

Report

Report to:	Housing and Technical Resources Committee
Date of Meeting:	23 January 2019
Report by:	Executive Director (Housing and Technical Resources)

Subject:	Update of the Housing and Technical Resources Risk Register and Risk Control Plan
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1. Purpose of Report

- 1.1. The purpose of the report is to:-
- ♦ present 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 corporate 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 13 December 2017.
- 3.6. The Council's top risk register and risk control plan has been reviewed. This work was completed in November 2018.
- 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 amended in the Resource Risk Register which impact on Housing and Technical Resources:-
 - ◆ poor procurement practice and management of contracts – this risk was amended within the Resource Risk Register to reflect the increased threat from cyber-attacks and serious organised crime
 - ◆ death or injury to employees – this risk was revised within the Resource Risk Register to reflect the potential for increased industrial disease claims
 - 5.5.2. The Resource added further risks to reflect Resource priorities:-
 - ◆ the risk associated with the implementation of the outcomes of the Homelessness and Rough Sleeping Action Group and in particular the development and implementation of a Rapid Re-Housing Transition Plan has been added to the risk register
 - ◆ the risk associated with the implementation of the requirements of Housing (Scotland) Act 2014 and the associated Regulations has been added to the risk register
 - ◆ the risk associated with fire within Council Properties such as housing stock, corporate buildings, schools, and leased premises has been added to the risk register
 - ◆ the impact of the UK leaving the European Union
- 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 operatives during works
Employers' liability	Incidents involving scaffolding
Employers' liability	Slips, trips and falls (winter weather)
Employers' liability	Use of PPE (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.

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)	4	15.4%
Medium (4, 5, or 6)	15	57.7%
Low (1, 2, or 3)	7	26.9%
	26	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 2018.
- 8.2. Details of the completion of risk control actions during 2017/2018 and 2018/2019 to date are contained in Table 2 below.

Table 2

	2017/18	2018/19 (as at 30 September 2018)
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 2018/2019. There is currently 1 active risk control due for completion in 2020/2021 which relates to the increasing the supply of affordable housing and the completion of 1000 additional Council houses.

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 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
- ◆ body cams for use by operatives on out of hours standby duties

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)

5 December 2018

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, effective, efficient and transparent

Previous References

- ◆ Housing and Technical Resources Committee, 13 December 2017
- ◆ Housing and Technical Resources Committee, 12 October 2016

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 November 2018)
Extract of risks with residual score seven, eight and nine

Risk	Inherent score	Sample of controls	Residual score
<p>Reduction in Council funding, resulting in difficulties maintaining front line services. (Council top risk)</p> <ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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. • 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
<p>Failure to work with key partners to achieve the outcomes of the Local Outcome Improvement Plan (LOIP). (Council top risk)</p> <ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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
<p>Information management not subject to adequate control. (Council top risk)</p> <ul style="list-style-type: none"> Ineffective records management practices could lead to data breaches. 	9	<ul style="list-style-type: none"> 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
<p>The Council is significantly affected by the impact of the UK leaving the European Union</p> <ul style="list-style-type: none"> Demand on Housing services Costs for building materials, supplies and services Potential skills shortages across the construction sector 	9	<ul style="list-style-type: none"> 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 	7