# East Lothian Council

**REPORT TO:** Audit and Governance Committee

**MEETING DATE:** 22 March 2016

**BY:** Chief Executive

**SUBJECT:** Communities and Partnerships Risk Register

## 1 PURPOSE

1.1 To present to the Audit and Governance Committee the Communities and Partnerships Risk Register (Appendix 1) for discussion, comment and noting.

1.2 The Communities and Partnerships Risk Register has been developed in keeping with the Council's Risk Management Strategy and is a live document which is reviewed and refreshed on a regular basis, led by the Communities and Partnerships Local Risk Working Group (LRWG).

## 2 RECOMMENDATIONS

2.1 It is recommended that the Audit and Governance Committee notes the Communities and Partnerships Risk Register and in doing so, the Committee is asked to note that:

- the relevant risks have been identified and that the significance of each risk is appropriate to the current nature of the risk

- the total profile of the Communities and Partnerships risk can be borne by the Council at this time in relation to the Council's appetite for risk

- although the risks presented are those requiring close monitoring and scrutiny over the next year, many are in fact longer term risks for Communities and Partnerships and are likely to be a feature of the risk register over a number of years

## 3 BACKGROUND

3.1 The Risk Register has been compiled by the Communities and Partnerships LRWG. All risks have been evaluated using the standard (5x5) risk matrix which involves multiplying the likelihood of occurrence of

a risk (scored 1-5) by its potential impact (scored 1-5). This produces an evaluation of risk as either 'low (1-4)', 'medium' (5-9), 'high' (10-19) or 'very high' (20-25).

3.2 The Council's response in relation to adverse risk or its risk appetite is such that:

- Very High risk is unacceptable and measures should be taken to reduce, transfer or treat the risk to a more tolerable position;

- High risk may be tolerable providing the Council is assured that adequate and effective control measures are in place;

- Medium risk is tolerable with control measures that are cost effective;

- Low risk is broadly acceptable without any further action to prevent or mitigate risk.

3.3 The current Communities and Partnerships Risk Register includes 1 Very High risk, 5 High risks, 36 Medium risks and 18 Low Risks. As per the Council's Risk Strategy only the Very High and High risks are being reported to the Committee.

3.4 A copy of the risk matrix used to calculate the level of risk is attached as Appendix 2 for information.


4    POLICY IMPLICATIONS

4.1 In noting this report the Council will be ensuring that risk management principles, as detailed in the Corporate Risk Management Strategy are embedded across the Council.


5    EQUALITIES IMPACT ASSESSMENT

5.1 This report is not applicable to the well being of equalities groups and an Equalities Impact Assessment is not required.


6    RESOURCE IMPLICATIONS

6.1 Financial – It is the consideration of the Communities and Partnerships Local Risk Working Group that the recurring costs associated with the measures in place for each risk are proportionate to the level of risk. The financial requirements to support the Risk Register for the year ahead should be met within the proposed budget allocations. Any unplanned and unbudgeted costs that arise in relation to any of the corporate risks identified will be subject to review by the Corporate Management Team.

6.2 Personnel – There are no immediate implications.

6.3 Other – Effective implementation of this register will require the support and commitment of the Risk Owners identified within the register.

## 7    BACKGROUND PAPERS

7.1    Appendix 1 – Communities and Partnerships Risk Register

7.2    Appendix 2 – Risk Matrix

| **AUTHOR'S NAME** | Scott Kennedy |  |
|---|---|---|
|  | Paolo Vestri |  |
| **DESIGNATION** | Emergency Planning and Risk Officer |  |
|  | Service Manager - Corporate Policy and Improvement |  |
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| **DATE** | 10 March 2016 |  |

# Communities and Partnerships Risk Register     Date reviewed: 10 March 2016

| Risk ID | Risk Description (Threat/Opportunity to achievement of business objective) | Risk Control Measures (currently in place) | Assessment of Current Risk | | | Planned Risk Control Measures | Assessment of Residual Risk [With proposed control measures] | | | Risk Owner | Timescale for Completion / Review Frequency | Single Outcome Agreement Outcome Number Link | Evidence held of Regular Review |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Likelihood | Impact | Risk Rating | | Likelihood | Impact | Residual Risk Rating | | | | |
| | | | L | I | L x I | | L | I | L x I | | | | |
| C&P 1 | Abolition of priority need in 2012 placed an obligation on the council to accept re-housing responsibility for an additional c. 300 homeless cases per year. These are mostly single people seeking 1 bed roomed size accommodation. The legislation also placed an obligation for the provision and funding of temporary accommodation until that responsibility is delivered.<br><br>This has placed considerable pressure on the Community Housing Service and has increased Homeless demand, particularly for smaller sized properties. Shortage of temporary homeless accommodation could result in an inability to accommodate those in need.<br><br>There is also the risk of the breach of Unsuitable Accommodation Orders due to a shortage of family sized temporary accommodation. | Housing Options preventative approach to provision of advice.<br><br>Increasing use of private rented sector via Rent Guarantee Scheme to prevent/ deal with homelessness. B+B accommodation used for single people at capacity.<br><br>Additional properties for temporary accommodation commissioned through Private Sector Leasing contract with Orchard and Shipman.<br><br>Continued monitoring of Registered Social Landlord nomination process (new build and routine turnover). Private Sector Leasing to help increase supply of temporary accommodation.<br><br>New Allocation Policy reduced offers for Homeless applicants to 1 to encourage throughput in temp accommodation.<br><br>Housing Access team established to co-ordinate delivery of ELC's Housing Options advice service, including statutory homelessness duties.<br><br>Private Sector lets promoted via Local pad portal through Housing Options approach. | 5 | 4 | 20 | Continue new build activity to increase housing stock.<br><br>Open Market Acquisitions to increase supply, targeting smaller sized properties in the western part of the county, where demand highest.<br><br>Explore potential to further increase supply of Private Sector Landlord accommodation during 2015-16.<br><br>Cabinet report on recommended actions to address pressures relating to a lack of affordable housing supply to be produced. Increased temporary accommodation and review of allocations targets will assist.<br><br>Exploring flat-share model to increase options for single persons.<br><br>Housing Options advice service to be rolled out via area housing teams in 2016/17. Scottish Government funding for staff training to support Housing Options. | 4 | 4 | 16 | Service Manager – Community Housing | Ongoing year on year.<br><br>December 2016<br><br>March 2016<br><br>May 2016<br><br>July 2016<br><br>October 2016 | 9, 10 | Risk refreshed February 2016 with current risk score increased from 16 to 20 and residual score increased from 12 to 16.<br><br>Risk refreshed February 2015 to combine risks together and reduce overall risk score from 20 to 16. |
| C&P 2 | Insufficient resources and resources not aligned to business current and future objectives could result in:<br>• Inability to sustain service in the short, medium, long term – long term staff absences<br>• Inability to develop service and staff i.e. skills/knowledge<br>• Inability to meet stakeholder and customer demand<br>• Legislative changes without matches resources i.e. Tell us Once/Welfare Reform<br>• Ineffective Knowledge management<br>• Significant period of change with workforce not flexible enough to meet the timeframe of expectations<br>All of the above would result in the Council being unable to meet customer expectations resulting in reputational damage and poor publicity. | Business planning and highlighting of resource requirements. Partnership working with Midlothian realising a level of income potential. Explore further business opportunities to maximise use of resources and achieve income potential. Current processes reviewed in line with added value outcomes. Sickness absence monitoring and absence management/counselling. Locum posts in Local Area offices and extended bank of generic casuals. Closure monitoring on RIVO in relation to staff experiences/stress and take appropriate action through HGIOC. Analyse performance data routinely and thoroughly and use for planning. Improved Induction Process. Staff training on CSPQ. Incidents report on RIVO and risk assessment completed. Professional Registration Qualification offered to all staff. Clear PI's identified across team. Knowledge software deployed within key areas, software evaluated and fit for purpose and staff trained to extract, interpret and apply knowledge. Current income streams reviewed and | 5 | 3 | 15 | Payment Review to be carried out by Council Tax team with input from Customer Services.<br><br>Service reviews and recommendations thereof to be implemented.<br><br>Introduce business impact assessment to highlight initial and ongoing resourcing of changes in services. | 4 | 3 | 12 | Service Manager – Customer Services | March 2016 | 1,2,3,4,5,6,7 10 | Risk refreshed by Service Manager November 2015.<br><br>Risk reviewed by CSMT February 2015<br><br>Risk Control measures refreshed May 2014 to include library services. Risk rating increased due to significant period of change. |

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| | | | L | I | L x I | | L | I | L x I | | | | |
| | | increased in line with inflation. Alternative funding opportunities to meet resource pressures such as Tell Us Once and Welfare Reform considered. Face2Face service review progressed making better use of community based resources. Programme of Service Reviews ongoing. | | | | | | | | | | | |
| C&P 3 | The high number of specialist roles/skills within a small team means that for example service reviews, budget restrictions, long-term absence, cessation of contract etc. would compromise service delivery. There is a risk that staff absence could result in loss of capacity, skills and experience to undertake key roles and require to deliver key tasks. | Individuals encouraged to work jointly, where appropriate. Project team approach to some areas of work. Staff encouraged to have detailed work plans. External support brought in if required. Employees have the ability to work from home. Continue to Identify critical 'specialist' work and contingency measures such as cross-training, shadowing, alternative 'backup' provision and support arrangements. | 4 | 3 | 12 | Service review involving all aspects of the Corporate Policy & Improvement team including Organisational Development, Performance Management and Communications is being undertaken. | 3 | 3 | 9 | Service Manager CP&I | September 2016 | N/A | New risk created by Service Manager CP&I February 2015 and further refreshed January 2016. |
| C&P 4 | Welfare Reform impacts. Under-occupancy charge (known as 'Bedroom tax') has resulted in some increased rent arrears. The DWP Welfare Reform agenda has had a negative impact on the use of the private sector for single people between 25 and 35. The impact of the introduction of the "bed-room" tax and the council's action to mitigate this by increased transfer activity into small house sizes also reduces housing availability for those homeless cases benefitting from the legislative change. | Discretionary Housing Payments (DHPs) being made to mitigate against losses due to 'Bedroom Tax'. DHP payments via Scottish Govt offering some mitigation. | 4 | 3 | 12 | Longer term impact of future status of Under-occupancy charge uncertain; Smith Commission outcomes to be confirmed. Fife Council's flat-sharing model being considered on a pilot basis in East Lothian to provide an alternative option to young single people. | 3 | 3 | 9 | Depute Chief Executive – Partnerships & Community Services Service Manager - Community Housing | March 2016 July 2016 | 9, 10 | Risk refreshed by Service Manager – Community Housing February 2016. |
| C&P 5 | Our houses are required to meet the Scottish Housing Quality Standard by April 2015. Delivery of the Standard is a significant contribution to the achievement of several of the National Outcomes the Scottish Government aims to achieve. The Scottish Housing Regulator (SHR) is monitoring progress towards achieving the target by end March 2015 and failure to clearly demonstrate good progress may involve intervention by the SHR on the management of stock quality. Failure to deliver on the SHQS would also lead to loss of reputation to the Council as a service provider and the largest landlord in East Lothian. | Annual monitoring and reporting to SHR (via the Social Housing Charter) and Audit Scotland. Annual Housing Capital Investment Programme review. The Capital Programme funds planned programmes of work has been targeted at meeting the requirements of the SHQS. Keystone software system now in place ensuring robust information held on the condition of Council housing stock. Meetings take place fortnightly with Service Manager - Property Maintenance and monthly with Head of Service. New Housing Asset Management Team established to oversee delivery of modernisation, adaptation and new build programmes although these are not permanent posts thus creating a risk of temporary staff/turnover. | 3 | 4 | 12 | Housing Asset Management Strategy to be developed during 2016. Programme targeted to address failures 2015/16. Date validation checks of information to be held on Keystone. Rolling programme of stock condition surveys required to keep data up to date. | 2 | 4 | 8 | Service Manager - Community Housing | October 2016 March 2016 March 2016 2016 onwards | 9 | Risk refreshed by Service Manager February 2016. |

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| | | | L | I | L x I | | L | I | L x I | | | | |
| | | Monthly monitoring and reporting as part of Balanced Scorecard.

Continued investment in targeted capital programme works.

Keeping SHR regularly updated on progress towards meeting the SHQS. Keystone informs future planning of annual programme of modernisation work. | | | | | | | | | | | |
| C&P 6 | Failure to implement adequate H&S controls and to comply with H&S legislation could result in poor performance, diminution of service and could also result in injury to employees or the public leading to possible insurance claims and reputational damage to the Council.

While if H&S governance is not consistent across all services in terms of:

• The policies/practices in place
• Performance monitoring
• Statutory compliance

This leaves the Council more open to accidents, incidents and litigation and makes audits around these challenging. | Safety policy and training in place and accessible to all employees. Management arrangements & procedures and specialist staff also in place.

The ELC H&S Safety Management System is in operation and H&S controls are monitored through cross departmental auditing, inspections and RIVO data analysis to identify control and risk issues.  Reporting quarterly to JH&S Committee ensures scrutiny by management and trades unions.

Health & Safety Policy, Guidance and Approved Guidelines in place. | 3 | 4 | 12 | Review performance and feedback, refresh and update guidance and training as required.  Take performance mgmt and / or disciplinary proceedings forward where individual non-compliance occurs.

Revised H&S Policy, Management Arrangements and procedures being developed.

Performance monitoring framework being developed in-line with new management arrangements.

KPI's identified for CMT to monitor H&S Performance against, including monitoring statutory compliance. | 2 | 3 | 6 | Service Manager – CP&I

Corporate Health & Safety Advisor (Partnership) | March 2016 | | Two risks reviewed and combined to form this one risk by Service Manager CP&I February 2015 and refreshed January 2016 |

| Original date produced (Version 1) | 06 May 2014 | | | Risk Score | Overall Rating |
|---|---|---|---|---|---|
| File Name | Policy and Partnerships Risk Register | | | 20-25 | Very High |
| Original Author(s) | Scott Kennedy, Risk Officer | | | 10-19 | High |
| Current Revision Author(s) | Scott Kennedy, Risk Officer | | | 5-9 | Medium |
| Version | Date | Author(s) | Notes on Revisions | 1-4 | Low |
| 1 | May/June 2014 | S Kennedy | Former Policy and Partnerships Risk Register altered to become the Communities and Partnerships Risk Register with risks transferred in and out following realignment. | | |
| 2 | November/December 2014 | S Kennedy | Community Partnerships, CP&I (Occupational Development, Health & Safety, Policy & Customer Feedback Risks refreshed) | | |
| 3 | February 2015 | S Kennedy | CP&I (EP, BC &RM) risks updated and all CP&I risks reviewed by Service Manager and Customer Services Risks reviewed by Service Manager.  Community Housing Risks updated by Service Manager.  Final review undertaken by Head of Service with minor changes made. | | |
| 4 | November 2015 | S Kennedy | Customer Service and Community Partnerships Risks updated by managers. | | |
| 5 | January 2016 | S Kennedy | Corporate Policy & Improvement Risks Reviewed | | |
| 6 | February 2016 | S Kennedy | Community Housing Risks Reviewed. | | |

**Appendix 2**
**East Lothian Council**
**Risk Matrix**

**Likelihood Description**

| Likelihood of Occurrence | Score | Description |
|---|---|---|
| Almost Certain | 5 | Will undoubtedly happen, possibly frequently >90% chance |
| Likely | 4 | Will probably happen, but not a persistent issue >70% |
| Possible | 3 | May happen occasionally 30-70% |
| Unlikely | 2 | Not expected to happen but is possible <30% |
| Remote | 1 | Very unlikely this will ever happen <10% |

**Impact Description**

| Impact of Occurrence | Score | Description | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Impact on Service Objectives | Financial Impact | Impact on People | Impact on Time | Impact on Reputation | Impact on Property | Business Continuity |
| Catastrophic | 5 | Unable to function, inability to fulfil obligations. | Severe financial loss (>5% budget) | Single or Multiple fatality within council control, fatal accident enquiry. | Serious - in excess of 2 years to recover pre-event position. | Highly damaging, severe loss of public confidence, Scottish Government or Audit Scotland involved. | Loss of building, rebuilding required, temporary accommodation required. | Complete inability to provide service/system, prolonged downtime with no back-up in place. |
| Major | 4 | Significant impact on service provision. | Major financial loss (3-5% budget) | Number of extensive injuries (major permanent harm) to employees, service users or public. | Major - between 1 & 2 years to recover pre-event position. | Major adverse publicity (regional/national), major loss of confidence. | Significant part of building unusable for prolonged period of time, alternative accommodation required. | Significant impact on service provision or loss of service. |
| Moderate | 3 | Service objectives partially achievable. | Significant financial loss (2-3% budget) | Serious injury requiring medical treatment to employee, service user or public (semi-permanent harm up to 1yr), council liable. | Considerable - between 6 months and 1 year to recover pre-event position. | Some adverse local publicity, limited damage with legal implications, elected members become involved. | Loss of use of building for medium period, no alternative in place. | Security support and performance of service/system borderline. |
| Minor | 2 | Minor impact on service objectives. | Moderate financial loss (0.5-2% budget) | Lost time due to employee injury or small compensation claim from service user or public (First aid treatment required). | Some - between 2 and 6 months to recover. | Some public embarrassment, no damage to reputation or service users. | Marginal damage covered by insurance. | Reasonable back-up arrangements, minor downtime of service/system. |
| None | 1 | Minimal impact, no service disruption. | Minimal loss (0.5% budget) | Minor injury to employee, service user or public. | Minimal - Up to 2 months to recover. | Minor impact to council reputation of no interest to the press (Internal). | Minor disruption to building, alternative arrangements in place. | No operational difficulties, back-up support in place and security level acceptable. |

| Risk | Impact | | | | |
|---|---|---|---|---|---|
| **Likelihood** | None (1) | Minor (2) | Moderate (3) | Major (4) | Catastrophic (5) |
| Almost Certain (5) | 5 | 10 | 15 | 20 | 25 |
| Likely (4) | 4 | 8 | 12 | 16 | 20 |
| Possible (3) | 3 | 6 | 9 | 12 | 15 |
| Unlikely (2) | 2 | 4 | 6 | 8 | 10 |
| Remote (1) | 1 | 2 | 3 | 4 | 5 |

**Key**

| Risk | Low | Medium | High | Very High |
|---|---|---|---|---|