

 <b>FINANCE &amp; AUDIT SCRUTINY</b> <b>26<sup>th</sup> July 2016</b>		<b>Agenda Item No.</b> <b>5</b>
<b>Title</b>	Review of Neighbourhood Services Risk Register by Finance & Audit Scrutiny Committee	
<b>For further information about this report please contact</b>	Rob Hoof Head of Neighbourhood Service Tel: 01926 456302 email: Robert.hoof@warwickdc.gov.uk	
<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Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?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>		
<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	

<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		Chris Elliott/Bill Hunt
Head of Service		Rob Hoof
CMT		
Section 151 Officer		Mike Snow
Monitoring Officer		Andrew Jones
Finance		Mike Snow
Portfolio Holder(s)		CLlr 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 1A 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 8, 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 1A.

## 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.

## 10 **NEIGHBOURHOOD SERVICES RISK REGISTER**

### 10.1 **Introduction**

- 10.1.1 The latest version of the Neighbourhood Services Risk Register is set out for each part of the service and also a list of generic risks, which are marked as Appendix A.
- 10.1.2 Neighbourhood Services also maintains summary tables for each part of the service as a supplement to the Risk Register to assist in tracking risks and logging key actions, which are marked as Appendix B.
- 10.1.3 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.
- 10.1.4 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 (NS) Risk Register is owned and managed by the NS Portfolio Holder & the NS Management Team. Risks are reviewed on an ongoing basis and with the Portfolio Holder at quarterly meetings.
- 10.2.2 Amendments to existing risks are made to the register as appropriate and when any new risks are identified. Any changes to risks are shown on the matrices marked as Appendix B.
- 10.2.3 The NS risks along with all other Service Areas are reported quarterly to the Council's Senior Management Team, with an emphasis on high risk areas. This enables a broader view of risks across the Council and helps to identify any trends or common themes that are emerging.

### 10.3 **Neighbourhood Services Service Risks**

- 10.3.1 NS is responsible for the provision of a wide range of services including waste collection, parks and open spaces, street cleansing, car parking, burial and cremation services, and One Stop Shops in conjunction with Warwickshire County Council. The risk register (Appendix 1A) includes generic risks at the start of the document. These are divided in to various categories. Service-specific risks are then listed, relevant to the various sections of the service.
- 10.3.2 Details of the main risks are described in 10.3.3. The tables marked as Appendix B summarises changes over the last few months.
- 10.3.3 The three main areas of risk within the service are considered to be:

- **Bereavement Services Risk 6 & 7 – Loss of Statutory Documents & Loss of ICT** – There has been a long standing issue with the broadband connection at Oakley Wood, both in terms of its reliability and speed. This has also hindered the replacement of the current Bereavement Services ICT system (CAS) which is used to help deliver the burials and crematorium services in addition to holding some of the burial records electronically. The cost for a better broadband link has now reduced significantly, and an order has been placed for installation as soon as possible. A new BS system is currently being investigated with a business case to be submitted to the ICT steering group by September.
- **Car Park Service Risk 5 – Structural Integrity of Multi-storey Car Parks** – There has been a number of issues with multi storey car parks that have been reported to members over recent months. Short term risks have been mitigated with additional inspections by specialist structural engineers, and remedial works to ensure that car parks are safe to remain open and operational. Work is also underway for proposed replacement of Covent Garden multi-storey car park and a business case relating to Linen Street multi-storey car park. (This also links to Risk 3 of the NS Generic Risk Register, Insufficient Money Resulting in Inability to Provide Normal Services).
- **Refuse, Recycling, Street Cleansing and Grounds Risks 2 & 3 – Demobilisation of Previous Grounds Maintenance Contract** – These issues have been subject to legal dialogue since the end of the previous grounds maintenance contract in 2013. Due to changing circumstances a review of these claims is now being undertaken with the Council’s legal representatives.

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

- 10.4.1 It is proposed that Members should review the risk registers marked as Appendix A, 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.