

REPORT TO:	GENERAL PURPOSES & AUDIT COMMITTEE 25 March 2015
AGENDA ITEM:	16
SUBJECT:	Corporate Risk Register
LEAD OFFICER:	Richard Simpson, Assistant Chief Executive (Corporate Resources & s151 Officer)
CABINET MEMBER	Councillor Simon Hall, Cabinet Member for Finance and Treasury
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT:	
<p>This report presents the corporate risk register as at January 2015 as part of the General Purposes and Audit Committee's role of overseeing the risk management framework and receiving assurance that significant corporate (Red) risks are identified and mitigated by the organisation. This process will ensure that the risk management function will continue to contribute to the achievement of the Council's vision, key priorities and objectives.</p> <p>In line with the Council's commitment to openness and transparency, the corporate risk report will appear in Part A of the agenda unless there is specific justification for any individual entries being considered under Part B (set out under Paragraph 3 of Schedule 12A of the Local Government Act 1972 as amended).</p>	
FINANCIAL SUMMARY: No direct financial implications.	
FORWARD PLAN KEY DECISION REFERENCE NO.: N/A	

1. RECOMMENDATION
1.1 The Committee is asked to note the contents of the Corporate Risk Register as at March 2015

2. EXECUTIVE SUMMARY

- 2.1 The report updates the General Purposes & Audit Committee Members on the corporate risk register (the register) as at March 2015.

3. DETAIL

Risk Register Report

- 3.1 The register presented details all the current corporate risks rated at a total risk score of 20 and above (Red Risks). Since the register was last considered in full by the General Purpose & Audit Committee at its meeting 28th January 2015, no red risks have been escalated or de-escalated from the register.
- 3.2 In line with the Council's commitment to openness and transparency, the register will appear with the corporate risk report in Part A of the agenda unless, in accordance with the Access to Information Procedure Rules in the Council's Constitution there is specific justification for any individual entries being considered under Part B (set out under Paragraph 3 of Schedule 12A of the Local Government Act 1972 as amended).
- 3.3 It should be noted that some of the grounds for exemption from public access are absolute. However, for others such as that in para.3, 'Information relating to the financial or business affairs of any particular person (including the authority holding that information)', deciding in which part of the agenda they will appear, is subject to the further test of whether, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. .

4. FINANCIAL CONSIDERATIONS

- 4.1 There are no financial considerations arising from this report.

(Approved by Dianne Ellender, Deputy S151 Officer)

5. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

- 5.1 The Council Solicitor advises that there are no additional legal considerations arising from this report.

(Approved by: Gabriel MacGregor, Head of Corporate Law, on behalf of the Council Solicitor and Monitoring Officer)

6. HUMAN RESOURCES IMPACT

- 6.1 There are no Human Resources implications in relation to this issue.

(Approved by Heather Daley, Head of HR Consultancy)

7. EQUALITIES, ENVIRONMENTAL AND CRIME AND DISORDER REDUCTION IMPACTS

- 7.1 None

8. RISK ASSESSMENT

8.1 No further risk issues other than those detailed in the report.

9. FREEDOM OF INFORMATION/DATA PROTECTION CONSIDERATIONS

9.1 Information contained in the Council's Risk register or held in relation to the Council's risk management procedures may be accessible under the Freedom of Information Act subject to the application of any relevant exemptions, such as commercial sensitivity and whether disclosure was in the 'public interest'.

CONTACT OFFICER:

Malcolm Davies,
Head of Risk & Corporate Programme Office
Ext 50005

BACKGROUND DOCUMENTS:

Appendix 1 Corporate Risk Register
Appendix 2 Risk Assessment Guide

Corporate Risk Register

Risk Ref	Risk Scenario		Exec Director	Existing Controls	Current Risk Rating			Future Controls	Future Risk Rating		
	Risk	Impact			Impact	L'hood	Total		Impact	L'hood	Total
DASHHN0008 Brown, Peter	<p>The current economic conditions, lack of supply of private and public sector rented accommodation, changes to housing benefit and welfare reform continue to increase the rate of homelessness and demand for social housing. Changes include Welfare Benefit cap, under-occupancy adjustment (bedroom limit) and Direct Payments. As a result, the Council continues to need costly emergency and temporary accommodation. (Risk Reviewed 17 Dec 2014). (Risk Registered as Red 21/01/2011) (Risk Reviewed at Corporate Leadership Team 3rd Dec 2014)</p>	<p>Additional cost to General Fund due to increased spending on emergency and temporary accommodation. Households potentially living in unsuitable accommodation with consequent negative impacts on their health and wellbeing. Risk of increased of homelessness or risk of breach of statutory obligations regarding use of shared emergency accommodation for more than six weeks . Potential for legal action against Council and reputational damage. Greater difficulty in placing tenants within the private rented sector. Potential for increase in the number of evictions. Risk of people not moving on from temporary accommodation Greater level of administration required. (Strategic objective alignment: Independence)</p>	<p>Negrini, Jo Places Department</p>	<p>a) Providing landlord and family liaison to help maintain households in their tenancies and to help households to move on from temporary accommodation. b) Worked with Corporate colleagues to target 500 households and develop future actions to address Benefit Cap impacts on their housing. Contact made with all families with further action plans developed. c) Floating support for relocated families d) Speeding up homelessness decisions; aiming for 33 days in 80% of cases. e) Weekly meeting to monitor and action numbers in B&B. f) Weekly welfare group review and monthly welfare board g) Monthly temporary accommodation strategy meeting. h) New Allocations Policy and Tenancy Strategy i) Procurement of temporary accommodation outside of the Borough when appropriate</p>	5	5	25	<p>a) Expanding temporary accommodation programme b) New schemes will potentially provide additional 190 temporary units c) Impact of under-occupancy - more analysis being undertaken to review offered to customers d) Working up business cases for the procurement of private sector accommodation to reduce reliance on shared B&B accommodation including permitted development properties f) Working up action plan for future approach of the services g) ICT initiatives to improve access to online claims system. Explore CRM-OHMS Wizard potential for more efficient processing and management information h) Lobbying Central Government on local housing allowance i) New housing company being explored for three to four years time (2018)</p>	5	4	20

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				<p>j) Development of new ways of procuring additional supply for temporary accommodation and expanding temporary accommodation project.</p> <p>k) Inter Borough Temporary Accommodation Agreement Monitoring returns on a quarterly basis.</p> <p>l) Government guidance on the ability to discharge homelessness duty released - Homelessness (Suitability of Accommodation) Order issued and protocol and procedures developed in response.</p> <p>m) Effective Use of Housing Revenue Account (£6m for 2014/15) to increase supply of new build housing</p> <p>n) Signed up to phase two of the expanding temporary accommodation project with target of 93 properties in 2014/15</p> <p>o) Pan London initiative (London Councils) to achieve VFM on nightly B&B rates</p>							

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RCSCFS0001 Simpson, Richard	The Council faces significant reductions in its grant funding over the period 2014/18 (Risk escalated to Red 7/6/10) (Risk reviewed at Corporate Leadership Team 3rd Dec 2014) (Risk reviewed 4 Dec 2014)	Insufficient resources may lead to inability to meet community needs and political aspirations. Potential inability to meet statutory responsibilities in times of increasing demand through changing demographics, for example mental health services, older people's services and deprivation of liberty demands. Damage to reputation and service. Reduction in resources Risk of failure to balance Budget and Failure to maintain capital investment strategy in infrastructure Potential for current year overspend 14/15. (Strategic objective alignment: Enabling)	Elvery, Nathan Chief Executive's Office	a) The Council has a track record of delivering significant savings since 2010 (£100m) b) Croydon Challenge Programme engagement started with all staff on outcomes and benefits. c) Quarterly monitoring of in year financial performance to Corporate Leadership Team and Cabinet	5	5	25	a) Cabinet sign off of 2015/18 savings programme b) Cabinet sign off of budget Feb 2015 c) Spending review for 2015 and beyond The council will provide evidence to support the case for Croydon, to ensure our position is fully understood by government under the 'Fair Share' for Croydon banner d) Detailed business case development on Croydon Challenge Programme e) New Corporate Plan aligned to Ambitious for Croydon to ensure priorities align with resources	5	4	20
CFLSCF0005 Lewis, Ian	Further development and embedding of improvement in children's social care in the context of the plan to improve services from a low base over the medium term, the growth of demand due to the increases in the population and the growth in deprivation, and the difficulty in recruiting permanent social workers, at a time of severe restraint on resources. (Risk registered as Red 31/5/13) (Risk reviewed at Corporate Leadership Team 3rd Dec 2014). (Risk reviewed 9 Dec 2014)	Risk of inconsistencies in the quality of case work and of outcomes for children (Strategic objective alignment: Independence)	Greenhalgh, Paul People Department	Social care improvement plan, including recruitment and retention of social workers and systematic training programme for social workers	5	4	20	Implementation of projects on fostering and looked after children and development of alternative model for children in need services	5	4	20

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DASHPD0008 Morris, Edwina	<p>The Care Act 2014 brings about the most significant changes to adult social care since the NHS and Community Care Act in 1990 and repeals relevant legislation going back to the National Assistance Act 1948. There are a range of new duties on the local authorities to incorporate preventative practice and early intervention into care commissioning and extend the right to an assessment to all carers with an expectation of support for those eligible. It introduces a national minimum eligibility for users and requires LA's to provide information and advice to all, particularly self-payers (who will become a significant number of new service users for the council) and this is part of the integration agenda with health with the link to the Better Care Fund. The funding arrangements of the Dilnot recommendations (in April 2016) including the funding cap of £72k per person are still to be confirmed and this may bring about the risk of greater litigation and potentially Judicial Reviews. The risk therefore is, can we implement in line with national expectations in April 2015 with Dilnot changes in April 2016 and will the council have the required resources to do so. (Risk Registered as Red 19/7/2013)</p> <p>(Risk reviewed at Corporate Leadership Team 3rd Dec 2014). Reviewed by DMT 4 Dec 2014</p>	<p>Financial impact on the council (remains unknown) in relation to the Cap and financial impact due to the numbers of people presenting for financial and care needs assessment, including carers along with sufficient funding to enable implementation. As this is a new burden on local authorities the Department of Health have confirmed that this will be funded. (Strategic objective alignment: Independence)</p>	<p>Greenhalgh, Paul People Department</p>	<p>a. Care Act implementation plans reviewed monthly by Dept of Adult Social Services Health & Housing Management Team</p> <p>b. Briefing papers have been to Corporate Leadership Team in October 2013, this also included the response to the national consultation on paying for care and phase one of the Care Act Implementation changes</p> <p>c. Paper developed in June 2014 Setting out the eligibility criteria, we participated in a national survey to test out the proposed new model. Criteria now confirmed and staff to be trained accordingly.</p> <p>d. Work stream leads identified and governance structure for implementation put in place</p> <p>e. Standing item of Adult Social Services Review Panel and in addition presentation to policy development in October 2014</p> <p>f. Paul Heynes appointed as Head of Care Act Implementation Programme to lead on this project (as well as part-time with the Department of Health working on Local Authority Funding).</p>	4	5	20	<p>a. Report and briefing delivered for Corporate Leadership Team in respect of the regulations and guidelines for implementation of April 2015 changes with future updates planned and further sessions in due course</p> <p>b. Scenario planning of future costs from April 2016 is expected to be completed following national work and guidelines, using the Surrey model in January / February 2015</p> <p>c. Funding 2015/16 to be confirmed in December 2014 to cover implementation cost of phase one of the Care Act. In addition ring fenced funding from within the Better Care Fund of £845000 has also been agreed for 2015/16</p> <p>d. The intention of the Department of Health remains that funding will be made available to ensure these significant new burdens do not fall upon local authorities.</p> <p>e. Revised action plan following response from providers of care homes and outcome of gap analysis. Contact providers once model for operation of the cap is published and develop financial impact plan for the Council.</p>	4	4	16

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				<p>g. Implementation for funding allocated nationally for 2014/15, with pre requisite of responding to national stock take exercises now underway. (Two returns now completed)</p> <p>h. Engagement with staff, Members, providers, the voluntary sector and carers regularly under way.</p> <p>i. Commissioning information and advice services, commissioning prevention services. A gap analysis to be undertaken and scenario planning to enhance services to our carers and increasing assessments</p> <p>j. Paul Heynes is serving on Department of Health working group on Paying for Care and Brenda Scanlan is part of the Care Planning & Personalisation working group</p> <p>k. Scenario planning stage 2, commercial negotiations ongoing since 2012 / 2013 These have focused on the cost reductions of Croydon's supported placements but also increased the Councils intelligence on the provider base.</p>							

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				<p>L. Croydon was a pilot site for providing data to Local Government Futures who are working on behalf of the Dept of Health to produce a new more accurate funding reallocation system to replace the national relative needs formula.</p> <p>m. The Council leader has written to Norman Lamb MP (Minister of State for Care and Support) to identify particular needs of Croydon Council in respect of the large number of providers within the borough which is likely to impact on additional costs.</p>							
DEV0003 Lacey, Colm	<p>There is a risk that the scale of redevelopment anticipated in the borough over the next five years, (including Transport for London capital investment, schools development, public realm improvements plus specific projects such as the Whitgift redevelopment etc.), could have an adverse impact on the borough's highways and transport infrastructure, and existing business base, particularly within the metropolitan centre. (Risk registered as Red 28/06/13). (Risk Reviewed at Corporate Leadership Team 3rd Dec 2014)</p> <p>(Risk last reviewed - 16.09.14)</p>	<p>Risk of unacceptable increase in car and public transport journey times. Risk of disruption to visitors, commuters and businesses from roadworks and diversions.</p> <p>Risk of visitors and shoppers being deterred from coming to the town centre. Potential reputational damage for Croydon.</p> <p>Risk of adverse impact on local economy in the short term. (Strategic objective alignment: Growth)</p>	<p>Negrini, Jo</p> <p>Places Department</p>	<p>a) The Croydon Strategic Metropolitan Board (CSMB) has been created and meets bi-monthly. This high level board chaired by the Chief Executive and attended by the relevant parties including the Greater London Authority has oversight of delivery of the Delivery Plan.</p> <p>b) CSMB in combination with the other groups above will manage scheduling of works as well as delivery a joined up messaging / communications campaign to business and residents.</p>	5	4	20	<p>a) The Five Year Integrated Delivery Plan has been developed. The Delivery Plan is a roadmap for delivery of the whole town centre redevelopment and sets out a series of outcomes / actions which the Council and partners will use to measure success and manage impact.</p> <p>b) Provide challenge and review at Connected Croydon Board and tributary boards by a senior client.</p> <p>Infrastructure study and Section 278 of the Highways Act funding contribution from Westfield development</p>	4	4	16

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				<p>c) Several operational Boards meet monthly / bi-monthly including; Managing Infrastructure Delivery and Scheduling Board, . North End Improvement Group, Mayor's Regeneration Fund Board and Growth Board. These are officer Boards attended by Croydon Council officers plus Tramlink, Greater London Authority, Transport for London, operational officers from developers etc. - these groups attempt to co-ordinate delivery of schemes to manage impact on public space inc. highways</p>							

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				<p>d) Alongside the Plan sits a Dashboard tool which can be used to assess impact of the various developments / developments in combination. It can support effective scheduling of construction in relation to minimising negative impact on highways, pollution etc. and scheduling of completion of schemes e.g. minimising potential to flood market with residential units etc.. Information from the Dashboard will be used to influence developer scheduling, manage communications with residents and existing businesses and support traffic management. The tool will be actively managed by Development & Environment to ensure it's up to date and used effectively.</p>							

Threat and Opportunity Risk Assessment

Impact Classification

	Service disruption	Financial Loss	Reputation	Failure to provide statutory service/meet legal obligations	People
Extreme 5	Total failure of service	Over £5m	National publicity > than 3 days. Resignation of leading Member or Chief Officer.	Multiple civil or criminal suits. Litigation, claim or fine above £5m	Fatality of one of more clients/staff
Very high 4	Serious disruption to service	£500k- £5m	National public or press interest.	Litigation, claim or fine £500k - £5m	Serious injury. Permanent disablement of one of more clients/staff
Medium 3	Disruption to service	£50k -£500k	Local public/ press interest	Litigation, claim or fine £50k - £500k	Major injury to individual
Low 2	Some minor impact on service	£5k - £50k	Contained within department	Litigation, claim or fine £5k - £50k	Minor injuries to several people
Negligible 1	Annoyance but does not disrupt service	< £5k	Contained within unit/section	Litigation, claim or fine less than £5k	Minor injury to an individual

Select the highest category to score the risk.

Likelihood Classification For An Event Occurring In A Given Year

5. *Almost Certain*—Expected to occur in most circumstances (> 80%).
4. *Likely* - Will probably occur in most circumstances (51% - 80%).
3. *Possible* – Fairly likely to occur (21% - 50%).
2. *Unlikely* - Could occur at some time (6% - 20%).
1. *Rare* -May occur only in exceptional circumstances (0 – 5%).

Risk Rating/Scoring = Impact*Likelihood

Prioritisation of Risks

20-25	Those risks requiring immediate management and monitoring
9-19	Those risks requiring management and monitoring but less time critical
1-8	Those risks which require ongoing monitoring

Approaches that can be adopted for the management of risk:

- **Eliminating or avoiding:** Changing or abandoning goals specifically associated with the risk in question, or choosing alternative approaches or processes that make what was a risk no longer relevant.
- **Risk sharing:** Sharing risks in part or full with another stakeholder who could be involved solely to facilitate risk treatment.
- **Reducing the probability:** Changing approach identifying causal links between threat and impact, or causes of threat, and intervening to mitigate occurrence, acting to reduce the threat.
- **Reducing the impact:** Developing contingency plans for responding to the threat if it occurs, even if other steps have been taken to minimise risk.

RISK IDENTIFICATION & ASSESSMENT
CONSIDER BOTH OPPORTUNITY AND THREATS

RISK MANAGEMENT