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|  <b>FINANCE &amp; AUDIT SCRUTINY</b><br><b>30<sup>th</sup> September 2014</b>  |  | <b>Agenda Item No.</b><br><b>6</b> |
| <b>Title</b>  | Review of Neighbourhood Services Risk Register by Finance & Audit Scrutiny Committee   |                                    |
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| <b>Wards of the District directly affected</b>  | Not applicable   |                                    |
| <b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b> | No   |                                    |
| <b>Date and meeting when issue was last considered and relevant minute number</b>   | 1 July 2014 – Finance & Audit Scrutiny Committee   |                                    |
| <b>Background Papers</b>  | WDC risk management policy & guidelines  |                                    |
| <b>Contrary to the policy framework:</b>  | No   |                                    |
| <b>Contrary to the budgetary framework:</b>   | No   |                                    |
| <b>Key Decision?</b>  | No   |                                    |
| <b>Included within the Forward Plan? (If yes include reference number)</b>  | No   |                                    |
| <b>Equality &amp; Sustainability Impact Assessment Undertaken</b>   | N/A: no direct service implications  |                                    |

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|---|--------------|---------------------|
| <b>Officer/Councillor Approval</b>  |              |                     |
| With regard to report approval all reports <i>must</i> be approved as follows |              |                     |
| <b>Title</b>  | <b>Date</b>  | <b>Name</b>         |
| Chief Executive/Deputy Chief Executive  | On Leave     | Bill Hunt           |
| Head of Service   | Co-Author    | Rob Hoof            |
| CMT   |              |                     |
| Section 151 Officer   | 17 Sept 2014 | Mike Snow           |
| Monitoring Officer  | 17 Sept 2014 | Andrew Jones        |
| Finance   | 17 Sept 2014 | As per S151 Officer |
| Portfolio Holder(s)   | 17 Sept 2014 | David Shilton       |
| <b>Consultation &amp; Community Engagement</b>                                |              |                     |
| None other than consultation with members and officers listed above.          |              |                     |
| <b>Final Decision?</b>  | Yes          |                     |
| <b>Suggested next steps (if not final decision please set out below)</b>      |              |                     |

## 1 **SUMMARY**

- 1.1 This report sets out the process for the review by Finance & Audit Scrutiny Committee of the Neighbourhood Services Risk Register.

## 2 **RECOMMENDATIONS**

- 2.1 That Finance & Audit Scrutiny Committee should review the Neighbourhood Services Risk Register attached at Appendix 1 and make observations on it as appropriate.

## 3 **REASON FOR THE RECOMMENDATIONS**

- 3.1 To enable members to fulfil their role in managing risk (see section 7, below).

## 4 **POLICY FRAMEWORK**

- 4.1 The Neighbourhood Services Risk Register is part of the Council's corporate risk management framework. The Register reflects the Council's corporate priorities and key strategic projects that are contained in Fit for the Future.

## 5 **BUDGETARY FRAMEWORK**

- 5.1 Although there are no direct budgetary implications arising from this report, risk management performs a key role in corporate governance including that of the Budgetary Framework. An effective control framework ensures that the Authority manages its resources and achieves its objectives economically, efficiently and effectively.
- 5.2 The risk register sets out when the realisation of risks might have financial consequences. One of the criteria for severity is based on the financial impact.

## 6 **RISKS**

- 6.1 The risks are contained in the Service's Risk Register, set out as Appendix 1.

## 7 **ALTERNATIVE OPTION(S) CONSIDERED**

- 7.1 This report is not concerned with recommending a particular option in preference to others so this section is not applicable.

## 8 **RESPONSIBILITY FOR RISK MANAGEMENT**

- 8.1 In its management paper "Worth the risk: improving risk management in local government", the Audit Commission sets out clearly the responsibilities of members and officers:

“Members need to determine within existing and new leadership structures how they will plan and monitor the council’s risk management arrangements. They should:

- decide on the structure through which risk management will be led and monitored;
- consider appointing a particular group or committee, such as an audit committee, to oversee risk management and to provide a focus for the process;
- agree an implementation strategy;
- approve the council’s policy on risk (including the degree to which the council is willing to accept risk);
- agree the list of most significant risks;
- receive reports on risk management and internal control – officers should report at least annually, with possibly interim reporting on a quarterly basis;
- commission and review an annual assessment of effectiveness: and
- approve the public disclosure of the outcome of this annual assessment, including publishing it in an appropriate manner.

The role of senior officers is to implement the risk management policy agreed by members.

It is important that the Chief Executive is the clear figurehead for implementing the risk management process by making a clear and public personal commitment to making it work. However, it is unlikely that the Chief Executive will have the time to lead in practice and, as part of the planning process, the person best placed to lead the risk management implementation and improvement process should be identified and appointed to carry out this task. Other people throughout the organisation should also be tasked with taking clear responsibility for appropriate aspects of risk management in their area of responsibility.”

## 9 **BACKGROUND**

9.1 Executive agreed on 11<sup>th</sup> January 2012 that:

- (a) Portfolio Holders should review their respective Service Risk Registers quarterly with their service area managers.
- (b) Portfolio Holder Statements should include each service’s top three risks.
- (c) Executive should note the process for the review by Finance & Audit Scrutiny Committee of service risk registers.
- (d) The relevant Portfolio Holders should attend the Finance & Audit Scrutiny Committee meetings at which their respective service risk registers are reviewed.

9.2 The full framework endorsed by Executive at that meeting is set out as Appendix 3.

9.3 Risk registers are in place for all significant risks facing service areas in the provision of their services. In addition to service risk registers for all service

areas there is the Significant Business Risk Register that contains the organisation's corporate and strategic risks (the latest version of this being presented to the January Executive meeting). Also, across the organisation, there are risk registers for specific projects such as the Clarendon Arcade.

## 10 **NEIGHBOURHOOD SERVICES RISK REGISTER**

### 10.1 **Introduction**

10.1.1 The latest version of the Neighbourhood Services Risk Register is set out as Appendix 1 to this report.

10.1.2 The scoring criteria for the risk register are subjective and are based on an assessment of the likelihood of something occurring, and the impact that might have. Appendix 2 sets out the guidelines that are applied.

10.1.3 In line with the traditional risk matrix approach, greater concern should be focused on those risks plotted towards the top right corner of the matrix whilst the converse is true for those risks plotted towards the bottom left corner of the matrix. If viewed in colour, the former-described set of risks are within the area shaded red, whilst the latter-described set of risks are within the area shaded green; the mid-range are in the area seen as yellow.

### 10.2 **Overview of Neighbourhood Services Risk Management**

10.2.1 The Neighbourhood Services Risk Register is a live document that is reviewed on a regular basis, and updated at any point in time should a new risk be identified, or a current risk change.

10.2.2 Risk Register reviews take place as part of the Portfolio Holder meetings, Service Area meetings, team meetings and one to ones.

10.2.3 Neighbourhood Services held a risk management workshop with staff to raise their awareness of risk management, and to better understand the process that is followed.

### 10.3 **Neighbourhood Services Risks**

10.3.1 Neighbourhood Services is responsible for the provision of many of the Council's key front line services, including waste collection, grounds maintenance, street cleansing and car parking.

10.3.2 The Service Area has to continually adapt to meet both day to day service delivery requirements and longer term strategic issues, and is responsible for multi million pounds worth of expenditure and income.

10.3.3 The following major risks that have been identified at this point in time:-

**Structural Integrity of Multi-storey car parks** – major structural repairs are required to ensure the integrity of the structures are maintained, and to protect the associated income that is derived from these car parks. A report is being produced for October Executive which sets out the approach required to remedy this situation.

**Ability to Deliver on the Green Space Strategy** – although additional funding has been identified recently to deliver the Green Space Strategy, there is still a significant financial shortfall overall. There are also concerns regarding capacity, as the Green Space Development Team only has three members of staff. Their work load includes delivering major parks and play area improvement projects, providing technical advice, contract management, and developing service strategies. Additional funding streams are currently being investigated which may help to fund an additional post.

**Demobilisation of Previous Grounds Maintenance Contract (Depot)** – the Council owned depot used by the previous contractor should have been handed back to the Council in a good condition. This Council had to undertake repairs to the depot and is therefore in the process of trying to recover this cost from the previous grounds maintenance contractor, although the outcome is uncertain.

**Demobilisation of Previous Grounds Maintenance Contract (Works)** – when the previous Grounds Maintenance Contract ended in March 2013, money was withheld by the Council for work that had not been completed. This and other claims are currently being pursued as part of a legal process, although the outcome is uncertain.

#### 10.4 **Review of Risk Register by Members**

- 10.4.1 It is proposed that Members should review the risk register set out as Appendix 1, confirming that risks have been appropriately identified and assessed and that appropriate measures are in place to manage the risks effectively. Members may wish to challenge the Portfolio Holder and the Head of Neighbourhood Services on these aspects and assure themselves that their risk register is a robust document for managing the risks facing the service.