Report

Report to:	**Housing and Technical Resources Committee**
Date of Meeting:	**13 December 2017**
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.

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 12 October 2016.

3.6. The Council's top risk register and risk control plan has been reviewed.

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 2017/2018 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 reflected the Council 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 Resource Risk Register. The update 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 required a risk assessment process to be undertaken as appropriate resulting in some actions within the Resource Plan having 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 included in the Resource Risk Register to reflect the Council's top risks which impact on Housing and Technical Resources:-

♦ adverse weather
♦ City Deal programme
♦ failure to fulfil emergency response commitments
♦ failure to work with key partners to achieve the outcomes of the Local Outcome Improvement Plan (LOIP)
♦ failure to achieve results and demonstrate continuous improvement
♦ poor procurement practice and management of contracts
♦ death or Injury to employees
♦ information management not subject to adequate control

5.5.2   The Resource reviewed and amended its existing risks and added further risks to reflect Resource priorities:-

♦ the top risk relating to the reduction in the levels of income and available funding has been amended to reflect the implementation of Universal Credit full digital service from 4 October 2017. This will significantly increase the number of tenants affected and impact on rental income and arrears levels. The roll out of UC is reflected in the Council's top risks within 'failure to work with key partners to achieve the outcomes of the Local Outcome Improvement Plan (LOIP)'
♦ the Council's Affordable Housing Supply Programme (Homes +) has been added to the Resource Risk Register
♦ the implementation of the new Integrated Housing and Property IT System has been added to the Resource Risk Register

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 now 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.

6.   Insurance Hotspots
6.1.   A review of claims carried out 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 tradesmen during works
Employers' liability	Incidents involving scaffolding
Employers' liability	Slips, trips and falls (winter weather)
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.

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)	5	13.6%
Medium (4, 5, or 6)	14	63.6%
Low (1, 2, or 3)	5	22.7%
	22	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 and September 2017.

8.2. Details of the completion of risk control actions during 2016/2017 and 2017/2018 to date are contained in Table 2 below.

Table 2

	2016/2017	2017/2018 (as at 30 September 2017)
Total number of actions due	1	0
Completed on time	1	0
Completed late	0	0
Due to be completed at a later date	0	0

8.3. 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.

8.4. There are currently no risk control actions due for completion during the remainder of 2017/2018.

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. There are no employee implications.

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 successful risk management bids for the following initiatives:-

♦ ongoing programme of targeted installation of controlled door entry systems to prevent anti-social behaviour, fires, vandalism etc
♦ installation of metal doors and screen with door entry system in identified hotspot areas to help mitigate incidences of vandalism and anti-social behaviour

13.   Other Implications
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.

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)

10 November 2017

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

Previous References
♦   Report to Housing and Technical Resources Committee - 12 October 2016 –
     Update of the Housing and Technical Resources Risk Register and Risk Control Plan

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 2017)
Extract of risks with residual score seven, eight and nine

Risk	Inherent score	Sample of controls	Residual score
Reduction in Council funding, resulting in difficulties 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
Failure to work with key partners to achieve the outcomes of the Local Outcome Improvement Plan (LOIP). (Council top risk) • The Council and our partners cannot agree Neighbourhood/Locality Plans with communities. • The Council and our partners do not effectively take steps to achieve the outcomes detailed in the Neighbourhood/Locality Plans and therefore the LOIP. • The Council's Rural Taskforce do not develop or implement improvement actions for residents in these communities.	9	• Community Safety and Anti-Social Behaviour Strategic Framework implemented and monitored. • Safer South Lanarkshire Steering Group undertake monitoring role and report progress regularly to Safer South Lanarkshire Board. • Promotion of ASB services. • Promotion of a community engagement approach and events. • Security Strategy implemented and subject to regular monitoring. • Cross Resource Security Working Group meet quarterly.	7

Risk	Inherent score	Sample of controls	Residual score
Information management 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