

AUDIT AND GOVERNANCE COMMITTEE AGENDA



Thursday 5 March, 2015

at 10.00 am

**in Committee Room B,
Civic Centre, Hartlepool.**

MEMBERS: AUDIT AND GOVERNANCE COMMITTEE

Councillors Ainslie, S Akers-Belcher, Cook, Martin-Wells, Thompson, Sirs and Springer.

Standards Co-opted Members; Mr Norman Rollo and Ms Clare Wilson.

Parish Council Representatives: Parish Councillor J Cambridge (Headland) and Parish Councillor B Walker (Greatham).

Local Police Representative: Chief Superintendent Gordon Lang.

1. APOLOGIES FOR ABSENCE

2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS

3. MINUTES

3.1 To confirm the minutes of the meeting held on 19 February, 2015 (to follow)

4. AUDIT ITEMS

4.1 Data Quality Policy Review – *Assistant Chief Executive*

4.2 Risk Management Framework Review – *Corporate Management Team*

5. STANDARDS ITEMS

None.



6. STATUTORY SCRUTINY ITEMS

6.1 Youth Justice Strategic Plan 2015-2016 - *Director of Child and Adult Services*

7. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT

FOR INFORMATION: -

Date of next meeting – 19 March, 2015 at 10.00 am at the Civic Centre, Hartlepool.



AUDIT AND GOVERNANCE COMMITTEE

5 March 2015



Report of: Assistant Chief Executive

Subject: DATA QUALITY POLICY REVIEW

1. PURPOSE OF REPORT

- 1.1 To inform Members of the review of the Data Quality Policy and provide them with the updated version of the policy for information and comment.

2. BACKGROUND

- 2.1 Good quality, accurate and timely data is essential in the provision of reliable performance and financial information to support decision making within the Council. In order to ensure that the Council's data is reliable a Data Quality Policy has been in place since 2007 and was last reviewed in 2013. It is therefore now timely to review and update the policy to reflect on any changes.

3. DATA QUALITY REVIEW 2014

- 3.1 The Data Quality Policy has been reviewed and updated as attached in appendix 1. The main content of the policy has not changed significantly but the roles and responsibilities have been updated to reflect current arrangements including the role of the Finance & Policy Committee and its Chair in relation to data quality. Track changes have been left on to allow members to see where changes have been made. Once agreed these will be removed. The updated policy has been considered by the Corporate Management and following consideration by Audit and Governance Committee will be taken to Finance and Policy Committee for approval later this month.
- 3.2 Currently the policy is reviewed and agreed by Members on an annual basis. However, this policy is now well developed and embedded within all departments and the annual review for the past few years has only suggested minor amendments. Therefore it is proposed that the Data

Quality Policy is reviewed by Committee on a 3 yearly basis. On an annual basis the policy will be reviewed and approved by the Assistant Chief Executive and if during these annual reviews any major amendments are required it will be brought back to Committee for approval.

4. RECOMMENDATION

- 4.1 Audit and Governance Committee is requested to note the updated Data Quality Policy. If, following consideration by Finance & Policy Committee, there are no amendments to the Policy the track changes will be removed and the Policy will be embedded across the Council.
- 4.2 Audit and Governance Committee is requested to agree that the policy be reviewed by Committee on a three yearly basis unless any major amendments are required in the interim.

5. REASONS FOR RECOMMENDATIONS

- 5.1 Data Quality falls within the responsibility of the Finance and Policy Committee. However, data quality plays an important role in providing assurance within the arrangements for corporate governance and as such is relevant for Audit and Governance Committee.

6. BACKGROUND PAPERS

- 6.1 There are no background papers.

7. CONTACT OFFICER

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Hartlepool Borough Council

Data Quality Policy

March 2015



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1. Introduction

The Council recognises the importance of using reliable data for performance management and service planning purposes and having appropriate procedures in place to ensure the reliability of performance information being used. Good quality, accurate and timely data is essential in the provision of reliable performance and financial information to support decision making at all levels.

It is essential that the Council not only have a data quality policy but ensure that it is embedded across all services and it is a key consideration in the collecting, processing and using of data to support decision making.

This policy sets out the Council's approach to Data Quality, specifically: -

- Aims and Objectives
- Data Quality Characteristics
- Purpose and Rationale
- Scope of the Data Quality Policy
- Policy Standards
- Roles and Responsibilities

2. Aims and Objectives

The Data Quality Policy supports the overall aim of the Council, which is for high-quality data to be an integral part of the Council's operational, performance management and governance arrangements so that it drives service improvement and informs both policy and strategic decisions.

Collecting performance information efficiently and effectively requires a balance to be struck between the need to maintain the data quality required and the level of resources available to collect and use the data.

Within this context the Data Quality Policy objectives are:

- To set out the key principles of data quality across the Council;
- To ensure all officers involved in the collection and collation of performance data are aware of their responsibilities in relation to data quality;
- To ensure a consistent approach to data quality is adopted and embedded across the Council;
- To ensure that the quality of data is regularly monitored and checked;
- To ensure that appropriate mechanisms are in place to keep relevant staff aware of the Council's data quality requirements and provide suitable training.

3. Data Quality Characteristics

The Council is committed to achieving the six basic characteristics of good data quality as defined by the Audit Commission in their publication, "Improving information to support decision making: standards for better quality data". They are:

Accurate – Data should be sufficiently accurate for its intended purpose.

Valid – Data should be recorded and used in compliance with relevant requirements, including the correct application of any rules or definitions. This will ensure consistency between periods and with similar organisations.

Reliable – Data should reflect stable and consistent data collection processes across collection points and over time, to increase confidence that progress towards performance targets reflects real changes rather than variations in data collection approaches or methods.

Timely – Data should be captured as quickly as possible after the event or activity and must be available for the intended use within a reasonable time period. This ensures decisions can be made on up-to-date information rather than data that is out of date.

Relevant – Data captured should be relevant to the purpose for which it is used.

Complete – Data requirements should be clearly specified based on the information needs of the body and data collection processes matched to these requirements. Monitoring missing, incomplete or invalid records can provide an indication of data quality and can also point to problems in the recording of certain data items.

4. Purpose and Rationale

As previously stated good quality, accurate and timely data is essential in the provision of reliable performance and financial information to support decision making at all levels. It is the purpose of this policy to set out what is expected from officers across the Council to ensure that this process is embedded across all services and it is a key consideration in the collecting, processing and using of data to support decision making.

While assurance about the quality of data can be obtained by testing the data itself, testing all data to obtain assurance is impractical and costly. Furthermore, the results of testing smaller samples can provide only a snapshot of the quality of a small amount of data at a specified point in time. Therefore the Council will continue to focus on improving and maintaining arrangements to manage the collection and reporting of data, rather than relying solely on data checks.

However, it should be noted that it is not possible to apply a universal process covering the collection and collation of performance data as each measure is subject to its own method of counting. Rather, by following a common framework, including the principles of accurate data collection and collation, there will be an increased confidence in the quality of performance data used.

This policy supports the Council's vision by making sure that accurate and trustworthy data is used in the decision-making, resource allocation and planning process. It will also provide clear guidance to relevant staff for putting in place appropriate controls and other mechanisms aimed at checking and validating data that is produced for performance management purposes.

5. Scope of the policy

All Council employees potentially play a role in ensuring data quality but it is recognised that certain individuals and groups are key to this process. These include:

- Corporate Management Team, ~~Corporate Management Team Support Group~~ and the Departmental Management Teams (CMTSG/CMT/DMTs)
- Heads of Service/Service Managers
- Performance and Partnerships Team (Corporate Performance Team)
- Performance Indicator (PI) Co-ordinators (Departmental Performance Teams)
- PI Responsible Officers

The responsibilities of these groups are set out in Appendix A.

Elected Members also play a role in data quality. The Finance and Policy Committee has overall responsibility for performance management, which includes data quality, within its remit. Other elected members are primarily consumers of performance information.

The Audit and Governance Committee will continue to consider the Annual Audit letter from the Audit Commission on an annual basis.

The policy is relevant to quantitative data used to monitor and report (both internally and externally) on the performance of Council services including those delivered through partnerships and by contractors. This includes information gathered through surveys.

6. Policy Standards

The policy requires that:

- The Data Quality Policy and associated supporting information is reviewed regularly and any changes required are implemented;
- Any necessary data quality action plans are developed and updated as required;

- A list of the officers and members with responsibility for the implementation of the Data Quality Policy is kept up to date;
- Key people/groups within the scope of the policy are briefed and provided with relevant information ;
- Internal testing of data quality arrangements will be completed at least annually;
- The lead elected member for data quality will be kept informed of data quality issues as appropriate.

7. Roles and Responsibilities

A summary of the role and responsibilities in respect of Data Quality can be found at Appendix A.

The Finance and Policy Committee has overall responsibility for performance management which includes responsibility for data quality. The lead elected member for data quality is the Chair of the Finance and Policy Committee.

The overall corporate responsibility in relation to data quality and performance management rests with the Assistant Chief Executive (ACE) and the Performance and Partnerships Team. ~~The Corporate Management Team Support Group (CMT SG) Corporate Management Team Corporate Management Team (CMT)~~ supports the ACE in ensuring that the objectives of this Policy are applied in their departments.

Day-to-day responsibility for corporate aspects of data quality and performance management is delegated to the Performance and Partnerships Manager, who considers issues relating to performance and data quality and where necessary reports significant issues to the Assistant Chief Executive and CMT ~~support group~~.

Departments have day-to-day responsibility through their own management procedures for data quality and performance management within the departments and their own performance information.

Within departments responsibility rests with Departmental Management Teams and Service Managers. Each department has appointed PI Coordinator(s) to oversee performance indicator management arrangements.

- Chief Executive's – ~~Catherine Grimwood, Richard Starrs and Kerry Trenchard~~
- Child and Adult Services – Kay Forgie and Trevor Smith
- Regeneration and Neighbourhoods – Steve Russell
- Public Health – Michelle Chester

Service Managers are responsible for the complete, timely and accurate reporting of data in their area of activity. They are also responsible for

ensuring that staff are aware of their responsibilities in this area and are provided with an appropriate level of training and guidance.

PI Responsible officers (Assignees in the Council's Performance Management System, Covalent) are identified for each PI included in Covalent regardless of whether this is monitored corporately, departmentally or in individual teams. For each indicator they are responsible for data collection, data quality and where required, target setting. It is recommended that all PIs monitored within the Council's Performance Management System, Covalent, should have all necessary up to date data quality information (See Appendix B). However, there are a large number of indicators held within the system so emphasis will be given to those indicators identified in the Council Plan.

As each year the indicators contained in the Departmental Plans Council Plan are reviewed it is a requirement that all the data quality information for all indicators included in the plans is up to date and any missing or out of date information is input into Covalent asap.

Actions, PIs and risks in relation to performance management are identified in the Council Plan. This encompasses arrangements for PI data quality, demonstrating the authority's commitment to ensuring robust but appropriate arrangements are in place. Progress is managed by the Assistant Chief Executive and monitored by the Council's Corporate Management Team and the Finance and Policy Committee as part of quarterly performance reports.

Communications

Communication regarding data quality is primarily through the Performance and Risk Management Officer Group via regular meetings and email and phone contacts. Arrangements are in place with the Assistant Chief Executive to escalate any relevant issues for consideration at Director/Assistant Director level - ensuring an appropriate commitment to PI data quality at an operational level but also providing the opportunity to deal effectively at a senior level with other issues should the need arise.

PI coordinators (who also attend Performance and Risk Management Officer Group) have responsibility for cascading information to PI responsible officers (assignees in Covalent) within their departments or divisions.

Internal Audit

Performance Indicators and data quality is reviewed by Internal Audit as part of their annual coverage. Any risks identified in the performance of individual audits will be distributed to Performance and Partnerships Team, Service Managers and PI Responsible Officers (assignees in Covalent) for the development of appropriate action plans.

8. Monitoring Data Quality

The corporate framework for monitoring data quality includes the following: -
(Lead responsibility shown in bold).

- PI challenge prior to reporting. This includes the assessment of annual PI outturns and follow-up of queries. Examples of these quality checks have included robustness of base data, calculation methods compared to definition etc. – **Departments/Performance and Partnerships Team**
- Clear roles and responsibilities for Performance and Partnerships Team, PI Coordinators and PI responsible officers in relation to PIs are established (see above). These have been communicated to all parties via the Performance and Risk Management Officer Group - **Performance and Partnerships Team**
- **Departments** are required to ensure that all data quality fields within Covalent have been completed including procedure notes and definitions. This information can be assessed as part of Internal Audit PI reviews to ensure that practice and data reflect procedures notes and definitions. Essentially what auditors want to see is all the relevant information brought together in one location and available to all relevant staff.
- **Performance and Partnerships Team** organises and coordinates the PI collection process. This process is structured and completed using the Covalent system. All performance measures are subject to approval by the Corporate Management Team and elected members.
- Regular contact with PI coordinators is maintained through the Performance and Risk Management Officer Group to identify issues and consider improvements as required. - **Performance and Partnerships Team**
- **Performance and Partnerships Team** provides the first line of support for PI collection and for the Covalent system. In addition support is also provided via Internal Audit.
- Training of staff is the responsibility of the individual **Departments** however corporate training is provided where required. Where responsibility changes as a result of staff turnover or reorganisation then support should be provided as part of the usual induction, training and appraisal processes. It is expected that the data quality information held within Covalent will enable any new member of staff to understand how the PI is calculated and allow them to complete PI reporting.
- **Corporate reporting of PIs** - PI information collected corporately is used and reported in a number of ways including quarterly reporting to CMT and the Finance and Policy Committee.
- **Departments** undertake further reporting as they require.

APPENDIX A - Roles and responsibilities (in relation to Data Quality)

Finance and Policy Committee

- Oversee Data Quality activity across the Council;
- Agree the Data Quality Policy.

CMT/~~CMTSG~~/DMTs/Service Managers

- Provide support and show leadership to encourage use of performance information and importance of data quality.

Performance and Partnerships Team

- Organise PI collection process for all PIs throughout the year;
- Challenge PI information throughout the year through quality control checks and raise queries with Departments;
- Provide front line support for officers in relation to Performance Management and Covalent issues;
- Review Data Quality Policy.

Departmental PI Coordinators

- Help implement Data Quality Policy within Department;
- Disseminate information to PI Responsible Officers (assignees in Covalent);
- Undertake quality control checks on PIs;
- Review internal departmental controls at least annually to ensure they are working effectively;
- Co-operate with Internal Audit staff undertaking reviews;
- Follow up and monitor recommendations from Internal Audit;
- Liaise with Performance and Partnerships Team
- Coordinate review and completion of Data Quality Information in Covalent for Council Plan PIs annually.

PI responsible Officers (assignees in Covalent)

- Ensure that appropriate control measures are in place;
- Ensure latest Data Quality Information is in Covalent for all their PIs;
- Use latest definition and guidance for all their PIs;
- Maintain file(s) with all key information relating to all their PIs;
- Co-operate with Internal Audit staff on reviews;
- Act on any recommendations from Internal Audit.

Internal Audit

- Undertake reviews of PI's and data quality as part of annual coverage;
- Distribute any risks identified in individual audits to Performance and Partnerships Team, Service Managers and PI Responsible Officers;
- Use latest definition and guidance when assessing Data Quality;

APPENDIX B - Data Quality required in Covalent

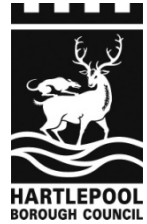
The template below sets out the Data Quality information that should be held in Covalent for each PI. As a minimum this information must be held for all PIs included in the Council Plan, and Departmental PI Co-ordinators are required to ensure that all Council Plan PIs have up to date Data Quality information included in Covalent.

The Responsible Officer (assignee) is responsible for ensuring that this information is entered into Covalent and also that it is kept up to date.

Data Quality Information	What is Required
PI definition	It should be clear what the indicator is measuring. A clear definition should be given, ensuring no ambiguity or room for interpretation.
Rationale for PI	This should be a short statement explaining why the indicator is needed and how it will be used.
Other organisations involved in the collection of the data	Any other organisations that are involved at any point of the PI process should be named, and the steps that must be taken to ensure data quality should be identified.
PI process	A description of how the PI is calculated. This should include any formulas, any calculations that need to be carried out and where data is sourced. Every calculation should be included and no assumptions of knowledge should be made – explanations should be provided on where or how data has been obtained, and what needs to be done to the raw data so it can be included in the calculations.
PI data quality controls	Details on what control measures are in place to ensure the data and information is of an appropriate standard and that management understand who is involved and the steps required to ensure data quality is appropriate. This should include any checks made on how data is collected, recorded and/or transferred so that assurances can be placed on the data that is being used in the outturn calculations.
Location of data	Information as to where the raw data is stored should be provided.

AUDIT AND GOVERNANCE COMMITTEE

5 March 2015



Report of: Corporate Management Team

Subject: Risk Management Framework Review

1. PURPOSE OF REPORT

- 1.1 To provide Members with a copy of the Risk Management Framework which has been updated as part of an annual review to reflect the new committee system.

2. BACKGROUND

- 2.1 The Council has a responsibility to put in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources; ensure proper stewardship and governance; and review regularly the adequacy and effectiveness of these arrangements. In order to do this the Council must manage risks and maintain a sound system of internal control.
- 2.2 The Risk Management Framework sets out how this will be done along with the roles and responsibilities of officers and elected members across the authority to help ensure the process is embedded into the services the Council provides.
- 2.3 The main content of the policy has not changed significantly but the roles and responsibilities have been updated to reflect current arrangements including the role of the Finance & Policy Committee and its Chair in relation to Risk Management. The updated Framework is set out in Appendix 1.

3. RISK MANAGEMENT FRAMEWORK

- 3.1 The framework outlines the strategic risk process across the authority and details that since Spring 2011 (Reviewed in March 2013) the Council has had an actively managed register and an accepted risk register. These registers contain various levels of strategic risks that are monitored on a regular basis and reported to senior managers and elected members when appropriate. The framework also sets out the Council's tolerance level for risk which allows the Council to focus on those strategic risks which need to be addressed either by reducing the impact or the likelihood or need to be monitored more frequently.

- 3.2 There are other functions and activities of the Council that also contribute to the Council's approach for managing risks and have a role within the Risk Management Framework. These are detailed within the framework attached as appendix 1.
- 3.3 Currently the policy is reviewed and agreed by Members on an annual basis. However, this policy is now well developed and embedded within all departments and the annual review for the past few years has only suggested minor amendments. Therefore it is proposed that the Risk Management Framework is reviewed by Committee on a 3 yearly basis. On an annual basis the policy will be reviewed and approved by the Assistant Chief Executive and if during these annual reviews any major amendments are required it will be brought back to Committee for approval.

4. RECOMMENDATIONS

- 4.1 That the Audit Committee notes the updated Risk Management Framework that aims to further embed risk management across the Council. If there are no amendments to the Policy the track changes will be removed and the Policy will be embedded across the Council.
- 4.2 Audit and Governance Committee is requested to agree that the policy be reviewed by Committee on a three yearly basis unless any major amendments are required in the interim.

5. REASONS FOR RECOMMENDATIONS

- 5.1 Risk management falls within the remit of the Audit and Governance Committee.

6. BACKGROUND PAPERS

- 6.1 There are no background papers.

7. CONTACT OFFICER

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Hartlepool Borough Council

Risk Management Framework

March 2015



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1. Introduction

The Council has a responsibility to put in place proper arrangements to:

- secure economy, efficiency and effectiveness in their use of resources;
- ensure proper stewardship and governance; and
- review regularly the adequacy and effectiveness of these arrangements.

Proper arrangements include corporate performance management and financial management arrangements that form a key part of the system of internal control. These comprise the arrangements for:

- planning finances effectively to deliver strategic priorities and secure sound financial health;
- having a sound understanding of costs and performance and achieving efficiencies in activities;
- reliable and timely financial reporting that meets the needs of internal users, stakeholders and local people;
- commissioning and procuring quality services and supplies that are tailored to local needs and deliver sustainable outcomes and value for money;
- producing relevant and reliable data and information to support decision making and manage performance;
- promoting and demonstrating the principles and values of good governance;
- **managing risks and maintaining a sound system of internal control;**
- making effective use of natural resources;
- managing assets effectively to help deliver strategic priorities and service needs; and
- planning, organising and developing the workforce effectively to support the achievement of strategic priorities.

The purpose of risk management is NOT to eliminate all risk. It is about gaining a better understanding of nature and scale of risks that could impact on service delivery and outcomes and then taking actions to reduce any negative results of risks or maximise any positives that may arise from an activity.

Effective risk management requires that a balance be struck between two extremes:

- Too little control or ignorance of risk resulting in the organisation being exposed to a damaging level of loss, unnecessary waste and being ill-prepared for events that may take it by surprise;
- Too much control or obsession with risk stifles innovation and creativity, will result in lost opportunities and over-investing in control measures that bring no additional cost benefit.

2. The Risk Management Process

Since Spring 2011 the Council has had two Risk Registers:

- Actively Managed Risk Register
- Accepted Risk Register

These registers contain various levels of strategic risks that are monitored on a regular basis and reported to senior managers and elected members when appropriate. The framework by which this is achieved is described below.

3. Risk Management Framework

~~To make certain all requirements are met Hartlepool Borough Council has a risk process that ensures the systematic identification, analysis and control of significant risks arising out of activities relating to the desired outcomes set out in Council plans. The Council maintains two risk registers: an Accepted Risk Register and an Actively Managed Risk Register within which each department details the risks they are responsible for. The Council recognises that the purpose is not to remove all risks (this is neither possible nor, in many cases, desirable), rather it is to ensure that potential 'losses' are prevented or minimised and that 'benefits' are maximised.~~

To make certain all requirements are met Hartlepool Borough Council has a risk process that ensures the systematic identification, analysis and control of significant strategic risks arising out of activities relating to the desired outcomes set out in Council plans. The Council maintains two risk registers: an Accepted Risk Register and an Actively Managed Risk Register within which each department details the strategic risks they are responsible for. The Council recognises that the purpose is not to remove all risks (this is neither possible nor, in many cases, desirable), rather it is to ensure that potential 'losses' are prevented or minimised and that 'benefits' are maximised. It should be noted that the Risk Management Framework covers only Strategic Risk and not Health and Safety Risks. Health and Safety Risks have their own process and framework however there is of course a link between the two to ensure that all risks are monitored within one process or the other.

4. The Council's Risk Tolerance

Any organisation has neither the resources nor the capacity to eliminate all risks nor would any organisation want to. The framework sets a tolerance level which allows the Council to focus on those risks which are to be addressed either by reducing the impact or the likelihood or need to be monitored on a frequent basis.

Therefore the Council's Risk Tolerance is an indication of the level of risk that the Council is prepared to accept i.e. the maximum risk that can be taken before formally considering whether further action to control the risk is required.

For example if a strategic risk is within the Council's risk tolerance (i.e. below risk rating 8) the Council may decide only to undertake minimum monitoring of the risk for any change. However if the risk exceeds the Council's risk tolerance the Council may decide to take further action and allocate resources to help reduce the likelihood or impact. Finally if the strategic risk is well within the councils risk tolerance we may decide we have a greater appetite for risk and relax some controls thus saving on resources.

The Tolerance Line is meant as a guide and not set in stone. This will allow strategic risks to move freely between the risk registers as per each individual situation dictates.

The Council Tolerance Line has been agreed as per Diagram A below.

Diagram A – Risk Matrix with Tolerance Line

		IMPACT			
LIKELIHOOD		1	2	3	4
		Low	Medium	High	Extreme
Almost certain	4	AMBER 4	RED 8	RED 12	RED 16
Likely	3	GREEN 3	AMBER 6	RED 9	RED 12
Possible	2	GREEN 2	AMBER 4	AMBER 6	RED 8
Unlikely	1	GREEN 1	GREEN 2	GREEN 3	AMBER 4

5. Accepted Risk Register

Strategic risks included in this register will have been identified and evaluated with control measures. (see Diagram A 'Risk Matrix with Tolerance Line').

There are a number of different types of strategic risks that may feature in the accepted risk register:

- a) Strategic risks that are below the tolerance line and therefore accepted;
- b) Strategic risks that are above the line and a decision has been taken that the risk is beyond further control by the Council and introducing further controls would not significantly change either the impact of the risk or the likelihood of the risk occurring;
- c) Strategic risks that are above the tolerance line and a decision has been taken that introducing further controls, even if they would change the impact of the risk or the likelihood of the risk occurring, is not appropriate. This could be due to budget, time or resource constraints.

Due to the nature of these strategic risks they do not require close/formal monitoring throughout the year (unless they are included in the Council Plan

and change through the year). However these strategic risks need to be highlighted as risks to the Council and delivering services. Nevertheless, throughout the year managers responsible for these strategic risks should:

- ensure that existing control measures are operating effectively as part of their day to day management arrangements;
- be alert to opportunities for introducing effective control measures where necessary;
- be alert to changes in the impact or likelihood of the risk occurring and therefore the need to reevaluate the risk.

Departments will formally review the evaluation of the strategic risks on the Accepted Risk Register on a regular basis (at least once every 12 months during the annual service planning process) and review the adequacy of control measures currently in place. This review is reported to Departmental Management Teams for information

At any point through the year strategic risks can be amended, added to or removed from the Accepted Risk Register by the Department as required. Risks can move between the Accepted and Actively Managed registers at any time and not just at times of review.

6. Actively Managed Risk Register

The strategic risks within this register will be of a significant nature whether that be due to the impact or likelihood (or both) of the risk (Diagram A Risk Matrix with Tolerance line). It is expected that there would be a relatively small number of strategic risks within this register that will be monitored on a quarterly basis. This monitoring will include reporting progress on the implementation of additional control measures and thereby reducing the level of risk.

Again there are a number of different types of strategic risks that could be included in this register:

- a) Strategic risks that are above the tolerance line where additional control measures could be effective and economical in reducing either the impact of the risk or the likelihood of the risk occurring.
- b) Strategic risks that are below the tolerance line but a decision has been taken that it is necessary to highlight and monitor the risk through departmental management teams

| Strategic risks can be amended, added to or de-escalated to the Actively Managed Risk Register as required through out the year in order to ensure that all significant risks that may impact on the Council's overall defined outcomes and service areas are monitored regularly.

7. Risk Monitoring and Reporting

Strategic risks identified in the Council Plan will be monitored for change within the Performance Management Framework through the Quarterly Performance report that is produced for CMT and Finance and Policy Committee. Strategic risks on the Actively Managed Risk Register will be reviewed quarterly. Strategic risks on the Accepted Risk Register will be reviewed on an annual basis as a minimum with this review being reported to the departmental management teams.

Embedding risk management within the service planning process of the Council will help make it become part of the everyday achievement of objectives and service delivery.

Developing arrangements to assess the performance and delivery of risk management will be done on an ongoing basis through the Performance and Risk Management Officer Group.

8. Risk Management across the Council

Other functions and activities of the Council also contribute to the Council's approach for managing risks and have a role within the Risk Management Framework. These are detailed below with a short description of their contribution to the Framework.

8.1 Internal Audit

Internal Audit's role in risk management will be to provide independent assurance that:

- The risk management processes that management has put in place within the authority (covering all risk management processes at corporate, divisional, business unit, business process level, etc) are operating as intended.
- These risk management processes are of sound design.
- A sound framework of controls is in place to sufficiently mitigate those risks to an acceptable level.

Once Internal Audit have gained an understanding of the environment in which it operates it then uses its own audit risk matrix to assess all the elements of operation undertaken in order to determine where assurance needs to be given. An action plan is agreed to ensure that assurance is maintained into the future.

Internal Audit helps the Council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Internal Audit will evaluate the effectiveness of risk management processes by determining;

- Significant risks are identified and assessed.
- Appropriate risk responses are selected that align risks with the Council's risk appetite.

- Relevant risk information is captured and communicated in a timely manner across the Council, thus enabling staff, management and members to carry out their responsibilities.

Internal Audit will evaluate the risks relating to the Council's governance, operations and information systems regarding the;

- Achievement of the Council's strategic objectives.
- The reliability and integrity of financial and operational information.
- The effectiveness and efficiency of operations and programmes.
- Safeguarding assets.
- Compliance with laws, regulations, policies, procedures and contracts.

8.2 Audit and Governance Committee

The role of the committee in relation to risk is to:

- Consider the overall effectiveness of the Council's corporate risk management arrangements and seeks assurances that action is being taken on risk related issues identified by internal and external.

8.3 Financial Risk Management

Identification and management of risk is a key part of the Council's budget monitoring process. It highlights areas that need to be closely monitored and ensures that departments manage budgets and service delivery within the overall resource allocation. The Council's Financial Management Framework enables departments to establish reserves for significant risks and to carry forward under and over spends between financial years.

8.4 Health and Safety

Hartlepool Borough Council recognises and accepts the financial and legal responsibilities and duties which it has for the health, safety and welfare of its employees and others affected by the activities of the Council. In order to fulfil these responsibilities the Council aims to continually improve health and safety performance by promoting healthy working and minimising where practicable the risk to people's health and welfare which may be affected by the activities of the Council.

As part of this commitment managers are expected to undertake suitable and appropriate risk assessments in relation to their areas of responsibility and ensure that suitable control measures are put in place where necessary to reduce risks to the health, safety and welfare of people who work on behalf of, or are affected by the activities, of the Council

The purpose of the Health and Safety Risk Management policy is to describe the Council's approach to minimising where practicable the risk to people's

health, safety and welfare which may be affected by the activities of the Council and the arrangements for dealing with such matters.

8.5 Business Continuity (including ICT Disaster Recovery)

Business Continuity is an important constituent of 'Risk Management' – the overall process by which risks are identified, evaluated and controlled, but more importantly should be recognised as an integral and fundamental aspect of the governance arrangements of the Council.

Business Continuity is a planned process aimed at managing and mitigating the varied operational risks inherent in the day-to-day activities involved in delivering services. The main purpose is to ensure the restoration and maintenance of priority services and activities following an unexpected disruption to normal working arrangements.

The Business Continuity Plan provides a management framework for dealing with events that lead to unexpected disruption. It provides a clear organisational response – combined with pro-active measures, to reduce interruption and avoid losses. Such measures will include systems for activating the response and recovery to the interruption of operations and coordinating the actions of staff. It is the continuity plan and staff who provide the primary defence in ensuring an organised and effective return to normality with minimal impacts on the community.

8.6 Insurance

The Risk Framework also links to the Insurance Strategy which determines those risks where it is appropriate and normal business practice to arrange insurance cover to mitigate the financial impact of the risk occurring, such as property and vehicle insurance.

AUDIT AND GOVERNANCE COMMITTEE

5 March 2015



Report of: Director of Child and Adult Services

Subject: YOUTH JUSTICE STRATEGIC PLAN 2015-2016

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Budget and Policy Framework.

2. PURPOSE OF REPORT

2.1 The purpose of this report is to provide the Audit and Governance Committee with an update on the progress made against the local Youth Justice Plan (2014-2015) and provide the committee with an opportunity to support the development of the Youth Justice Plan for 2015-2016.

3. BACKGROUND

3.1 The national Youth Justice System primarily exists to ensure that children and young people between the age of 10 and 17 do not engage in offending or re-offending behaviour and to ensure that where a young person is arrested and charged with a criminal offence, they are dealt with differently to adult offenders to reflect their particular welfare needs as children.

3.2 Local Youth Offending Services were established under the Crime and Disorder Act 1998 to develop, deliver, commission and coordinate the provision of youth justice services within each Local Authority.

3.3 Hartlepool Youth Offending Service was established in April 2000 and is responsible for youth justice services locally. It is a multi-agency service and is made up of representatives from the Council's Children's Services, Police, Probation, Health, Education, Community Safety and the voluntary/community sector.

3.4 The primary functions of Youth Offending Services are to ensure that:

- Strategies and services are in place locally to prevent children and young people from becoming involved in crime or anti-social behaviour.

- Out-of-court disposals deliver targeted interventions for those at risk of further offending.
 - Assistance is provided to the Police when determining whether Cautions should be given.
 - All children and young people entering the youth justice system benefit from a structured needs assessment to identify risk and protective factors associated with offending behaviour to inform effective intervention.
 - Comprehensive bail and remand management services are in place locally for children and young person's remanded or committed on bail while awaiting trial or sentence.
 - Courts and youth offender panels are provided with high quality reports that enable sentences to make informed decisions regarding sentencing.
 - Services provided to courts are of a high quality and that magistrates and the judiciary have confidence in the supervision of children and young people who are subject to orders.
 - Court orders are managed in such a way that they support the primary aim of the youth justice system, which is to prevent offending, and that they have regard to the welfare of the child or young person.
 - The needs and risks of young people sentenced to custodial orders (including long-term custodial orders) are addressed effectively to enable effective resettlement and management of risk.
 - Restorative justice approaches are used, where appropriate, with victims of crime and that restorative justice is central to work undertaken with young people who offend.
 - Those receiving youth justice services are treated fairly regardless of race, language, gender, religion, sexual orientation, disability or any other factor, and actions are put in place to address unfairness where it is identified.
- 3.5 There is a statutory requirement for all Youth Offending Services to annually prepare, as part of the local business planning cycle, a local Youth Justice Plan for submission to the national Youth Justice Board.
- 3.6 The annual Youth Justice Plan provides an overview of how the Youth Offending Service, the Youth Offending Service Strategic Management Board and wider partnership will ensure that the service has sufficient resources and infrastructure to deliver youth justice services in its area in

line with the requirements of the *National Standards for Youth Justice Services* to:

- promote performance improvement
- shape youth justice system improvement
- improve outcomes for young people, victims and the broader community

4. 2014-2015 PERFORMANCE

- 4.1 A review of progress made against last year's plan highlights that the service has made progress across the majority of the year's priorities; but there remains key areas for improvement that will need to be driven forward in the coming year:

2014-2015 Priority	Progress	Comments
Early Intervention and Prevention – sustain the reduction of first time entrants to the youth justice system by ensuring that their remain strategies and services in place locally to prevent children and young people from becoming involved in crime and anti-social behaviour	Green	Data thus far suggests that the service and broader partnership is again set to reduce the number of first time entrants into the Youth Justice System over 2014-2015. As of February 2015 there have been 30 young people in comparison to 52. Partnership arrangements with Cleveland Police remain effective in relation to the diversion of young people from the Youth Justice System through the delivery of pre-court disposals.
Re-offending - reduce further offending by young people who have committed crime		The way this performance indicator is measured has been changed nationally which has made direct

	Amber	<p>comparisons with historical performance difficult.</p> <p>Data thus far suggests that there will be an increase in the percentage of young people who go onto re-offend in comparison to 2013/2014. As of September 2014 there have been 61 young people who re-offended in comparison to 60.</p> <p>Data thus far suggests that we will see little change in the rate of re-offending across the cohort of young offenders in comparison to 2013/2014.</p>
<p>Remand and Custody – demonstrate that there are robust and comprehensive alternatives in place to support reductions in the use of remands and custody.</p>	Amber	<p>Data thus far suggests that we have seen a decrease in the number of remand episodes in comparison to 2013/2014 (5 in comparison to 10 so far)</p> <p>Data thus far indicates that we have seen an increase in the number of young people sentenced to custodial sentences in comparison to 2013/2014 (4 in comparison to 1 so far)</p> <p>Data thus far indicates that the number of breaches of community based orders is scheduled to decrease in comparison to</p>

		2013/2014. As of February 2015 there have been 35 breaches in comparison to 42.
Restorative Justice – ensure all victims of youth crime have the opportunity to participate in restorative justice approaches and restorative justice is central to work undertaken with young people who offend.	Green	<p>All victims of youth crime continue to be provided with the opportunity to participate in restorative justice approaches and restorative justice remains central to work undertaken with young people who offend - 77% of contactable victims (53 out of 77) have thus far chosen to engage in a restorative process in comparison to 76% in 2013-2014.</p> <p>Victims continue to report high levels of satisfaction in relation Restorative Justice activities – 100% so far reporting that they are very satisfied or satisfied in comparison to 98% in 2013-2014).</p>
Risk and Vulnerability – ensure all children and young people entering or at risk of entering the youth justice system benefit from a structured needs assessment to identify risk and vulnerability to inform effective intervention and risk management.	Green	Risk and vulnerability arrangements continue to benefit from regular audit activity to ensure that all young people entering or at risk of entering the youth justice system benefit from a structured needs assessment to identify risk and vulnerability to inform effective intervention and risk management.
Think Family – embed a whole family approach to better understand the true impact of families in		Whilst significant progress has been made in relation to this priority, systems and

our communities and improve our understanding of the difficulties faced by all members of the family and how this can contribute to anti-social and offending behaviour.	Amber	practice are not yet embedded and the service will need to ensure that it remains fully involved in local 'Troubled Families' developments in the coming year as services are reorganised.
Maintain Standards – work undertaken by the YOS remains effective and achieves individual, team, service, community and national aims and objectives.	Green	<p>Self audit (verified by the national Youth Justice Board) in 2013-2014 indicates that Hartlepool YOS is meeting national standards relating to:</p> <ul style="list-style-type: none"> • Assessment for interventions and reports • Planning and delivering interventions in custody and resettlement into the community (including Civil Detention Orders). <p>And is meeting national standards with recommendations for improvements identified relating to:</p> <ul style="list-style-type: none"> • Planning and delivering interventions in the community
Effective Governance – ensure that the Youth Offending Strategic Management Board remains a well		The Youth Offending Strategic Management Board continues to be a well constituted, committed and

constituted, committed and knowledgeable Board which scrutinises Youth Offending Service performance.	Green	knowledgeable Board which scrutinises Youth Offending Service performance. It is prudent that the board's membership is reviewed to reflect the reorganisation activities that have and are taking place internally and across partner organisations.
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5. KEY CHALLENGES GOING FORWARD

Re-offending

- 5.1 Analysis highlights that whilst around 40% of young offenders go on to further offend, a significant proportion of the crimes committed by local young people is due to the activities of a small number of persistent offenders who repeat offend; often in line with broader lifestyle choices relating to substance misuse and the need to generate income to maintain substance misuse levels.
- 5.2 This cohort of persistent young offenders are predominantly young men who are aged between 15 and 17 years and reside within Hartlepool's most deprived neighbourhoods. These young people are often the most socially excluded and often have complex and deep rooted health and social problems such as:
- Higher than average mental health needs;
 - Higher levels of drug and alcohol use than for the general population and in particular 'heavy cannabis use';
 - Low educational attachment, attendance and attainment;
 - Significantly greater difficult in learning than the majority of their peers of the same age;
 - Having family members or friends who offend;
 - Higher than average levels of loss, bereavement, abuse and violence experienced within the family; and
 - A history of family disruption.

- 5.3 Developing practice in line with the lessons learned via the local ‘Think Families – Think Communities’ initiative will be key to supporting a greater understanding of these underlying issues and addressing them in a holistic and coordinated way to provide “pathways out of offending”, reduce crime and break the cycle of offending behaviour across generations in the coming year.

Resources

- 5.4 Adequate resourcing and the appropriate use of resources underpin the ability of the Youth Offending Service to deliver high quality services. The Youth Offending Service budget is made up of a central grant from the national Youth Justice Board and contributions from statutory partners (Health, HBC, Police and Probation).
- 5.5 Funding levels from the national Youth Justice Board for 2015-2016 have not yet been confirmed although reductions in funding are anticipated due to broader national austerity measures. Alongside this it is anticipated that contributions from some statutory partners will reduce in light of significant reductions in their own funding arrangements. As a consequence it is anticipated at this stage that the overall budget for the Youth Offending Service will be less than 2014-2015.

Secure Remand Costs

- 5.6 The service continues to contend with the financial risks inherent in remand costs following the decision to transfer financial responsibility to Local Authorities for the funding of all remands to Youth Detention Accommodation (A secure Children’s Home; a Secure Training Centre; a Young Offender Institution) following the passing of Legal Aid, Sentencing and Punishment of Offenders (LASPO) Act in 2012.
- 5.7 In 2013 – 2014 Hartlepool young people incurred a total of **115 remand days** at an approximate combined cost of **£77,000** which at this stage represents an estimated **£27,000** overspend against the monies allocated to Hartlepool.
- 5.8 The financial pressure lies in:
- a) The unpredictability of a youth from Hartlepool being charged with a serious offence which then runs for several months whilst waiting to be dealt with in Crown Court. This could result in a lengthy period on remand for the young person.
 - b) The desire to advocate for secure arrangements that are commensurate with the young person’s needs.
- 5.9 It is anticipated that this budget will overspend again in 2014-2015 due to prolonged remand arrangements associated with high gravity alleged offences. It will be essential that the service can demonstrate to magistrates

going forward that there are robust and comprehensive alternatives in place to support reductions in the use of remands, where appropriate, in 2015-2016.

6. PRIORITIES FOR 2015-2016

6.1 This initial review would suggest that the service and broader youth justice partnership will need to establish further improvement activities relating to:

- Sustaining the reduction of first time entrants to the youth justice system;
- Reducing further offending by young people who have committed crime;
- Demonstrating that there are robust alternatives in place to support reductions in the use of remands to custody whilst awaiting trial/sentencing;
- Ensuring that standards are maintained and improvement activities identified through the use of regular self audit activity;
- Embedding a whole family approach and improving our understanding of the difficulties faced by all members of the family and how this can contribute to anti-social and offending behaviour.;
- Ensuring the Youth Offending Strategic Management Board continues to be a well constituted, committed and knowledgeable Board which scrutinises Youth Offending Service performance.

6.2 Further scheduled planning and consultation activities will support the development of these priorities in the coming month. This will draw upon the appraisal of the Youth Justice Boards Regional Partnership Manager, self audit activities, the local Youth Offending Service Strategic Management Board alongside the views and opinions of service users, staff and key partners.

6.3 Alongside the above, the development of the plan will also incorporate recommendations from the Safer Hartlepool Partnership Executive Group and the 'Face the Public' event as well as last year's scrutiny investigation into re-offending in Hartlepool. Further to this, the plan will acknowledge the role of the Youth Offending Service in taking forward the priorities of the Cleveland Police and Crime Commissioner.

7. RECOMMENDATIONS

7.1 Audit and Governance Committee is requested to note the progress made against the local Youth Justice Plan (2014-2015) and provide comments to support the development of the Youth Justice Plan for 2015-2016.

8. REASONS FOR RECOMMENDATIONS

- 8.1 The development of the Youth Justice plan for 2015-2016 and the comments of the Children's Services Committee will provide the local youth justice partnership with a clear steer to bring about further reductions in youth offending and contribute to the broader community safety agenda.
- 8.2 The local Youth Justice Strategic Plan for 2015–2016 will establish responsibility across the Youth Offending Service and the Youth Offending Strategic Board for taking each improvement activity forward within agreed timescales.

9. BACKGROUND PAPERS

- 9.1 The following background papers were used in the preparation of this report:
- 9.2 The Youth Justice Boards: Youth Justice Performance Improvement Framework (Guidance for Youth Justice Board English Regions available at: <http://www.justice.gov.uk>)

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