Report to:	**Housing and Technical Resources Committee**
Date of Meeting:	**29 September 2010**
Report by:	**Executive Director (Housing and Technical Resources)**

Subject:	**Housing and Technical Resources Control of Resource Risks**

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 2010/11

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 33 actions with residual risks 7-9.

Risk score	Number
7	19
8	12
9	2

4.6   The two risks currently with scores of 9 are:-

- 'failure to administer resources within budgets'
  which includes the requirement to achieve substantial efficiency due to the current economic climate; and

- 'failure to ensure an adequate supply of affordable housing'
  this risk takes account of the fact that the housing waiting lists are substantially higher than our ability to provide housing at a reasonable rent.

4.6.   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.

4.7.   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.

Lindsay Freeland
Executive Director (Housing and Technical Resources)

27 July 2010

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

Previous References
♦ None

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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Key Risk	Residual (R) Risk Score	Controls in Place / Comments
Failure to ensure an adequate supply of affordable housing (for rent and sale) across South Lanarkshire	9	Council currently involved in the process of buying and leasing properties from the private sector and working with RSL's in housing regeneration areas. There remains a substantial shortfall in houses available for affordable rent and as such this risk remains very high.
Failure to administer the Resource within budgets including ensuring the Property Services surplus is achieved	9	Reports prepared to Council timetable and reported to Finance and H&TR Committees to provide assurances that expenditure is within budget and regular updates are provided to the Director of Finance. The changing financial climate results in the risk remaining at the current score.
Failure to provide quality social housing management, maintenance and homelessness services	8	Due to current financial challenges facing the Council, in particular in relation to Homelessness this area remains a high risk. There is increased financial monitoring of these areas of spend and proposals to achieve efficiencies are underway.
Failure to improve private sector housing services	8	Section 72 (Scheme of Assistance) was implemented from April 2010. Section 10 (BTS and Housing Renewal Areas) will be developed as part of new Local Housing Strategy (2011).
Failure to deal with asbestos issue	8	Policy in place and approved by Committee. New operational process covering Housing and General Services also in place and exceptions reported to the Resource Management Team on a quarterly basis. Risk remains high due to the nature of the material.
Failure to maintain current high levels of income collection and generation including new targets in relation to Benefit Overpayments and Former Tenants Arrears recovery	8	Monthly and quarterly monitoring reports provided to service management teams with action plans developed required for areas of poor performance.
Failure to meet Performance Indicators (PIs)	8	Monthly and quarterly monitoring reports provided to service and resource management teams with actions required for areas of non compliance.

Damage to Tenants Property by operatives	8	Training/Tool Box Talks for operatives and Customer Care Training for Home Happening Project and is redelivered at the start of each contract rather than every 3 months.
Vandalism of Council Motor Fleet	8	More analysis of claims now in place and scheme of driver training introduced, this allows more in-depth analysis of data eg number and type of accidents.
Water damage within Council Housing	8	A variety of initiatives are in place including 1) Programme for draining water systems in void properties in winter 2) Winter Emergency Procedures are in place via 24 hour control centre's red weather trigger broadcast procedure 3) A programme of roof renewals through the HIP
Fires in Council Homes	8	A variety of initiatives are in place including, 1) Flammable materials (eg carpets, chairs, plastic plants) removed from common areas 2) Caretakers within multi storeys remove any discarded furniture and rubbish from common areas during their normal working hours and 3) A programme of installations of hard wire smoke alarms in Council Houses.
Injuries to members of public - slip, trip, fall	8	As part of HIP communal paths in council house areas are being upgraded but risk still high due to budgetary priorities.
Failure to manage land and property assets efficiently - Phase 2 Primary Schools Estate Plan	8	Regular updates provided to CMT, Education Resources and the Capital Monitoring Group. Main issue at present is the impact of the review of schools to be built currently underway.
Failure to manage land and property assets efficiently - General Services Building Programme	8	Programme continues to be monitored on a regular basis culminating in monthly updates presented to the Council's Capital Monitoring Group. H&TR currently involved in the NDP regarding Asset Management and have updated the CMT in August on progress.

Failure to develop/implement adequate performance management and improvement systems - Housing Regulator Inspection	7	Visit completed final report awaited, discussion regarding draft findings ongoing.
Failure to develop the Improve Performance monitoring System	7	Planned expansion action plan within H&TR being developed and monitored via regular updates.
Failure to adequately plan for Business Continuity/ Emergency Planning	7	Plans and working practices in place and operational with updated plans being drafted in collaboration with the Council Emergency Management Team
Failure to ensure high standards of governance exercised	7	Annual Statement of Assurance completed and associated action plan has been developed and being monitored. A variety of appropriate Core Brief articles have been developed and are issued to staff throughout the year regarding their responsibilities in this area.
Failure to use IT effectively	7	I.T. Service Plan closely monitored and progress reports issued to the Resource's Management Team on a regular basis.