Report

Report to:	**Housing and Technical Resources Committee**
Date of Meeting:	**13 November 2019**
Report by:	**Executive Director (Housing and Technical Resources)**

Subject:	**Update of the Housing and Technical Resources Risk Register and Risk Control Plan**

1. Purpose of Report

1.1. The purpose of the report is to:-

♦ provide an update to Committee on the Risk Register and Risk Control actions for Housing and Technical Resources

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

(1) that the contents of the Resource Risk Register, be noted; and

(2) that risk control actions will continue to be progressed by relevant officers, be noted.

3. Background

3.1. The Council's Risk Management Strategy promotes consideration of risk in service delivery, planning and decision making processes. The strategy requires Resources to record and review risks and control actions regularly. Housing and Technical Resources follow the guidance in developing, monitoring and updating the risk register on an ongoing basis.

3.2. The purpose of the register is to ensure that the Resource is fully aware of its top risks; that these risks are prioritised; and that controls are in place to eliminate or minimise the impact of the risks.

3.3. The Resource scores the risks in accordance with the Council scoring mechanism, based on likelihood and impact. This results in risks being scored between one and nine (low – high).

3.4. Risks are scored on their inherent score (risk if we do nothing) and their residual risk (risk after applying controls).

3.5. The last update of the Housing and Technical Resources Risk Register was reported to the Housing and Technical Resources Committee on 23 January 2019.

3.6. The Council's top risk register and risk control plan has been reviewed. This work was completed in July 2019.

3.7.   The Central Risk Management team, within Finance and Corporate Resources, annually review Resource compliance with the Risk Management Strategy. The outcome of the 2018/2019 review identified that Housing and Technical Resources achieved 100% compliance, scoring 42 out of a possible 42.

4.   Resource Risk Management

4.1.   Each Resource has a Resource Risk Management Group which has responsibility for the promotion and management of risk. The Housing and Technical Resources Risk Management Group continues to meet on a quarterly basis.

4.2.   The work of the group over the last year has focused on the review and update of the Resource Risk Register, and ensuring that the register reflects the Council Plan, Resource Plan and individual Service Plans.

5.   Risk Register

5.1.   Work has been completed by the Resource Risk Management Group to finalise the review of the Housing and Technical Resources Risk Register. The review gave consideration to risks at a service level, as well as strategic Council risks.

5.2.   The Resource Risk Register is monitored on an ongoing basis to allow new risks to be added and for the control measures and scores of the existing risks to be reviewed in light of new information.

5.3.   Risks can result from internal or external influences, with examples being the impact of projected funding cuts or legislative changes or the impact of internal service changes.

5.4.   The development process for the Resource Plan requires that a risk assessment is undertaken and where required, identifies actions within the Resource Plan that required to have a corresponding risk identified within the risk register.

5.5.   The main changes to the risk register are summarised below:-

5.5.1 A number of risks have been amended in the Resource Risk Register which impact on Housing and Technical Resources:-

  ♦ Fire in Council Properties – this risk was amended to note the requirement to comply with findings from Public Inquiries
  ♦ The residual risk score for the risk 'The Council is significantly affected by the impact of the UK leaving the European Union' has been increased from seven to eight due to the perceived greater likelihood of a no deal Brexit
  ♦ The residual risk score for the risk 'Failure to achieve results and demonstrate continuous improvement, through leadership, good governance and organisational effectiveness' was reduced from four to two due to additional key control measures, including the recent positive 'Best Value Assurance Review' report which concluded that 'the Council demonstrates strong leadership, has a good approach to the way it manages its finances and has delivered improvements to many services'
  ♦ The residual score for the risk 'Failure to deliver City Deal projects and realise anticipated economic benefits' was reduced from five to two as this is a low risk for Housing and Technical Resources
  ♦ The residual score for the risk 'Failure to achieve the outcomes of the Community Plan' was reduced from seven to a five in line with the review of the Council's top risks

5.5.2. The Resource added one further risk to reflect Council and Resource priorities:-

♦ The risk associated with Failure to deliver statutory and legislative duty to deliver services that protect everybody within our communities ie Child Protection; Adult Protection and; Prevent people supporting terrorism or extremism (Counter terrorism and Security).

5.6. Risks scored seven to nine are considered to be high risks and these are monitored closely. The top risks identified for the Resource - that is those that are residually scored as being high, are attached at Appendix 1.

5.7. A clear link has been made to the Council's top risks and Resource specific implications which are noted in Appendix 1.

5.8. Risks evaluated residually as being medium or low risk will be monitored to ensure that they continue to be adequately managed.

5.9. Housing and Technical Resources are currently in the process of implementing a new Integrated Housing and Property Management System (IHPMS) and a separate Risk Register has been developed to cover the implementation process. The IHPMS risk register will be reviewed quarterly and include testing of control measures with risk scores increased/decreased as required.

6.   Insurance Hotspots

6.1. Claims are monitored on an ongoing basis and a review of previous claims was undertaken for the period 1 April 2014 to 31 December 2016, identified the following insurance hotspot areas for Housing and Technical Resources:

Class of Risk	Hotspot Identified
Property	House fires
Public liability	Slips, trips and falls
Public liability	Damage by operatives during works
Employers' liability	Incidents involving scaffolding
Employers' liability	Slips, trips and falls (winter weather)
Employers' liability	Use of Personal Protective Equipment (industrial deafness)
Motor	Reversing incidents
Motor	Incidents within Business Units

6.2. An action plan has been agreed and actions to mitigate the risk within hotspot areas are being progressed during the year with 10 of the 12 actions complete and 2 actions outstanding on progress:-

♦ Implementation of procedures and guidance developed in respect of fires in council houses, including multi-storey blocks, has been delayed to allow the outcome and recommendations following the Scottish Government's Strengthening Fire Safety for High Rise Domestic Buildings Consultation to be incorporated into the guidance

♦ In respect of slips, trips and falls, Housing and Technical Resources have been asked to consider the outcomes of a review carried out by the Council's claims handler, Gallagher Bassett, on the management of risk on footways.

6.3. Work to complete the outstanding actions will be progressed via the Risk Sponsors Group during 2019/2020.

6.4.   A fresh review of up to date claims data will be undertaken during 2019/2020 to identify any new claim trends and hotspot areas.

7.   Scope and appetite for risk
7.1.   South Lanarkshire Council aims to be risk embracing, that is it will accept a tolerable level of risk in seeking service efficiencies and in agreeing control measures.

7.2.   The level of risk facing the Council is measured both before (inherent risk) and after (residual risk) consideration of controls. The Council should never carry a high residual risk exposure as this would indicate instability but a low residual risk exposure should also be avoided as this indicates lack of innovation.

7.3.   South Lanarkshire Council's ideal risk exposure should be consistent with an acceptable tolerance of:-

♦ No more than 20 per cent of residual risks at a high level
♦ Around 40 per cent to 50 per cent of residual risks at a medium level
♦ Around 30 per cent to 40 per cent of residual risks at a low level

7.4.   Housing and Technical Resources risk exposure is detailed in Table 1 below:-

Table 1 – Housing and Technical Resources Risk Exposure

Residual risk score	Number of risks	Percentage of risks
High (7, 8 or 9)	3	11.1%
Medium (4, 5, or 6)	15	55.6%
Low (1, 2, or 3)	9	33.3%
	27	**100%**

7.5.   Table 1 shows that Housing and Technical Resources risk exposure is broadly in line with the ideal profile outlined above.

7.6.   Housing and Technical Resources has ensured that all inherent risks scored at a high level have cost effective control measures in place. Where further control measures are required, these are included within the Resource risk control plan.

8.   Risk Control Actions
8.1.   No actions were due for delivery by the Resource between April 2019 to date.

8.2.   Progress with completion of Resource Risk Control Actions is monitored on a monthly basis by the Central Risk Management team. This is also reviewed by the Resource Risk Group.

8.3.   There are currently no risk control actions due for completion during the remainder of 2019/2020. There is currently one active risk control action due for completion in 2020/2021 which relates to the increasing the supply of affordable housing and the delivery of 1000 additional properties.

9.   Major projects, partnerships or change
9.1.   Within Housing and Technical Resources one partnership has been identified which is considered to be high risk, the Community Safety Partnership (CSP).

9.2.   Appropriate risk management arrangements are in place for this high level partnership.

10.   Next steps

10.1.   The Resource Risk Management Group will continue to meet on a quarterly basis. The risk register will be reviewed on an ongoing basis by the group to ensure that risks remain valid for the appropriate Service areas and to identify new areas of risk that affect the Resource. An update report will be provided to Committee on an annual basis.

11.   Employee Implications

11.1.   Time will be required by the Resource Risk Management Group in the management of the Resource Risk Register and Risk Control Plan.

12.   Financial Implications

12.1.   During the year, if any new initiatives are identified which would help mitigate any particular risk faced by the Resource, some financial assistance may be available from the Risk Management Fund. This is managed through a bid being submitted and assessed against set criteria.

12.2.   During the current financial year, the Resource made 5 successful risk management bids for the following initiatives:-

- ♦ Integration CCTV systems (iWitness) across the existing firewall into the new virtual matrix at the Control Centre
- ♦ Installation of metal doors and screens with controlled door entry systems in hot spot areas which are vulnerable to anti-social behaviour and crime (2 bids)
- ♦ Provision of welding fume extract equipment for engineers to carry out site based electric arc welding within legislative requirements
- ♦ Renewal of individual entrance doors in multi-storey blocks where doors cannot be verified as compliant with Building Control or Fire Regulations

13.   Other implications (Including Environmental and Risk Issues)

13.1.   Failure to demonstrate that risk is actively considered and managed cannot only lead to avoidable financial loss but could also affect delivery of services and could affect the Resources' reputation.

13.2.   There are no implications for sustainability in terms of the information contained in this report.

13.3.   The content of this report will contribute to the evidence to support the requirements of the Annual Assurance Statement.

14.   Equality Impact Assessment and Consultation Arrangements

14.1.   This report does not introduce a new policy, function or strategy or recommend a change to existing policy, function or strategy and therefore, no impact assessment is required.

14.2.   Consultation on the content of this report has been undertaken with members of the Housing and Technical Resources Risk Management Group.

Daniel Lowe
Executive Director (Housing and Technical Resources)

30 September 2019

Link(s) to Council Values/Ambitions/Objectives
♦ Accountable, effective, efficient and transparent

Previous References
♦ Housing and Technical Resources Committee, 23 January 2019

List of Background Papers
♦ None

Contact for Further Information
If you would like to inspect the background papers or want further information, please contact:-
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Housing and Technical Resources Risk Register (as at September 2019)
Extract of risks with residual score seven, eight and nine

Risk	Inherent score	Sample of controls	Residual score
Reduction in Council funding/income, as well as increased service demands, results in difficulties achieving savings and maintaining front line services (Council top risk) • Failure to deliver key services • Failure to achieve Resource savings targets • Failure to collect Rent • Increased level of arrears • Failure to effectively manage the processes and practices to reduce the impact of welfare reform	9	• Embedded structure and systematic approach to savings identification. • Revise working arrangements and deployment of staff resources. • Service wide welfare reform working group and action plan. • Close partnership working with DWP and other agencies. • UC Communication plan. • Ensure robust rent collection and arrears management processes to reflect all circumstances. • Robust arrangements in place to monitor outturns against budgets. • Regular reporting to Housing and Technical Resources Committee and Corporate Management Team.	8
The Council is significantly affected by the impact of the UK leaving the European Union (Council top risk) • Demand on Housing services • Costs for building materials, supplies and services • Potential skills shortages across the construction sector	9	• Resource/Service monitoring frameworks. • Implementation and monitoring of Local Housing Strategy. • Monitoring of Investment Programmes. • Homelessness Business Plan. • Development and Implementation of Rapid Rehousing Transition Plan. • Resource Workforce Planning. • Resource Learning and Development Plan.	8

Risk	Inherent score	Sample of controls	Residual score
Information governance not subject to adequate control. (Council top risk) • Ineffective records management practices could lead to data breaches.	9	• Raising awareness and training in place. • Information Governance Board in place. • Records Management plan approved by the Keeper. • Information Governance Checklist and Action Plan updated annually.	7