

 Finance & Audit Scrutiny Committee - 16 th April 2013		Agenda Item No. <div style="text-align: right; font-size: 2em;">4</div>
Title	Review of Housing & Property Services Risk Register by Finance & Audit Scrutiny Committee	
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Wards of the District directly affected	Not applicable	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	8 th January 2013 – Finance & Audit Scrutiny Committee 11 th January 2012 – Executive	
Background Papers	WDC risk management policy & guidelines	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality & Sustainability Impact Assessment Undertaken	No (N/A: no direct service implications)

Officer/Councillor Approval		
With regard to officer approval all reports <i>must</i> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	18 March	Andrew Jones
Head of Service	13 March	Jameel Malik
CMT		
Section 151 Officer	18 March	Mike Snow
Monitoring Officer		
Finance	18 March	As S151 Officer
Portfolio Holder(s)	18 March	Councillor Vincett
Consultation & Community Engagement		
None other than consultation with members and officers listed above.		
Final Decision?	Yes	
Suggested next steps (if not final decision please set out below)		

1 **SUMMARY**

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

2 **RECOMMENDATIONS**

- 2.1 That Finance & Audit Scrutiny Committee should review the Housing & Property 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 Housing & Property Services Risk 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 **ALTERNATIVE OPTION(S) CONSIDERED**

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

7 **RESPONSIBILITY FOR RISK MANAGEMENT**

- 7.1 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 auditcommittee, 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."

8 **BACKGROUND**

8.1 Executive agreed on 11th January 2012 that:

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

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

8.3 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.

9 HOUSING & PROPERTY SERVICES RISK REGISTER

- 9.1 The Housing & Property Services Risk Register is a living, working document that has been developed through a series of frequent and regular meetings held by the Service Area's Management Team comprising the Head of Housing & Property Services together with the Service Managers.
- 9.2 The Service has taken the opportunity to develop further the standard Risk Register template to make it more meaningful by including actions, due dates, responsible officers and resources needed. The Service has also indicated where the residual risk rating has been improved on the rating grid with the improved rating shown in black and the previous rating shown in grey.
- 9.3 The Service Area risks and mitigations are discussed with the Portfolio Holder and monitored on a monthly basis.
- 9.4 The high level risks contained in the Risk Register have also been reviewed by the Interim Housing and Property Services Board who will continue to receive regular updates on the Risk Register.
- 9.5 The Risk Register is managed on a day to day basis by the Service Improvement Officer who provides challenge to the Service Area's Management Team to ensure that all mitigations are still current and that all actions are complete by the due date.
- 9.6 The latest version of the Housing & Property Services Risk Register is set out as Appendix 1 to this report.
- 9.7 The scoring criteria for the risk register are judgemental 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.
- 9.8 In line with the traditional risk matrix approach, greater concern should be focused on those risks plotted towards the top, right hand (north-east) corner of the matrix whilst the converse is true for those risks plotted towards the bottom, left hand (south-west) corner of the matrix. If the matrix was in colour, the former-described set of risks would be within the area shaded red, whilst the latter-described set of risks would be within the area shaded green; the mid-range would be seen as yellow.
- 9.9 The risks in each section have been mostly sorted in order from the highest residual risk rating to the lowest. This helps ensure that the operational management focus is on the mitigation of the highest likelihood and/or highest impact risks.
- 9.10 Some risks may be regarded as "generic", i.e. they will impact upon all Service Areas, and so should appear on each Service Area's Risk Register. In these cases, however, an individual Service will often take more of a lead in managing that risk, e.g. loss of accommodation or loss of ICT for which, in these instances, the lead Service Areas are Community Protection and Corporate and Community Services respectively.

- 9.11 A number of the generic risks have high residual risk ratings, including “Failure to meet Fit for the Future objectives”. Housing & Property Services recently had a structure review, a part of which was the creation of a number of temporary posts with Project Management expertise. A project prioritisation process was also put in place to focus the Council’s time on the projects delivering the greatest benefits. The review also merged the Human Resource and Organisation Development (HR & OD) teams, with the remit of supporting culture change across the Council.
- 9.12 A short commentary on the Housing & Property Services Risk Register by its management team follows.
- 9.12.1 There are 20 risks contained in the Risk Register and of these 17 are service-specific risks and 3 are generic risks. Through careful and prudent monitoring of the mitigations controls we have already improved the residual risk rating for 12 of the Service specific risks and for all 3 of the generic risks. Please see table below:

Risk	Original residual risk rating	New residual risk rating
Inadequate asbestos maintenance & survey	25	10
Inadequate performance by staff or by WDC representatives	25	6
Inability to meet the Housing Strategy Objectives	16	12
Service not compliant with Legionella procedure	16	9
Inadequate gas appliance maintenance & certification	15	10
Inadequate electrical testing of Housing assets & operational Corporate assets in accordance with industry best practice & Council policy	15	10
Staff personal safety	15	9
Significant non-payment of rent leading to high rent arrears	15	9
Risk of widespread fire in blocks of flats or corporate assets	15	10
Unable to meet the Business Plan targets	12	8
Inadequate management of accommodating dangerous customers in the community-subject to MAPPA level 2 & 3 or PPO	12	8
Using sheltered accommodation to temporarily house homeless people	12	8
Significant loss of staff & systems	12	6
Failure to maintain Rural Footway Lighting	10	5
Failure to involve & sustain involvement from tenants & leaseholders in service delivery	8	6

- 9.12.2 The highest residual risk rating for the generic risks is for "Staff personal safety". This risk is particularly pertinent to our Service because of the nature of our business with many officers visiting tenants away from the office. We have carried out separate risk assessments in respect of lone workers and already have controls in place to mitigate this risk. We have now commissioned the Council's Safety Adviser to carry out a full audit of our assessments to ensure that we are compliant.
- 9.12.3 The highest residual risk rating for Property risks is for "Inadequate asbestos maintenance & survey". This risk originally had one of the highest residual ratings in the Register. It is also the risk where we have been able to make the second largest improvement in the rating, reducing it from 25 to 10. We have appointed an Asbestos Manager to manage the asbestos process and he has already produced an Asbestos Management and Action Plan to deal with asbestos. We will also commission Council's Safety Adviser to audit this Plan.
- 9.12.4 The highest residual risk rating for Supporting People Services is for "Unable to respond to emergency calls from Lifeline users". We already have business continuity arrangements in place for this risk and we will continuously review and monitor our call performance.
- 9.12.5 There is only one risk in Rents and Finance which is "Significant non-payment of rent leading to high rent arrears". With the advent of Welfare Reform, Universal Credit and the Under Occupancy charge this risk was originally in the "red" category. We have already put a number of controls in place including a dedicated Financial Inclusion Officer who has contacted all tenants who will be negatively impacted by the changes to establish any support needs.
- 9.12.6 The highest residual risk rating for Housing Management is for "Inadequate Management of accommodating dangerous customers in the community-subject to MAPPA level 2 & 3 or PPO". Information Sharing Protocols and Joint working arrangements are in place with other housing authorities and agencies to mitigate this risk.
- 9.12.7 The highest residual risk rating for Housing Strategy is for "Inability to meet the Housing Strategy Objectives". In the Risk Register there are many triggers for this risk including the worsening housing crisis and many consequences including not meeting the housing need. We are confident, however, that we have mitigated this risk with our Business Plan and partnerships with other housing providers in place and we will continue to reduce the residual risk rating with the revised Housing Strategy.
- 9.12.8 There are two risks in the Business Plan Risks section with the same rating; of these the risk with the highest impact rating is for "Unable to meet the Business Plan targets". The Business Plan Financial Framework (BPFF) provides a mechanism for us to monitor how the Business Plan is performing against the targets in the Plan. The BPFF is reviewed regularly by the Portfolio Holder & Head of Housing & Property Services. It is also reviewed by the Interim Housing and Property Services Board on a quarterly basis.

- 9.13 It is suggested that Members 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 Housing & Property Services Management Team on these aspects and assure themselves that their risk register is a robust document for managing the risks facing the service.