	FINANCE & AUDIT SCRUTINY 04 January 2017	Agenda Item No. 4
Title	Review of the Housing & Property Services Risk Register	
For further information about this report please contact	Bill Hunt Deputy Chief Executive Tel: 01926 456014 email: bill.hunt@warwickdc.gov.uk Ken Bruno Housing Strategy & Development Manager Tel: 01926 456044 email: ken.bruno@warwickdc.gov.uk	
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Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?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	1 November 2016 – Finance & Audit Scrutiny Committee (last service risk register review) / Minute no. 62	
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		N/A: no direct service implications

Officer/Councillor Approval		
With regard to report approval all reports _must_ be approved as follows		
Title	**Date**	**Name**
Chief Executive/Deputy Chief Executive		Chris Elliott/Andrew Jones
Head of Service		Bill Hunt
CMT		As above
Section 151 Officer		Mike Snow
Monitoring Officer		Andrew Jones
Audit & Risk manager		Richard Barr
Portfolio Holder(s)		Cllr Peter Phillips
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 Recommendation

2.1 That Finance & Audit Scrutiny Committee review the Housing & Property Services Risk Register, attached at Appendix 1, and make observations to officers as appropriate.

3 Reason for the Recommendation

3.1 To review process enables members of the Committee to fulfil their role in managing risk. 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."

3.2   The Executive agreed on 11th 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.

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

3.4   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 will be presented to the January 2017 Executive meeting).

3.5   The latest version of the Housing & Property Services Risk Register is set out as Appendix 1 to this report. The register has been updated by the Housing & Property Management Team in the last few weeks, in accordance with the Council's established criteria for scoring risk. Risk scoring is a subjective exercise, 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 to all risk registers within the Council.

3.6   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.

3.7   The Housing & Property Services Management Team that produced the risk register attached to this report consist of entirely different personnel to that which produced the register previously. Consequently the risk ratings are all new. In future where ratings are re-assessed and the register shows movements the covering report will explain why these moves have taken place. This approach has not been possible on this occasion because none of the staff who previously assessed the risks are still working at the authority.

3.8   It is recommended that Members review the risk register set out as Appendix 1 and the additional information set out in sections 8 and 9 below, to assure themselves that risks have been appropriately identified and assessed and that appropriate measures are in place to manage the risks effectively. Members may wish to question the Portfolio Holder and relevant officers on these aspects and assure themselves that their risk register is a robust document for managing the risks facing the service.

4   **Policy Framework**

4.1   The Housing & Property 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   **Overview of Housing & Property Services risk management**

8.1   The Housing & Property Services Risk Register is managed by the departmental management team (the Housing & Property Management Team or HPMT as shown in the register) and reviewed quarterly. The specific service management teams also review the register from their perspective on a quarterly basis as well.

8.2   Service managers are responsible for the day-to-day identification and management of risks and for bringing to the attention of their respective managers any risks that should be added to the register.

8.3   The Risk Register includes the significant business risks across the service; some of these are common across the service and others, given the broad range of services, are specific to a particular part of the service. Sitting beneath this Risk Register are a series of detailed risk assessments within each part of the service that identify the day-to-day risks which exist within the service. In general terms these are health & safety risks relevant to the type of service being provided. There are also the Service Area Crisis Plan and Business Continuity Plans which address emergency situations.

8.4   In preparation for this review the Risk Register has been considered by the Audit & Risk Manager and critically reviewed by the Insurance & Risk Officer and their comments have been considered and reflected in the register. It was also considered by Senior Management Team on 7th December 2016 and their views have also been incorporated.

9   **Housing & Property Services risks**

9.1   Housing & Property Services is responsible for the management, maintenance and improvement of virtually the entire built property portfolio. It also manages a number of people-based services, such as tenancy, leasehold and estate management, the housing register and homelessness. As a result it faces a wide variety of risks. The risk register (Appendix 1) 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.

9.2   There are 29 risks contained in the Risk Register; 20 are service-specific risks and the remainder are generic risks. The three biggest areas of risk to the service area are considered to be legislative; contractual and property-based:

§   **New legislation.** Housing is a highly regulated and legislated field with national policy changing frequently. As many of the customers served by housing are on lower incomes the service also faces risks from changes to welfare benefits legislation which, again, is a politicised policy arena. Managers keep abreast of developments in their respective fields and plan for implementation where required.

§   **Contracts.** The service has a large number of very significant high value contracts in place with external service providers. Effective procurement and contract management arrangements in the service area are therefore essential to the minimisation of risks in this area of work.

§   **Property.** Because the service area manages and maintains the built portfolio of the Council there are also significant risks around this in terms of the potential implications of failing to manage these services effectively.

9.3   It should be noted that major risks around: performance management; corporate governance; human resources; financial management; procurement; partnerships, legal; information management; asset management; business continuity; and the environment are not included on the Housing & Property Services Risk Register. These are set out on the Significant Business Risk Register. The Housing & Property Services Risk Register contains more localised service-area based risks.