if the risk materialised.

<b>Band 8</b>	Loss over £20 million
<b>Band 7</b>	Loss between £10 million and £20 million
<b>Band 6</b>	Loss between £5 million and £10 million
<b>Band 5</b>	Loss between £3 million and £5 million
<b>Band 4</b>	Loss between £1 million and £3 million
<b>Band 3</b>	Loss between £100,000 and £1 million
<b>Band 2</b>	Loss between £50,000 and £100,000
<b>Band 1</b>	Loss under £50,000
<b>Band 0</b>	No financial loss

**CHILDREN’S SERVICES RISK REGISTER 2023-24 (ABRIDGED VERSION)**

(Note: The 2024-25 Quarter 1 updates are currently being processed and are not included in this table)

Risk	Statutory Duty	Reputational Risk Assessment	Financial Impact Assessment	Target Rating	Sep 2023 Rating	Dec 2023 Rating	Mar 2024 Rating
<b>Strategic risk register</b>							
Protection of vulnerable children	Yes	High	Band 3	Green (9)	Green (9)	Green (9)	Green (9)
Inability to meet Placement sufficiency Duty	Yes	Low	Band 6	Green (9)	Green (8)	Red (20)	Red (20)
<b>Departmental risk register</b>							
Failure to recruit and retain experienced staff	Yes	Moderate	Band 3	Green (9)	Amber (12)	Green (9)	Amber (12)
Maintaining safe care of our children in residential homes	Yes	Extremely Low	Band 3	Green (9)	Amber (12)	Green (8)	Green (6)
Reduction in service capacity to support 0-5 age group	No	Moderate	Band 4	Green (9)	Green (6)	Green (9)	Amber (16)
Rising UASC children in care numbers	Yes	Moderate	Band 3	Green (9)	Amber (16)	Amber (12)	Amber (16)
Supporting Families 'payment by results' (PBR) income not maximised	No	High	Band 3	Green (9)	n/r	Red (20)	Red (20)
Data security breaches	No	High	Band 4	Green (9)	Green (10)	Green (10)	Green (10)
Not meeting statutory timescales for dealing with complaints	Yes	High	Band 3	Green (9)	Amber (16)	Amber (16)	Amber (16)

Risk	Statutory Duty	Reputational Risk Assessment	Financial Impact Assessment	Target Rating	Sep 2023 Rating	Dec 2023 Rating	Mar 2024 Rating
Risks of not maintaining ICT system upgrades and related benefits	Yes	Moderate	Band 3	Green (9)	Amber (15)	Amber (15)	Amber (15)
External SEND Inspection	Yes	n/r	n/r	Green (9)	n/r	n/r	n/r
Continued high levels of school exclusions	No	Low	Band 1	Green (9)	Green (9)	Green (6)	Green (6)
Financial Pressures Dedicated Schools Grant (DSG)	Yes	Moderate	Band 8	Green (9)	Green (8)	Green (8)	Green (8)
Risk of supply chain failure	Yes	Moderate	Band 3	Green (9)	Green (6)	Green (6)	Amber (12)
Council wide traded services loss of income	No	Low	Band 8	Blue (4)	Green (9)	Green (9)	Green (6)
Children's Services financial pressures (non DSG) leading to overspend	Yes	Moderate	Band 7	Green (9)	Red (20)	Red (20)	Red (20)
Children's Services unable to meet its Climate Strategy commitments	No	Low	Band 1	Green (6)	Green (9)	Green (9)	Green (9)
Serious systemic Health and Safety failure	Yes	Low	Band 4	Green (9)	Green (8)	Green (9)	Green (6)