

# PLACES SCRUTINY PANEL

25<sup>th</sup> April 2013

## STRATEGIC RISK REGISTER

Report of the Strategic Director of Resources

STRATEGIC AIM:	<b>All</b>
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### 1. PURPOSE OF THE REPORT

- 1.1 To update the Places Scrutiny Panel on the current status of the Risk Register.

### 2. RECOMMENDATIONS

- 2.1 **That the Places Scrutiny Panel notes the contents of the risk register and the actions underway to address the risks.**

### 3 BACKGROUND

- 3.1 The Corporate Risk Register is normally presented to the Audit and Risk Committee on a quarterly basis. The Committee last received an update on the 16<sup>th</sup> April 2013.
- 3.2 At its meeting on the 22<sup>nd</sup> January, the Scrutiny Commission agreed that the Risk Register would also now be reported to Scrutiny Panels for review and discussion of risks relevant to their remit.
- 3.3 The risks relevant to the Places Scrutiny Panel are in Appendix A.
- 3.4 A summary of the risks, plotted on the risk matrix has been prepared. This is shown as Appendix B and highlights how the risks are spread across the matrix.

### 4. RISK MANAGEMENT

RISK	IMPACT	COMMENTS
<b>Time</b>	<b>Low</b>	Risk management is a continual process as part of the Council's business.
<b>Viability</b>	<b>Low</b>	There are no direct implications within this report.
<b>Finance</b>	<b>Low</b>	There are no direct implications within this report.
<b>Profile</b>	<b>Medium</b>	Any un-managed risks would be likely to attract adverse publicity.
<b>Equality</b>	<b>Low</b>	Initial Equality Impact Assessment completed, there are

<b>and Diversity</b>		no particular issues in this area.
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**Background Papers**

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**SECTION ONE****Strategic Risk Register – All Scrutiny Panels**

April 2013

	Risk Ref	Impact	Likelihood	Risk Owner	Risk Manager
GREEN	3	Marginal	Low	Carol Chambers	Mark Naylor
<p><b>Risk Name:</b> Organisational Development. Updated March 2013.</p> <p><b>Risk Description:</b> Failure to maintain and develop appropriate policies and procedures for the effective recruitment, retention and management of employees.</p> <p><b>Risk Controls:</b></p> <ul style="list-style-type: none"> <li>• Corporate induction programme.</li> <li>• Core Values and Leadership Behaviours Framework now in place.</li> <li>• New appraisal system is in place.</li> <li>• Weekly One Council Briefing issued to communicate key issues to all staff.</li> <li>• Recruitment procedures currently under review including the Recruitment pages of the website.</li> <li>• New corporate approach to development of training plans being introduced.</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• All policies/procedures are being reviewed on a cyclical basis. In the last quarter, the following policies have been updated: <ul style="list-style-type: none"> <li>○ Maternity, Paternity and Adoption</li> <li>○ Relocation</li> <li>○ Secondment</li> <li>○ Pay</li> <li>○ Restructure</li> </ul> </li> <li>• Induction process has been reviewed and is scheduled to go to SMT on 8<sup>th</sup> April 2013 to be agreed.</li> <li>• Review of appraisal system being undertaken in May.</li> <li>• Performance Development Review's now substantially complete.</li> </ul>					

	Risk Ref	Impact	Likelihood	Risk Owner	Risk Manager
AMBER	5	Critical	Significant	Helen Briggs	Chris Jones
<p><b>Risk Name:</b> Media Influence. Updated March 2013.</p> <p><b>Risk Description:</b> Failure to manage the process of information/news release, resulting in adverse publicity within the local and national press.</p> <p><b>Risk Controls:</b></p> <ul style="list-style-type: none"> <li>• Communications Officer is first point of contact; he has built up a good relationship with the press.</li> <li>• Communications Strategy includes a policy on dealing with enquiries from the press.</li> <li>• Communication is a standing item on the SMT agenda. Pro-active communication is discussed where relevant.</li> <li>• Use of press releases to put information across in the format we want.</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• No further action required at this time.</li> </ul>					

	Risk Ref	Impact	Likelihood	Risk Owner	Risk Manager
AMBER	10	Critical	Significant	Helen Briggs	Dave Brown
<p><b>Risk Name:</b> Significant business interruption. Updated March 2013.</p> <p><b>Risk Description:</b> Failure to be resilient should the Council face a number of key threats e.g. loss of key staff (skills/knowledge), loss of ICT, loss of data, loss of fuel, loss of utilities, loss of vehicles.</p> <p><b>Risk Controls:</b></p> <ul style="list-style-type: none"> <li>• Review of business continuity management arrangements.</li> <li>• Business Continuity Plans now in place for key areas, for example: <ul style="list-style-type: none"> <li>○ Loss of Accommodation</li> </ul> </li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• New Policy Document, Business Impact Analysis and response plans compiled.</li> <li>• Testing of business continuity plans to be planned.</li> <li>• Review of BCP's completed by Operational Director, some minor actions to be resolved.</li> </ul>					

	Risk Ref	Impact	Likelihood	Risk Owner	Risk Manager
GREEN	15	Critical	Very Low	SMT	SMT
<p><b>Risk Name:</b> Contracted services</p> <p><b>Risk Description:</b> Failure of a major contractor to provide key council services.</p> <p><b>Risk Controls:</b></p> <ul style="list-style-type: none"> <li>• Liaison with contractors to monitor performance and overall financial stability.</li> <li>• Overview of their performance.</li> <li>• Annual company check undertaken.</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• Instigate monthly company checks for key contractors.</li> </ul>					

	Risk Ref	Impact	Likelihood	Risk Owner	Risk Manager
AMBER	17	Critical	High	Helen Briggs	Victoria Brambini
<p><b>Risk Name:</b> Corporate Capital Strategy. Updated March 2013.</p> <p><b>Risk Description:</b> Failure to plan and deliver capital projects within time-limited availability of the funding.</p> <p><b>Risk Controls:</b></p> <ul style="list-style-type: none"> <li>• Project Management and governance arrangements in place.</li> <li>• Capital Allocations Project Board (Education) established.</li> <li>• Regular project board meetings taking place, involving school reps and officers/members.</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• CIL Infrastructure Projects List being detailed to form part of consultation on CIL.</li> <li>• Prioritisation process for projects pursuant to corporate strategic aims and objectives being developed.</li> <li>• Development of corporate capital investment strategy underway.</li> </ul>					

	Risk Ref	Impact	Likelihood	Risk Owner	Risk Manager
AMBER	18	Critical	High	Helen Briggs	Kendrew WG
<p><b>Risk Name:</b> Cottesmore Base</p> <p><b>Risk Description:</b> Not being prepared for the arrival of the Army.</p> <p><b>Risk Controls:</b></p> <ul style="list-style-type: none"> <li>• Close liaison with the Army.</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• Cottesmore WG reactivated and relevant sub groups formed.</li> <li>• Police and other partners engaged.</li> <li>• Visit to Germany took place May 2012.</li> <li>• Induction pack prepared.</li> <li>• School admissions being progressed.</li> <li>• Lobbying for funding with LGA, DfE and CLG.</li> </ul>					

	Risk Ref	Impact	Likelihood	Risk Owner	Risk Manager
AMBER	20	Critical	High	Helen Briggs	Helen Briggs
<p><b>Risk Name:</b> Political Leadership.</p> <p><b>Risk Description:</b> Turbulence within the political leadership.</p> <p><b>Risk Controls:</b></p> <ul style="list-style-type: none"> <li>• Succession planning.</li> <li>• Member development.</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• Regular 121's with Leader to discuss risks and mitigation.</li> </ul>					

	Risk Ref	Impact	Likelihood	Risk Owner	Risk Manager
AMBER	21	Critical	Significant	S Della Rocca/Carol Chambers	Andrea Grinney/Victoria Todd
<p><b>Risk Name:</b> Welfare Reform. Updated March 2013.</p> <p><b>Risk Description:</b> Failure to be prepared for the welfare reform changes.</p> <p><b>Risk Controls:</b></p> <ul style="list-style-type: none"> <li>• New local Council Tax scheme now in place.</li> <li>• Pro-active work undertaken with affected groups.</li> <li>• Hardship fund setup.</li> <li>• Tracking developments in respect of Universal Credit.</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• Continuous assessment of the impact on vulnerable people and the services they may require as a result of the changes.</li> <li>• Liaising with DWP over the role of the Local Authority in Universal Credit.</li> </ul>					

	Risk Ref	Impact	Likelihood	Risk Owner	Risk Manager
AMBER	27	Critical	Significant	Helen Briggs	Janet Bilby
<p><b>Risk Name:</b> Retention and Recruitment of Senior Staff. Added January 2013.</p> <p><b>Risk Description:</b> The increase in accusations made against officers who were unable to respond and, as a result, the retention of these staff and subsequent recruitment is a cause for concern.</p> <p><b>Risk Controls:</b></p> <ul style="list-style-type: none"> <li>• On-going support provided for members of staff.</li> <li>• Use of press releases/website to put information across to the public.</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• Independent report commissioned on the actions of RACP.</li> <li>• Resolution of special Council meeting – 10<sup>th</sup> January 2013.</li> </ul>					



## SECTION FOUR

### Strategic Risk Register – Places Directorate Scrutiny Panel

April 2013

	Risk Ref	Impact	Likelihood	Risk Owner	Risk Manager
AMBER	7	Critical	Significant	Helen Briggs	Victoria Brambini
<p><b>Risk Name:</b> Office Accommodation. Updated March 2013</p> <p><b>Risk Description:</b> Fit for purpose and sufficient office accommodation.</p> <p><b>Risk Controls:</b></p> <ul style="list-style-type: none"><li>• Introduction of Power Perfector and other energy management initiatives are improving energy efficiency.</li><li>• On-going works have improved wiring, loading on building and improved working environment in some areas.</li><li>• Regular service and repairs to maintain the life of the heating system.</li><li>• Recent Big Move project has resulted in zoning of Directorates but has created some overcrowding problems.</li><li>• Implementation of new phone system has improved the facilities for agile working.</li></ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"><li>• Continued encouragement of flexible working arrangements and review of workspaces, Property step in to change furniture layouts in “risk” rooms (second floor) completed.</li><li>• Increased use of electronic systems rather than paper storage, initiation of paper-lite project to manage document retention.</li><li>• Prioritised programme of improvements.</li><li>• Options appraisal on heating distribution system replacement as invest to save.</li><li>• Improvements to Fire Alarm system and external fire escape stairs being deployed.</li><li>• Property rationalisation, marketing of surplus requirements underway.</li></ul>					

	Risk Ref	Impact	Likelihood	Risk Owner	Risk Manager
GREEN	11	Critical	Very low	Helen Briggs	Victoria Brambini
<p><b>Risk Name:</b> Significant business interruption – loss of main site. Updated March 2013</p> <p><b>Risk Description:</b> Failure to deliver key services should a significant business interruption lead to the loss of the main site.</p> <p><b>Risk Controls:</b></p> <ul style="list-style-type: none"> <li>• Business Continuity Processes and procedures in place to protect the most vulnerable.</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• New Policy Document, Business Impact Analysis and response plans compiled.</li> <li>• Testing of business continuity plans to be planned.</li> </ul>					

	Risk Ref	Impact	Likelihood	Risk Owner	Risk Manager
RED	12	Critical	High	Helen Briggs	Victoria Brambini
<p><b>Risk Name:</b> Catmose Campus.</p> <p><b>Risk Description:</b> Financial out-turn above budget due to prolonged contract, service connections and archaeology / asbestos issues and post contract defect rectification management.</p> <p><b>Risk Controls:</b></p> <ul style="list-style-type: none"> <li>• Budget monitoring procedures.</li> <li>• Regular updates of forecast outturn.</li> <li>• Analysis of contractor reports and performance and opportunities for challenge and cost recovery.</li> <li>• Utilisation of underspent grants on other projects to meet costs.</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• Completed forecast outturn return to be updated based on on-going defect rectification management.</li> <li>• Robust contract negotiations with contractor on-going.</li> <li>• Assessment of asbestos reports and potential for recharge.</li> </ul>					

	Risk Ref	Impact	Likelihood	Risk Owner	Risk Manager
GREEN	13	Marginal	Low	Helen Briggs	Victoria Brambini
<p><b>Risk Name:</b> Local Plan (LP) formerly Local Development Framework. Updated March 2013.</p> <p><b>Risk Description:</b> Delays in completion and adoption of key documents</p> <p><b>Risk Controls:</b></p> <ul style="list-style-type: none"> <li>• Annual Monitoring report (2012) published on progress of LP with housing trajectories and completions data.</li> <li>• Officer and Members Working Group on-going to facilitate decision making.</li> <li>• Realistic targets and milestones regularly renewed</li> <li>• Monitor changing national planning policy.</li> <li>• Manage overall programme slippage resulting from additional work (Article 4 Directions, Neighbourhood Plans, SPDs).</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• Core strategy adopted July 2011 and Site Allocations progressing.</li> <li>• Implications of National Planning Policy Framework embedded.</li> <li>• Additional Resourcing in place to progress extended workloads (NPs, CIL).</li> <li>• Programme and resources review to balance objectives of time vs. cost.</li> </ul>					

	Risk Ref	Impact	Likelihood	Risk Owner	Risk Manager
AMBER	19	Critical	High	Helen Briggs	Victoria Brambini
<p><b>Risk Name:</b> Significant Planning Applications delayed. Updated March 2013.</p> <p><b>Risk Description:</b> Progression of major planning applications and managing overlapping/competing schemes.</p> <p><b>Risk Controls:</b></p> <ul style="list-style-type: none"> <li>• Appropriate legal and specialist planning/ S106 advice sought on individual applications.</li> <li>• SPD on developer contributions and Core Strategy adopted.</li> <li>• Site Allocation Policy on preferred options going out for final consultation prior to adoption.</li> <li>• Portfolio holder and SMT regularly advised of all new significant applications upon receipt and significant pre-app enquiries.</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• Wind turbine and other SPDs prepared to support policy framework.</li> <li>• Legal advice on retail application process and policy advice.</li> </ul>					

- S106 negotiations on retail supported by Sport England.

	<b>Risk Ref</b>	<b>Impact</b>	<b>Likelihood</b>	<b>Risk Owner</b>	<b>Risk Manager</b>
AMBER	22	Critical	Significant	Helen Briggs	Victoria Brambini
<p><b>Risk Name:</b> Digital Rutland – risk of non-delivery.</p> <p><b>Risk Description:</b> Failure to deliver improved broadband with resultant impact on economy and service transformation.</p> <p><b>Risk Controls:</b></p> <ul style="list-style-type: none"> <li>• Procurement of a strategic partner.</li> <li>• BDUK funding in place.</li> <li>• Alternative funding sources.</li> <li>• State aid compliant process.</li> <li>• Detailed Risk Register in place.</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• Further detailed activity pending State aid approval.</li> <li>• Transition to operational Governance Board</li> <li>• ERDF bid</li> </ul>					

	Risk Ref	Impact	Likelihood	Risk Owner	Risk Manager
AMBER	23	Critical	Significant	Helen Briggs	Victoria Brambini
<p><b>Risk Name:</b> Development of Ashwell Business Park delayed. Updated March 2013</p> <p><b>Risk Description:</b> To ensure that the future use of the site supports the Council's growth strategy.</p> <p><b>Risk Controls:</b></p> <ul style="list-style-type: none"> <li>• Planning policy review, SPD adopted by Council January 2013.</li> <li>• Project Board in place to manage decisions, key actions and programme.</li> <li>• Community communication and business engagement to measure demand.</li> <li>• Site management protocols in place for access and surveys.</li> <li>• Council approval of capital budget and business plans</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• Financial model for business park.</li> <li>• Master planning and planning application.</li> <li>• Consultant and contractor procurement.</li> <li>• Detailed Risk Register in place, managed by Project Board.</li> <li>• Lease templates.</li> </ul>					

	Risk Ref	Impact	Likelihood	Risk Owner	Risk Manager
AMBER	25	Critical	Significant	Helen Briggs	Dave Brown
<p><b>Risk Name:</b> Local Sustainable Transport Bid. Added January 2013, updated March 2013.</p> <p><b>Risk Description:</b> Implementation delays, failure to deliver within funding limits.</p> <p><b>Risk Controls:</b></p> <ul style="list-style-type: none"> <li>• Project Manager appointed (PRINCE2 governance).</li> <li>• Risk register developed and reviewed monthly.</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• On-going dialogue with DfT and delivery partners.</li> <li>• Re-profiled funding has been approved by the Department of Transport</li> </ul>					

	Risk Ref	Impact	Likelihood	Risk Owner	Risk Manager
GREEN	26	Critical	Very Low	Helen Briggs	Dave Brown
<p><b>Risk Name:</b> Cellar Collapse. Added January 2013.</p> <p><b>Risk Description:</b> Collapse of private cellars under public highways.</p> <p><b>Risk Controls:</b></p> <ul style="list-style-type: none"> <li>• Will be dealt with on a reactive basis.</li> <li>• Code of practice for structural maintenance reviewed.</li> <li>• Recommended procedure is reactive given history of incidents in Rutland.</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• No further actions required.</li> </ul>					

	Risk Ref	Impact	Likelihood	Risk Owner	Risk Manager
GREEN	28	Marginal	Low	Helen Briggs	Victoria Brambini
<p><b>Risk Name:</b> Housing Stock Transfer Warranties and Residual Environmental Liabilities. Added January 2013, updated March 2013.</p> <p><b>Risk Description:</b> Management of residual liabilities relating to contaminated land and building materials, flooding, demolition and redevelopment.</p> <p><b>Risk Controls:</b></p> <ul style="list-style-type: none"> <li>• Environmental Insurance in place and renewed annually.</li> <li>• Review of annual reports from Spire.</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• Annual renewal of insurance.</li> <li>• Asbestos Management Strategy to be provided and expenditure programme.</li> <li>• Strategic dialogue with Spire of redevelopment programme.</li> </ul>					

Summary of Risks plotted on the risk matrix

**LIKELIHOOD**

(A) VERY HIGH		Risk 12, 19		
(B) HIGH		Risks 18,20,22,23		
(C) SIGNIFICANT		Risks 5,7,10,17, 21,25,27		
(D) LOW	Risks 3,28			
(E) VERY LOW	Risks 13	Risk 11,15,26		
(F) ALMOST IMPOSSIBLE				
	(4) NEGLIGIBLE	(3) MARGINAL	(2) CRITICAL	(1) CATASTROPHIC

**IMPACT**