

Report

Report to:	Housing and Technical Resources Committee
Date of Meeting:	29 September 2021
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:-

- ♦ provide the Committee with an update 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, which was reviewed in April 2020, 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 1 and 25 (low – very 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 25 November 2020.
- 3.6. The Council's top risk register and risk control plan has been reviewed. This work was completed in June 2021.
- 3.7. The Central Risk Management Team annually reviews Resource compliance with the Risk Management Strategy. The outcome of the 2020/2021 review identified that Housing and Technical Resources achieved 100% compliance, scoring 45 out of a possible 45.

4. Resource Risk Management

- 4.1. Each Resource has a Resource Risk Management Group which has responsibility for the promotion and management of risk.
- 4.2. The Housing and Technical Resources Risk Management Group continues to meet on a quarterly basis.
- 4.3. 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 will be 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 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 register are summarised below:
 - ◆ The risk description 'Reduction in funding and fee income' has been amended to include 'external' in respect of funding and fee income
 - ◆ The residual risk score for 'Covid-19 pandemic' has reduced from 20 to 16 and the risk description updated to include 'providing support to the community and businesses'
 - ◆ The residual risk score for 'EU Exit' has reduced from 20 to 12
 - ◆ The risk description for 'Death or injury to employees, service users or members of the public affected by Council operations' has been amended to capture wider health, safety and wellbeing issues
 - ◆ The risk description 'Failure to provide suitable settled accommodation for homeless applicants' has been updated to include temporary accommodation
 - ◆ The risk 'Failure to implement the Local Housing Strategy' has been updated to reflect contribution to national or regional energy efficiency and decarbonisation targets or programmes and monitoring of compliance against the Council's wheelchair accessible housing target
 - ◆ The risk 'Failure to implement planned maintenance programmes' has been updated to include planned maintenance programmes in respect of housing properties
 - ◆ The risk 'Fire in Council properties' has been updated to reflect the main area of risk for the Resource is within the Council housing stock
 - ◆ The risk 'Failure to fulfil emergency response commitments befitting the Council's status as a Category One (emergency) responder' has been updated to reflect 4 dedicated lead officers in place across the Resource for resilience purposes

- ◆ The risk 'Failure to implement the recommendations of the Housing and Rough Sleepers Action Group' has been removed as all recommendations have been considered in the development of the Rapid Rehousing Transition Plan.
- ◆ Risk descriptions, controls and actions have been updated as required on individual risks, following discussion with risk owners.
- ◆ All risks have been scored in line with the 5x5 risk scoring matrix. The 5x5 scoring matrix and definitions for likelihood and impact is shown at Appendix One.

5.6. Risks scored 15 to 25 are considered to be very high risks and risks scored 8 to 12 are considered to be high risks. Very high and high risks are monitored closely. The top risks identified for the Resource, that is those that are residually scored as being very high and high, are attached at Appendix Two.

5.7. A clear link has now been made to the Council's top risks, with Resource specific risk implications noted within the appendix.

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. The Committee is asked to note the contents of the Resource Risk Register.

6. Insurance Hotspots

6.1. The Council's insurers have been approached and asked to carry out an analysis of our claims experience for the last five years for Public Liability, Employers' Liability, motor and property claims, with a view to identifying areas where a number of similar types of claim or high value claims were originating, through claims leakage reports.

6.2. These reviews will be completed over the course of the coming months with the outcome of the hotspots review being reported to the CMT in March 2022 which will reflect the action plans agreed with Resources to mitigate against hotspot areas.

7. Scope and Appetite for Risk

7.1. The 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 very 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. The Council's universal risk tolerance levels were recently updated as part of the review of the risk management strategy this year, with the ideal risk profile defined as:

- ◆ No more than 10 per cent of residual risks at a very high level
- ◆ No more than 15 per cent of risks at a high level
- ◆ Around 50 to 60 per cent of residual risks at a medium level
- ◆ No more than 30 per cent of residual risks at a low level

7.4. Table One below shows the top risks heat map, i.e., it details the total number of risks for each individual risk score. Table Two below notes the overall risk profile for the top risks.

Table One – Top Risks Heat Map

Likelihood	5 Almost Certain				1	
	4 Likely			2	1	
	3 Possible		9	3		
	2 Unlikely		6		2	
	1 Rare					
		1 Negligible	2 Minor	3 Moderate	4 Major	5 Catastrophic
		Impact				

Table Two –Top Risks Risk Profile

Risk Category	Risk Rating	Number of risks	Percentage of risks
1	Very high	2	8.3%
2	High	7	29.2%
3	Medium	15	62.5%
4	Low	-	-

7.5. Despite the fact that the profile noted in Table Two is outwith the ideal universal risk exposure defined by the Risk Management Strategy, this risk exposure is reasonable as these are the highest level risks currently being faced by the Resource.

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

7.7. A direct comparison of Resource risk scores from 2020 to 2021 are detailed within Appendix Three.

8. Risk Control Actions

8.1. No actions were due for delivery between April and September 2021.

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 was one risk control action due for completion in 2020/21 (Affordable Housing Supply Programme), however a result of Covid-19, the target has been revised by the Scottish Government to completion during 2021/22. The Committee is asked to note that the outstanding actions to mitigate risks within the Risk Control Plan will be progressed by the relevant officers.

9. Major Projects, Partnerships or Change

9.1. Within Housing and Technical Resources, two partnerships have been identified. Both of these are considered to be low risk, the Community Safety Partnership and Hub SW 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. There are no direct financial implications associated with the Resource risks. There are a number of risks which are classified under the heading of financial, including additional costs stemming from Covid-19. Where this is the case, the appropriate controls and actions have been included in the risk control cards and progress will be monitored

13. Climate Change, Sustainability and Environmental Implications

- 13.2. There are no issues in relation to climate change, sustainability and the environment contained within this report.

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.

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)

26 August 2021

Link(s) to Council Objectives/ Values/Ambitions

- ◆ Accountable, effective and efficient

Previous References

- ◆ Housing and Technical Resources Committee – 25 November 2020

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 One – Risk scoring matrix and likelihood and impact definitions

Likelihood

Score	1	2	3	4	5
Description	Rare	Unlikely	Possible	Likely	Almost certain
Likelihood of occurrence	1 in 10 years	1 in 3 years	1 in 2 years	Annually	Monthly
Probability of occurrence	The event may occur in certain circumstances	The event could occur	The event may occur	The event will probably occur	The event is expected to occur or occurs regularly

Impact

	Reputation	Financial	Service delivery/ Time to recover	Compliance	Safety
1 Negligible	Public concern restricted to local complaints	<£50,000 per annum	No impact to service quality; limited disruption to operations.	No external interest	Minor injury – no lost time
2 Minor	Minor adverse local/public/media attention and complaints	£50,000-£250,000 per annum	Minor impact to service quality; minor service standards are not met; short term	Very minor attention from legislative/regulatory body	Minor injury – resulting in lost time
3 Moderate	Adverse national media Public attention	£250,000 to £500,000 per annum	Significant fall in service quality; major partnership relationships strained; serious disruption in service standards	Short-term attention from legislative/regulatory body	Major injury or ill health resulting in lost time
4 Major	Serious negative national or regional criticism	£500,000 to £1million per annum	Major impact to service delivery; multiple service standards are not met; long term disruption to operations; multiple partnerships affected	Medium-term attention from legislative/regulatory body	Fatality; Or injuries to several people
5 Catastrophic	Prolonged international, regional and national condemnation	>£1million per annum	Catastrophic fail in service quality and key service standards are not met; long term catastrophic interruption to operations; several major partnerships are affected	National impact with rapid intervention of legislative/regulatory body	Multiple fatalities; Or injuries to large number of people

The assessments for impact and likelihood combine to provide an overall inherent risk score on the scale of between 1 and 25, using the Council's recognised risk matrix.

Risk matrix

Likelihood	5 Almost Certain	5	10	15	20	25
	4 Likely	4	8	12	16	20
	3 Possible	3	6	9	12	15
	2 Unlikely	2	4	6	8	10
	1 Rare	1	2	3	4	5
		1 Negligible	2 Minor	3 Moderate	4 Major	5 Catastrophic
		Impact				

The risk score is calculated as follows:

Likelihood score x Impact score = Risk Score

Appendix Two

Housing and Technical Resources Risk Register (as at August 2021) Extract of risks with residual score category of Very High and High

Risk Category	Key risk	Inherent Risk Score	Sample of Controls	Residual Risk Score
1 Very High (15-25)	<p>Reduction in external funding and fees/income received by the Council, as well as increased demand for services, results in savings difficulties.</p> <p>(Council Top Risk)</p> <ul style="list-style-type: none"> • Failure to deliver key services / projects • 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 	25	<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 Department for Work and Pensions and other agencies. • Robust rent collection and arrears management processes to reflect all circumstances. • Robust arrangements in place to monitor service delivery and outturns against budgets. • Regular reporting to Housing and Technical Resources Committee and Corporate Management Team. 	20
	<p>The council does not provide an adequate response to the effects of a global pandemic illness within communities; maintaining critical services; providing support to the community and business; deliver emergency response commitments as a Category One Responder; and</p>	25	<ul style="list-style-type: none"> • Emergency Response Commitments as a Category One responder. • Temporary testing centres identified by Resource. • Monitoring of national guidance. • Resource / Service Recovery Plans and Service Restart Framework. • Business Continuity Plans. 	16

	<p>protecting the wellbeing of employees and service users as far as reasonably practicable. Responding to a pandemic will impact on everything else the council does.</p> <p>(Council Top Risk)</p> <ul style="list-style-type: none"> • Lack of robust business continuity plans/resilience arrangements • Restriction on service delivery – statutory and non-statutory • Clarity/timing of Government guidance • Ineffective communication by employee and service users • Workforce absences/shortage • Lack of mobile IT devices • Lack of PPE 		<ul style="list-style-type: none"> • IT software licences to allow agile working procured. • IT – Roll out of Microsoft Teams throughout the Council. • IT – Increased numbers of agile workers and increased number of laptops/tablets. • Guidance on Health and Safety Risk Assessments/Safe Systems of Work for Covid-19 has been issued. • Introduction of Virtual Call Centre. • Tenancy Sustainment Fund Assistance. • Health and Wellbeing Group established. 	
<p>2 High (8-12)</p>	<p>Fire in Council Properties</p> <ul style="list-style-type: none"> • Poor / inadequate fire risk assessments/precautions • Failure to adhere to building regulations/statutory legislative requirements • Tenants' living habits • Tenants' failure to insure their own property • Building Users behaviour • Wilful Fire Raising • Criminality • Faulty electrical equipment 	25	<ul style="list-style-type: none"> • Scottish Fire and Rescue Service (SFRS) Home Fire Safety Visits encouraged including at tenancy sign up/within temporary accommodation. • Tenancy Agreement – restrictions • Promotion of home insurance – booklet and flyers • Joint article to be produced in conjunction with SFRS and Housing Services for inclusion in Housing News • Ongoing liaison with SFRS and staff training • Common Sense Initiative – communal areas fire safety posters 	12

	<ul style="list-style-type: none"> • Failure to maintain plant and equipment • Property damage • Loss of rent • Financial costs for reinstatement 		<ul style="list-style-type: none"> • Legislative compliance checks – gas / electrical etc • Fire risk assessments. • Health and Safety audits undertaken • All new schools have sprinkler or fire suppression systems • Cyclical visits within schools • Programmes of work to install controlled door entry systems • Outcomes of public inquiries 	
	<p>The Council is significantly affected by the impact of the UK leaving the European Union</p> <p>(Council Top Risk)</p> <ul style="list-style-type: none"> • Demand on Housing and Homelessness services • Costs for building materials, supplies and services • Potential skills shortages across the construction sector 	25	<ul style="list-style-type: none"> • Resource/Service monitoring frameworks. • Implementation and monitoring of Local Housing Strategy. • Monitoring of Investment Programmes. • Business Plans. • Implementation of Rapid Rehousing Transition Plan. • Resource Workforce Planning. • Resource Learning and Development Plan. 	12
	<p>Poor procurement practice and management of contracts</p> <p>(Council Top Risk)</p> <ul style="list-style-type: none"> • Failure to fulfil statutory requirements • Failure to achieve best value. • Service delivery affected/fails. 	25	<ul style="list-style-type: none"> • Full contract wording includes SLC expectations from contractors. • Guidance on new legislation including the Bribery Act and the linkages with procurement issued by Legal Services. Council has a security framework in place. • Contractor vetting (Health and Safety), construction line and financial checks undertaken for all contractors. 	9

	<ul style="list-style-type: none"> • Cyber Attacks - failure to protect our data systems or assets held by Council • Serious organised crime - proceeds of crime or money laundering • Lack of trained personnel 		<ul style="list-style-type: none"> • Meetings with contractors to review performance/appraisals. • iProc used extensively by all Resources. • Learn online employee training – Quick quote/procurement awareness. • Standard procurement documents/processes held on intranet and reviewed/updated on an ongoing basis. These are used consistently across Resources. • Review of procedures for financial appraisals. • Performance monitoring of all significant contracts. 	
	<p>The Council fails to meet statutory and legislative duties in respect of public protection</p> <p>(Council Top Risk)</p> <p>Failure to deliver statutory and legislative duty to deliver services that protect everybody within our communities:</p> <ul style="list-style-type: none"> • Child Protection • Adult Protection • Prevent people supporting terrorism or extremism (Counter terrorism and Security) • Environmental services 	16	<ul style="list-style-type: none"> • Multi-agency child protection committee in place • Multi-agency adult protection committee in place • Multi-agency procedures adopted to provide guidance to staff • Multi- agency MAPPA arrangements in place • Significant case review protocol in place • Data sharing agreements in place to support alert messaging and sharing key information • Multi-agency Prevent case discussions take place • Training to raise awareness – Learn on line modules 	9

			<ul style="list-style-type: none"> Existing partnership working with Police Scotland and other organisations (Community Planning Partnership) 	
	<p>Insufficient response to adverse weather events</p> <p>(Council Top Risk)</p> <ul style="list-style-type: none"> Inability of the Council to deliver its core services Failure to maintain Council assets Increase in the number of insurance claims received A potential overspend in budget as the Council responds to emergencies Damage to public and private property 	16	<ul style="list-style-type: none"> Emergency Planning arrangements in place and contact details updated. Severe Weather Group established to control the delivery of the service. Decant properties identified. Additional Labour/Trades identified. Additional Plant/Transport. Additional stock. Additional sub contractors identified if work content becomes high. Additional admin staff to deal with calls/enquiries/complaints. Better housing stock through capital programmes. 24 hour control centre. General Met Office alerts to Contingency Planning Officers. 	9
	<p>Health, Safety (including death or serious injury) and wellbeing of employees; and protection of service users and members of the public affected by council operations</p> <p>(Council Top Risk)</p> <ul style="list-style-type: none"> Increased claims intimated against the council Involvement in Fatal Accident Inquiries Increased employee absence 	20	<ul style="list-style-type: none"> Occupational Health and Safety Management System embedded throughout the Council. Risk Assessments and Safe Systems of Work developed and implemented. Resource, Service and Trade Union communication and consultation arrangements in place. Health and Safety Training matrices (Specific training requirements for employees) Claims lessons learned reports. 	8

	<ul style="list-style-type: none"> • HSE Involvement - prohibition notice, improvement notices. • Prosecution or organisation/employee under Corporate Homicide legislation or Health and Safety at Work Act. • Industrial disease claims • Historical claims 		<ul style="list-style-type: none"> • Resource and Service Health and Safety Groups meet on a regular basis within all Resources. • Management of Occupational Road Risk Policy and associated documents • Analysis of statistics to identify trends and advise on mitigations to reduce risks. • Violent incident reporting procedures. • Record management and record retention schedules. 	
	<p>Failure to achieve the outcomes of the Community Plan</p> <p>(Council Top Risk)</p> <ul style="list-style-type: none"> • Failure to tackle inequalities in priority areas • Failure to comply with statutory requirements • Failure to improve outcomes for communities 	20	<ul style="list-style-type: none"> • The Community Safety Strategic Framework and Anti-Social Behaviour Strategy implemented and monitored. • Safer South Lanarkshire Steering Group undertake a monitoring role and report progress regularly to Safer South Lanarkshire Board. • Promotion and delivery of Anti-Social Behaviour services • Delivery of Strategic Housing Investment Plan • Promotion of Equality and Diversity through Resource Co-ordination Group • Fuel poverty – work towards achieving national targets • Promotion of a community engagement approach and events • Cross Resource Security Working Group meet quarterly • Specific targets within Resource plan, reported quarterly • Local Child Poverty Action Plan Report 	8

Appendix Three: Comparison 2021 and 2020 Resource Risk Register Risk Category

Risk Category	2021 Key risk description	2020 Residual risk score	2021 Residual risk score	Change in residual risk scores	Changes to key risk descriptions
Very High (15-25)	Reduction in external funding and fees/income received by the Council, as well as increased demand for services, results in savings difficulties.	20	20	=	Deletion of 'maintaining front line services' from the key risk description. Addition of 'external' to the key risk description in respect of funding and fees/income
	The council does not provide an adequate response to the effects of a global pandemic illness within communities; maintaining critical services; providing support to the community and business; deliver emergency response commitments as a Category One Responder; and protecting the wellbeing of employees and service users as far as reasonably practicable. Responding to a pandemic will impact on everything else the council does.	20	16	↓	Addition of 'providing support to the community and businesses' to the key risk description.
High (8-12)	Fire in Council Properties	12	12	=	
	The Council is significantly affected by the impact of the UK leaving the European Union	20	12	↓	

	Poor procurement practice and management of contracts	9	9	=	
	The Council fails meet statutory and legislative duties in respect of public protection	9	9	=	
	Insufficient response to adverse weather events	9	9	=	
	Health, Safety (including death or serious injury) and wellbeing of employees; and protection of service users and members of the public affected by council operations	8	8	=	Addition of 'Wellbeing of employees' to the key risk description.
	Failure to achieve the outcomes of the Community Plan	8	8	=	
Medium (4-6)	Failure to meet the Council's sustainable development and climate change objectives	6	6	=	
	Failure to fulfil emergency response commitments befitting the Council's status as a Category One (emergency) responder.	6	6	=	
	Information Governance not subject to adequate control	6	6	=	
	Failure to deliver City Deal projects and realise anticipated economic benefits	6	6	=	
	Failure to achieve results and demonstrate continuous improvement, through leadership, good governance and organisational effectiveness	6	6	=	
	Failure to deliver the Council's "Homes+" council house new build programme and impact on ability to meet housing need	6	6	=	

	Failure to implement the new Integrated Housing and Property Management System	6	6	=	
	Failure to address fuel poverty in council houses	6	6	=	
	Failure to deliver the Council's Capital Programme	6	6	=	
	Failure to provide suitable temporary and settled accommodation for homeless applicants	4	4	=	Addition of 'temporary' accommodation to key risk description
	Failure to improve tenants' sustainability	4	4	=	
	Failure to implement Local Housing Strategy (LHS)	4	4	=	
	Failure to implement planned maintenance programmes	4	4	=	Addition to the word 'Programme' to include 'Programmes' in key risk description
	New and amended legislation	4	4	=	
	Failure to ensure the Corporate Asset Management Plan is progressed	4	4	=	