

# Report

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Report to:	<b>Housing and Technical Resources Committee</b>
Date of Meeting:	<b>12 October 2011</b>
Report by:	<b>Executive Director (Housing and Technical Resources)</b>

Subject:	<b>Housing and Technical Resources Control of Resource Risks</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide details of the system and controls in place within the Resource to control risks
- ◆ provide details of the current top 10 risks faced by the Resource for 2011/2012

## 2. Recommendation(s)

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

- (1) that the system and controls in place to monitor risks within the Resource be noted.

## 3. Background

3.1. Housing and Technical Resources follow the Council guidance in developing, monitoring and updating our risk control register on an ongoing basis.

3.2. The purpose of this register is to ensure that the Resource is fully aware of the main risks that it has, prioritise these risks and have controls in place to eliminate or minimise the impact of the risk.

3.3. The Resource scores their risks in accordance with the Council scoring mechanism which scores risks based on likelihood and impact of risk. This results in risks being scored between 1-9 (low-high).

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

## 4. Development of the Risk Register

4.1. The Risk Register is developed and monitored on a quarterly basis to add new risks and to review the scores of existing risks in light of new information.

4.2. Risks can be a result of external or internal influences with examples being the impact of projected funding cuts, legislative changes which are outwith our control or the impact of internal service provision changes which would be within the control of the Resource.

4.3. The Risk Register is maintained within Internal Audit's Figtree computer system and is updated by designated officers within Housing and Technical Resources.

- 4.4. The development process for the Resource Plan and specific Service Plans has the main impact on the Resource Risk Register and all actions in the Resource/Service Plans should have a corresponding risk within the Risk Register.
- 4.5. On a practical basis the actions with risk scores 7-9 are reviewed on an ongoing basis due to the high score. At present there are 22 actions with residual risks 7-9. It should be noted that this is a reduction of 11 on the same period last year.

<u>Risk score</u>	<u>Number</u>
7	8
8	6
9	8

- 4.6. The 8 risks currently with scores of 9 are failure to:-
- ◆ 'implement the IT Action Plan within the agreed timescales'
  - ◆ 'implement the Customer Services Centre Review Action Plan'
  - ◆ 'ensure the completion of the plan for the renewal of the Property Services Service Level Agreement'
  - ◆ 'work with Property Services to implement the findings of the repairs review'
  - ◆ 'maintain high levels of income collection and generation'
  - ◆ 'increase income collection in relation to former tenants' arrears (FTAs) and housing benefit overpayments (HBOs)'
  - ◆ 'increase the number of new affordable houses for sale and rent in areas where demand exceeds supply'
  - ◆ 'continue to implement physical housing regeneration programmes in priority areas'
- 4.7. Appendix 1 lists all the risks with scores 7-9 and the full Resource Risk Register is included in the Council-wide register on the Intranet.
- 4.8. Included within the Register are a group of risks termed 'Insurance Hotspots'. These relate to risks which may result in insurance claims against the Council and include risks such as fires and Council vehicle accidents.

## **5. Next Steps**

- 5.1. We will continue to monitor and update the risk register throughout the year and provide members with an annual update on the subject.

## **6. Employee Implications**

- 6.1. None.

## **7. Financial Implications**

- 7.1. None.

## **8. Other Implications**

- 8.1. There are no implications for sustainability in terms of the information contained in this report.
- 8.2. Failure to raise awareness of and properly control and minimise the key risks within the Resource could have a negative impact on future service delivery.

## **9. Equalities Impact Assessment and Consultation Arrangements**

- 9.1. This report does not introduce a new policy, function or strategy or recommend change to an existing policy, function or strategy, and therefore, no impact assessment is required.
- 9.2. There is no requirement to undertake any consultation in relation to the content of this report.

**Lindsay Freeland**  
**Executive Director (Housing and Technical Resources)**

14 September 2011

### **Link(s) to Council Values/Improvement Themes/Objectives**

- ◆ Accountable, effective and efficient

### **Previous References**

- ◆ Housing and Technical Resources Committee, 29 September 2010

### **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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## Appendix 1

<b>Key Risk</b>	<b>Residual (R) Risk Score</b>	<b>Controls in Place / Comments</b>
Failure to implement the IT Action Plan within the agreed timescales	9	Monthly report & meeting
Failure to implement the Customer Services Centre Review Action Plan	9	Working Group meets monthly
Failure to ensure the completion of the plan for the renewal of the Property Services Service Level Agreement	9	Fortnightly Property Resource Management Team (RMT)
Failure to work with Property Services to implement the findings of the repairs review	9	Fortnightly Property RMT
Failure to maintain high levels of income collection and generation	9	Monthly Key Performance Indicator's (KPI's)
Failure to increase income collection in relation to former tenants arrears (FTAs) and housing benefit overpayments (HBOs)	9	Monthly KPI's
Failure to increase the number of new affordable houses for sale and rent in areas where demand exceeds supply	9	Achieve targets set for spend and new builds/contribute to completion of a standard template for Section 75 Agreements/submit challenge funding bid
Failure to continue to implement physical housing regeneration programmes in priority areas	9	Strategic Housing Investment Plan (SHIP) to be submitted/commence development at Fernhill (residential & shop)/complete design and consent for 25 new build council homes/demolish low demand and obsolete housing
Failure to improve service standards in delivery of benefits	8	PI's reported monthly
Failure to complete the implementation of the Benefits and Revenues Service Review	8	PI's reported monthly
Failure to administer benefit counter-fraud activity, including joint working with the Department for Work and Pensions (DWP)	8	Monthly KPI's
Failure to participate in and support the implementation of all National Diagnostics Projects and service reviews within the Resource	8	6 weekly efficiency meetings
Failure to develop 2012/13 service savings prioritisation proposals	8	Financial Efficiencies Group
Failure to further develop IMPROVe (the performance management system) within HTR	8	Develop 2011/12 Improve project plan/review and refine business PI's and measures/integrate Corporate system developments/continue to build scorecards for all parts of H&T

<b>Key Risk</b>	<b>Residual (R) Risk Score</b>	<b>Controls in Place / Comments</b>
Failure to undertake review and implement revised systems for customer complaints	7	Being developed
Failure to develop a suite of indicators for submission to 'Housemark' for comparative purposes, and for use in other areas of the Resource	7	Quarterly report to RMT
Failure to ensure effective management of all Resource budgets and business plans	7	Budget Monitoring/Financial Efficiencies/but no formal report/currently being addressed
Failure to project manage effectively	7	All capital programmes reported and monitored on a regular basis by Committee, CMT, RMT and PSMT
Failure to financial manage and report on General Services Capital Programme	7	Monitored via Committee, Finance Services Scrutiny Forum, RMT and PSMT
Failure to achieve target surplus across Property Services	7	Monitored via Committee, Finance Services Scrutiny Forum, RMT and PSMT