

Risk Management Update

Purpose of the Report

1. This report provides assurance on the Council's risk management arrangements and that risks are being appropriately managed within the Council.
2. It also includes a summary of the Council's significant risks on the risk register.

Background

3. The Council's risk management arrangements are an integral part of the corporate governance framework. Implementing a risk management process and developing a robust risk strategy are fundamental to achieving the Council's objectives. It is not about being risk averse; it is about understanding and evaluating risks and making informed decisions about how threats are managed, or opportunities exploited, to help the Council to achieve its goals.
4. This report is from the Corporate Risk Management Group (CRMG) which oversees the Council's risk management arrangements. It produces regular risk management update reports to the Corporate Leadership Team and to this Committee.
5. There are systems in place to ensure regular review and update of risks, the last quarterly review was during August 2010. The Risk Register reflects the current situation and departments regularly review their risks to ensure changes in legislation and funding are adequately reflected. CRMG believes that the significant risks are appropriately covered by this report.

Main Considerations for the Committee

6. Risk Register

The Risk Register has been simplified to provide a quick overview of the council's risks and to easily show which risks are rated as high.

7. For each risk on the register there is now a risk action plan, which provides more information about the risk and how it is being managed. If it is deemed necessary to reduce the level of a risk, the action plan will give details of the planned actions and an update on the progress being made. Action plans are being developed for each of the Council's risks. The action plans are stored on the council's network and members of this committee can access them.
8. Risks scored as High

All red or high scoring risks were reviewed in August and assessed. The eight risks remaining at a high level are included in this report.

9. Wiltshire Council Risk Register

The Corporate Leadership Team reviews the significant risks quarterly and by exception reporting. Following the Corporate Leadership Team on 13 September 2010 the significant risks are summarised below:

10. Risk Ref. CR001:

Delivery of a Successful Waste Management and Landfill Strategy

Rating	Impact	Likelihood	Risk
Current	4	4	High
Target	4	2	Medium

11. Significant action has been taken to improve waste reduction and recycling, and increase waste diversion from landfill. Waste reduction has been assisted by the economic slowdown, plus national and local action. Waste and recycling collection changes proposed for 2011 (subject to council decision following consultation) are forecast to increase recycling significantly.
12. One contract for the further diversion of waste from landfill has already started (Hills /Lakeside), securing enough capacity to avoid LATS (Landfill Allowances Trading Scheme) fines until about 2014 and reduce the landfill tax bill. A second contract, the Hills / Entsorga Mechanical Biological Treatment (MBT) project is under negotiation. If this contract is signed, the Council would have sufficient diversion capacity to about 2019, on current forecasts. Therefore, the second contract would reduce the likelihood of this risk. The council would also meet the Corporate Plan 2010-14 target for reducing waste to landfill (25% by 2014). The proposed changes to waste and recycling collections will provide further scope to reduce landfill.
13. Whilst the above measures will reduce pressures on the Council, it is certain that the costs of waste management will still increase significantly.

14. Risk Ref. CR003:

Managing the Volatile Nature of Care Placement Requirements within the Resources Available

Rating	Impact	Likelihood	Risk
Current	4	3	High
Target	3	3	Medium

15. Children

Children and Families Services continue to see an increase in placement demand. The increase is for both new referrals in light of baby 'Peter' and also for placements for young people post 16, arising out of the 'Southwark Judgement' (Children's services have a duty to accommodate a homeless 16- or 17- year-old under section 20 of the Children's Act).

16. The challenge is to respond by developing a range of placement options. This includes establishing robust in-house resources; capable of providing high quality provision for some of Wiltshire's most challenging and complex children and young people. This would reduce the current dependency on expensive Independent Provider Agencies from within both the Residential and Fostering sectors.
17. The Commissioning Strategy is being developed, which will provide clear priorities to produce efficiencies and mitigate the risks. There is clear direction that we must reduce the number of expensive external placements and improve in house local

provision. We must also enhance the range, quality and volume of placements, particularly for those with complex needs and post 16.

18. Older People

Work is continuing on reviewing services that will reduce the number of people going into care homes who do not wish to. A new service is being commissioned in the autumn to provide outcome based support to older people in their homes. A project group is overseeing the implementation of these contracts.

19. It has recently been agreed to award framework contracts to nursing homes, which will facilitate our management of this market and provide some controls around prices. This work will conclude in December. In addition, through work being undertaken as part of the accommodation strategy new units of extra care housing will be coming on stream over the next few years and we will extend the range of practical support available to help people maintain their homes. The first of these units will open in 2011.

20. **Risk Ref. CR004:**
Delivery of 400 Unit Housing PFI Scheme

Rating	Impact	Likelihood	Risk
Current	4	3	High
Target	4	2	Medium

21. As previously reported, due to issues concerning affordability and planning, Cabinet agreed that the Housing PFI scheme would be reduced from the provision of 400 homes to around 350. These will be delivered in a phased approach, with approximately 242 homes being provided in phase 1.

22. The PFI contract cannot be signed until the Government's Comprehensive Spending Review (CSR) has concluded. The CSR may determine that this project will not proceed. This hold-up is general and most other housing PFI projects are similarly affected. The Homes and Communities Agency (HCA) July deadline has been overridden by the CSR which is expected to conclude in October this year.

23. **Risk Ref. CR024:**
Ability to maintain effective service delivery and performance levels during ICT transformation

Rating	Impact	Likelihood	Risk
Current	3	4	High
Target	3	3	Medium

24. As the move into Bourne Hill approaches there are still a huge number of changes to the ICT infrastructure that need to be made, which will inevitably lead to some service disruptions as new configurations are put into place. Testing and robust project management are in place to mitigate the impact of the many and concurrent changes as much as possible. The project has a limited time and therefore the number of changes cannot be spaced out further, without impacting on the ability for staff to have new technology and the ability to work in the new ways dictated by Workplace Transformation.

25. **Risk Ref. CR027:**
Delivery of a Transformed Waste Collection Service

Rating	Impact	Likelihood	Risk
Current	4	3	High
Target	1	3	Low

26. The resolution of role remodelling issues is key to the future of the waste collection service. The waste directorate's management team will work closely with the Pay Harmonisation Team to minimise risks of the pay harmonisation process creating poor industrial relations in this service or disrupting waste collections.

27. The Management Team has also recognised the ongoing work on transformation of collection services and the need for timely and effective consultation on service options. The consultation timetable was "on hold" until after the general election, to avoid any waste of public funds consulting on options that may become the subject of national government policy. The consultation period has now ended and a decision on the implementation of the proposed new services should be made by Cabinet at its meeting in October.

28. Risk Ref. CR028

Availability of resilient and appropriate software and hardware to deliver Benefits Service

Rating	Impact	Likelihood	Risk
Current	4	3	High
Target	2	2	Low

29. Maintaining the four existing Benefits systems is administratively costly. Expert staff based in the hubs are capable of maintaining the software and daily and overnight procedures. However, hardware maintenance with so many servers and interfaces will continue to present risks.

30. The risk status remains high as the impact of system failure is significant. Impacts include the inability to collect income for the Council; the possibility of abusing the strict code of practice regarding the collection of direct debit payments; the inability to pay customers rent through the housing benefit system.

31. The project to replace four systems, each with its own set of interfaces to SAP and the cash receipting systems, is now underway. The structure of the team is changing to meet the demand of the project and to cope better with changes to software and hardware. Implementing one system will reduce the number of servers used and also provide greater resilience in terms of retaining existing servers should there be the need to invoke disaster recovery.

32. Risk Ref. RNP006

Loss of income to the Land Charges Service

Rating	Impact	Likelihood	Risk
Current	3	4	High
Target	2	4	Medium

33. Following the revocation of the personal search fee at the beginning of August, no personal search agents have contacted the Council to ask for a refund. We are waiting for further guidance from the Local Government Association and from the Council's legal team on how to deal with such requests. In terms of the income pressures, the team will be hosting events in October to promote the Council's services to solicitors. We are also waiting for legal guidance on how we can diversify our services to maximise income opportunities and improve the service.

34. Risk

Failure of Housing Improvement Plan to deliver required service standards, performance level and asset management within the agreed timescale

Rating	Impact	Likelihood	Risk
Current	4	3	High
Target	4	2	Medium

35. An assessment carried out by the Audit Commission in February 2010 awarded the Housing Service a zero star rating for the current performance of the service and a 1 star rating for the prospects for improvement in the service. In response to this, a Housing Improvement Plan has been drawn up. This is currently being reviewed and updated with the Audit Commission recommendations. A Commission Board has been set up which includes Councillors, Officers, Tenants and CEOs from Aster and Poole Housing Partnership. This group will take ownership of the Housing Improvement Plan. Along with this, a Housing Improvement Steering Group has been set up to provide practical management of the implementation of the improvement plan. These groups are currently meeting regularly to help drive the project forward and monitor the progress of the improvements within the Housing Service.

36. **Emerging risks**

There is an emerging risk associated with the government's plans to reduce public spending by 25%. It is being considered as part of business planning. It will be evaluated once the government comprehensive spending review is published (expected 22 October 2010).

37. The Housing Options service within the Department of Neighbourhood and Planning has identified a risk concerning the reduction in government funding to help prevent homelessness; the risk has been scored as high. CRMG are reviewing this risk further and will report on it in the future if appropriate.

38. There is also the possibility that a developer will be making a claim against a school and officers are keeping this under review.

39. **Closed Risk: CR019 Ability to deliver service at an effective and safe level whilst embarking on comprehensive change agenda**

40. This risk has been closed as it was concerned with ICT during the move to one council. The ongoing changes to ICT over the next few years are covered in CR024 ICT Transformation.

41. Other areas of key risks to note include:

42. **Emergency Planning and Business Continuity (BC)**

43. Emergency Planning

The Wiltshire and Swindon Local Resilience Forum (LRF) maintain and review a Community Risk Register which compliments the National Risk Register and informs multi agency emergency planning at a local level. The register is overseen by the Risk Assessment Sub Group of the LRF. The chairmanship of the group has recently changed to the Head of Emergency Planning Service at Wiltshire Council. The group has not met for some considerable time due to reorganisations and staff changes within LRF partner agencies. The next meeting is due to take place in the second half of September or October, when a new Risk Assessment process will be discussed.

44. Currently there are four risks considered to be Very High, which will be reviewed at the next meeting of the LRF Risk Assessment Sub Group, the four risks are:

45. Community risk: Influenza type disease (pandemic)

As previously reported the Swine Flu outbreak is now over and work continues to improve our response to any similar events in the future.

46. Community risk: Major fluvial flooding

The LRF Flooding Sub Group is continuing to address the actions required by the Pitt Review. Wiltshire Council's Emergency Planning Service is leading on the LRFs multi agency flood planning arrangements and the completed plan was signed off by the LRF Executive Group on the 24 June 2010.

47. The framework local authority flood plan has been updated to reflect the changes brought about by reorganisation and restructuring and also to incorporate some of the recommendations of the Pitt report. The plan has also been redrafted to include the local authority requirements of the Flood & Water Management Act 2010. The Emergency Planning Service will continue to act as the link between the Flood Risk Management Group and the LRF Flooding Task and Finish Group.

48. Community risk: Failure of the telecommunications infrastructure

This risk may drop from a Very High to a High risk even though there is the possibility of industrial action by BT staff. The LRFs Telecommunication Failure Plan is in place and has been tested on small scale outages over previous years.

49. Community risk: Localised industrial accident involving large toxic release

This risk does not accurately reflect the type of event that could take place within Wiltshire. We do not have any storage or processing facilities which would be capable of causing such an incident. There is a risk of 'localised industrial accident involving small toxic release' which is a more credible scenario and is currently rated as High.

50. Business Continuity Management (BCM)

The BCM roll out programme has been completed. Work is in progress to track the services which have changed department under the transformation programme. A revised BCM policy document has been drawn up and was submitted to CLT on 19th July where it received approval and sign off. The Corporate Business Continuity Plan is being finalised for possible submission to ELT on 4th October. A training programme is currently being put together for continuation training for managers and introductory training for new personnel coming into the authority.

51. A set of interim arrangements have been put in place to cover the time period that the Workplace Transformation Project (WTP) is in progress. The emergency planning service has arranged for more regular information reports to be submitted in order to keep track of any changes made as a result of the programme. The BCM programme team attend fortnightly meetings with the WTP team where highlighted BCM issues are discussed and assessed.

52. Corporate Negligence Occupational Health & Safety (CNOHS)

53. Health and Safety (H&S)

Service specific H&S risk registers are now on SharePoint. These will provide the priority action plans for each service area going forward through 2010/11. Departments and service areas will be supported in maintaining registers by the corporate H&S Service. All departments/services now have a H&S lead officer for first contact.

54. Review of the lone working policy is complete. A technical project to establish a cost-effective and consistent use of communication device(s) for lone working is necessary. A project to establish a secure and compliant database of members of the public thought to represent a risk to employees is underway and a first prototype is under development. The review of the driving policy is nearing completion.
55. The Health and Safety Executive (HSE) has given notice of intention to inspect all LPG installations starting in September 2010. The Property Services group is co-ordinating the survey of compliance. The Improvement Notice served by the HSE in respect of the positioning of an LPG installation at a Wiltshire School has been actioned and signed off.
56. Occupational Health (OH)
The number of management referrals continues to rise, leaving limited capacity for statutory health surveillance or preventative work in respect of vaccination programmes and health awareness promotion. Currently vaccinations for hepatitis and tetanus, for employees at risk, are locally arranged. Resources have been realigned within the OH team to create budget for a third OH Adviser, the new appointee is due to start in September 2010. Additional OH clinics have been established at Monkton Park.
57. Legal advice has been received regarding pre-employment screening procedures following the 'Cheltenham Chief Executive' case, in which issues arose about the suitability of the screening procedure and the interpretation of some of the responses given. Wiltshire Council procedures will be modified to reflect the advice.
58. CLT are funding the module on Management Matters programme aimed at 'Managing Pressure, Stopping Stress'.
59. A full risk register for all services is in place and is overseen by the Corporate Risk Management Group.
60. The next Risk Management Update will be March 2011.

Environmental Impact of the Proposal

61. There are no direct environmental risks regarding the proposals in this report, however, clearly some of the risks reported could have environmental impacts.

Financial Implications

62. This is a mandatory report and so there are no additional costs.

Reasons for the Proposal

63. To inform and consult the Committee on developments and progress in relation to the Council's key risks and risk management arrangements.

Proposal

- The Committee is asked to note the significant risks set out in this report.
- The Committee is asked to note position on the Council's risk management arrangements.

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Unpublished documents relied upon in the preparation of this Report: None
This is a progress report