

Governance and Performance Monitoring

Quarterly Risk Report (Quarter 4 2010/11)



Governing the council

Corporate governance is about how the council ensures it is doing the right things, in the right way, for the right people, in a timely, inclusive, open and accountable way. This section of the report looks at various aspects of the council 's governance arrangements and discusses any issues

Risk management

We provide a wide range of services to our community and it is essential that we protect and preserve our ability to continue to provide these services through taking into account and planning for any risk that may be involved.

Strategic and operational risk

We will provide ongoing reviews of our Corporate Risk Register, highlighting changes in the status of risks and also the appearance of new ones. Risk reviews are forward looking and they identify potential risks for the forthcoming period.

Decreased likelihood scores

Customer Services

ID	Risk Description	Q4 Score	New Score
R-CS 04	Inability to respond to customers calls due to volumes outstripping resources leading to increased numbers of customer receiving the engaged tone. This would result in dissatisfaction with service delivery and would have a negative impact on the Council's reputation.	6	3
Current Status			
<p>The installation of the new telephony system (Mitel 3300) in the customer contact centre has seen the number of user licenses increase to 20. This has meant that resources are now able to match demand and has resulted in a significant reduction in the number of callers receiving an engaged tone. The figures for March have shown that the number of customers receiving the engaged tone was 6.9%. In comparison, the figure for the same period last year was 40%.</p> <p>The risk likelihood score has now been reduced to low, following the successful implementation of this project. Further work is being undertaken in order to improve the overall customer experience when phoning the customer contact centre.</p>			

Closed Risks

Asset Management

ID	Risk Description	Score
R-AM 06	Thetford Enterprise Park - Failure to secure planning and other permissions to develop the site, delays in infrastructure work, failure to appoint developer, unexpected archaeological findings and normal risks associated with significant capital projects.	9
Existing Control Measures / Mitigation Plans		
<p>This risk has now been closed. The Thetford Enterprise Park project was grant funded by the East of England Development Agency (EEDA) but the funding was withdrawn. A deed of termination and release was signed with EEDA to waive the funding agreement. Breckland Council received a mitigating grant payment to cover the costs incurred during the project.</p>		

Customer Services

ID	Risk Description	Score
R-CS 05	<p>The Siemens V 5 Hi-Path Procentre becoming unsupported</p> <ul style="list-style-type: none"> o Inability to upgrade system o Inability to fix any faults o Inability to expand beyond 16 digital lines o A need to future proof our infrastructure 	4
Existing Control Measures / Mitigation Plans		
<p>This risk has now been closed. The installation of the new telephony system (Mitel 3300) in the customer contact centre is a direct replacement for the Siemens system and is a fully supported system.</p>		

Closed Risks

Strategic Risk

ID	Risk Description	Score
R - SR 19	Loss of IT helpdesk service on 1st May 2011 removing means in which to raise support calls for Officers and Members.	2
Current Status		
This risk can now be closed. The new IT helpdesk was operational from the 1st May 2011 and there has been no subsequent interruption or interference with business operations.		

ID	Risk Description	Score
R - SR 20	Loss of specialist IT staff knowledge prior to the Steria service transfer	4
Current Status		
This risk can now be closed. No specialist IT knowledge was lost prior to the service transfer. All existing Steria staff were transferred to the Council.		

ID	Risk Description	Score
R - SR 23	Continued availability of the Business Improvement Team to support the Service Desk replacement, design LAGAN scripting, configuration of LAGAN and support user training. (NB This was flagged up as a risk as the team had been requested to support some shared services work between Breckland Council and South Holland Council).	6
Current Status		
This risk can now be closed. The Business Improvement team implemented a fully functional ICT Service Desk within the required timescales and continue to be available to support any future configuration requirements for the system.		

Risks outside the council 's tolerance level

We don 't have the resources to manage every risk all of the time, so we need to consider which risks are most likely to happen (likelihood) and what the impact would be, i.e. determine the degree of exposure based on likelihood, impact, and time frame if the risk is realised.

Breckland 's Risk Management Approach aims to focus on those risks that, because of their likelihood and impact, make them priorities. Both the gross and net risk level (likelihood and impact) of each risk are plotted and prioritised using a simple 3x3 matrix. The matrix uses a " traffic light" approach to show high (red), medium (amber) and low (green) risks.

Generally, any " net " red risks (i.e. those risks that appear in the 6 & 9 box of the matrix after taking any mitigating actions into account) are viewed as unacceptable in the first instance and must be " treated " with Senior Management involvement. At this stage some form of cost benefit analysis may be needed to ensure that the cost of further risk mitigation action does not outweigh the cost of tolerating the risk.

I M P A C T	High (3)	3	6	9
	Medium (2)	2	4	6
	Low (1)	1	2	3
		Low (1)	Medium (2)	High (3)
		LIKELIHOOD		

The following risks have all been scored at 6 or above and therefore fall outside of the Council' s agreed tolerance level. These risks will be reviewed regularly via the performance management framework to ensure that they are managed effectively. This process will be continual, until such time that the identified risks are no longer a threat to the organisation.

Strategic Risks

ID	Risk Description	Score
R - SR 02	The impact of the Economic Downturn on the Council's budgets combined with the likelihood of lower settlements under CSR10, falling income, falling rental income and a cap on Council Tax owing from low RPI. Resulting in limited opportunity for budgetary growth without compensatory efficiencies. The setting of the Medium Term Financial Plan will continue to be challenging, yet clearly deliverable.	9
Current Status		
Measures have been implemented to achieve a balanced budget in 2011/12 without the need to draw on the General Fund. A programme for achieving the level of savings required in future years will be determined prior to the next budget round.		

ID	Risk Description	Score
R - SR 03	Downturn in economy could lead to failure in maintaining rental income for investment property portfolio and potentially impact on council tax.	9
Current Status		
There is no change to this risk. The Council's investment property portfolio continues to perform well within testing economic circumstances, the Commercial Property Portfolio achieved a figure of 95% let against a target of 90% during Quarter 4.		

Strategic Risks

ID	Risk Description	Score
R - SR 07	The Medium Term Financial Strategy fails to demonstrate sustainability over the medium term. The consequence of this would result in the need for the Council to make cuts or to identify further efficiencies	9
Current Status		
Measures have been implemented to achieve a balanced budget in 2011/12 without the need to draw on the General Fund. A programme for achieving the level of savings required in future years will be determined prior to the next budget round.		

ID	Risk Description	Score
R - SR 09	Failure to recover Icelandic investments, resulting in the inability to deliver the capital programme.	6
Current Status		
There is no change to the status of this risk. With regard to Icelandic litigation, Breckland 's District Court submissions have been submitted. The outcomes of the test case hearings will determine the status of UK local authority claims, but will be subject to appeal to the High Court in Iceland.		

ID	Risk Description	Score
R - SR 10	Failure to secure power for Snetterton Utilities Project will have significant implications on planned and potential future employment and would result in reputational damage being suffered by the Council.	6
Current Status		
The Economic Development department and Planning department have been working with Icen Power who are looking to put forward a planning application for a 40 megawatt (MW) bio-mass plant on the south side of Snetterton Heath. Development proposals are being put forward and an outline planning application is expected in the next 6 months.		

Strategic Risks

ID	Risk Description	Score
R - SR 11	Failure to achieve affordable housing targets would result in the council failing to meet the housing need in the Breckland district leading to an increase in homelessness and social / economic issues.	6
Current Status		
<p>New policies and direction from central government are still to bed down making the current delivery of affordable housing for the future unclear.</p> <p>The council ' s major delivery partner, Flagship Housing Group have taken a change of direction in their future delivery of new affordable housing and decided not to bid for grant funding. This leaves the authority vulnerable to maintaining its delivery plans to meet housing need.</p> <p>This risk is being mitigated through strengthening our relationship with other Registered Social Landlord ' s (RSL) partners who have submitted plans for funding. The Council continues to work closely with the Housing and Communities Agency (HCA) to manage any outcomes which hinders delivery from Flagship Housing Group. The housing team are currently investigating and developing other innovative solutions for delivery.</p> <p>The future for this year may not be as positive as previous years where we have delivered over target. There has been a big reduction in the number of start on sites by developers which in turn impacts on completions. The housing team are monitoring this on a monthly basis and developing stronger working relationships with developers to understand the issues and solutions to enable work to continue.</p>		

Strategic Risks

ID	Risk Description	Score
R - SR 12	Failure to deliver the Council's corporate priorities would lead to missed targets; reduced organisational assessment scores and reputational damage.	6
Current Status		
<p>There is currently no change to this risk. The Local Area Agreement and National Indicators have been abolished by Central Government. In view of the changing structure of the organisation, i.e. shared services, forecasted budget cuts and local elections the Council will need to review the corporate priorities. Work will be undertaken to ensure that there are synergies with South Holland District Council with regard to priority setting in order to ensure efficiencies can be made.</p>		

ID	Risk Description	Score
R - SR 13	Failure to deliver the Corporate Health and Safety plan would expose the council to the risk of potential enforcement action by the Health and Safety Executive due to a failure to manage health and safety effectively and/or civil claims by injured employees where health and safety risks have not being adequately controlled.	6
Current Status		
<p>Norfolk County Council have completed the review of Breckland Council 's Health and Safety arrangements. The relevant policy updates, improvement plans and training will be delivered in the near future. This work has been undertaken in consultation with the Council 's Corporate Health and Safety - Joint Consultative Group.</p>		

Strategic Risks

ID	Risk Description	Score
R - SR 16	Corporate financial risk of increase / decrease in PFI unitary charge following benchmarking exercise in year 7 of contract (2014). An increase in unitary charge would last until the next benchmarking exercise 5 years later (2019).	6
Current Status		
There is currently no change to the status of this risk. The PFI Monitoring Officer continues to monitor the situation and is working closely with Parkwood to assess centre usage and expenditure on an ongoing basis.		

ID	Risk Description	Score
R - SR 24	Availability of ICT Management / Project resource post Shared Management should the current Head of ICT not be successful following outcomes of the Shared Management review.	6
Current Status		
This risk was realised as the Head of ICT was unsuccessful in the Shared Management review. The mitigation plans were implemented and the Council has appointed an interim manager to run the service and to manage the completion of the Steria service transfer.		

Operational Risks

Financial Services

ID	Risk Description	Score
R - F 03	Further failures of financial institution leads to loss of Council funds, which may affect the Council's ability to continue to deliver services.	6
Current Status		
There is no change to the status of this risk. With regard to Icelandic litigation, Breckland 's District Court submissions have been submitted. The outcomes of the test case hearings will determine the status of UK local authority claims, but will be subject to appeal to the High Court in Iceland.		

Human Resources

ID	Risk Description	Score
R - HR 05	Organisational changes due to the development of shared service arrangements with other authorities could lead to poor staff morale, issues with staff retention, job losses and an overall drop in staff productivity. This could result in a fall in the quality of service received by the customer leading to the council suffering reputational damage.	6
Current Status		
The Shared Management restructure has now been implemented. The Human Resources team continue to monitor this risk on an ongoing basis as the changes are embedded within the organisation. Staff surveys will be undertaken in the coming months to understand if there are any issues with morale. A number of team building / training events are being planned for both authorities.		

Operational Risks

Policy & Performance

ID	Risk Description	Score
R - P 02	Failure to achieve equalities standard score of 'Achieving' due to lack of corporate ownership and understanding results in reputational damage through non delivery of a Business Plan target and potential legal non-compliance	6
Current Status		
<p>This risk score remains unchanged. Work continues to be delivered in this area and documentation has been prepared in order to help the Council progress as needed. However, the challenges of delivering the “Achieving” score remain, although there is a commitment to meet this standard. There are potential joint working opportunities with South Holland District Council and these need to be considered before a work plan is agreed.</p>		

ID	Risk Description	Score
R - P 07	Contractual and/or non-contractual partnership governance arrangements are not appropriate leading to failure to deliver value for money for the council.	6
Current Status		
<p>The Council currently has Good Governance in Partnerships guidelines in place which need to be developed further and embedded. There is also a need to undertake value for money reviews on the Council ' s contracts in addition to any value for money work already conducted with services. Moving forward, the adoption of enhanced controls is currently being explored, including the implementation of ISO 31000, which may help reduce this risk.</p>		

Operational Risks

Strategic Housing

ID	Risk Description	Score
R-SH 02	Failure to secure forecast income projections due to economic downturn on temporary accommodation, House in Multiple Occupation (HMO) licensing and Choice Based Lettings. Leading to a reduction in income to the Council and concomitant ability to operate contracts to provide services i.e. John Room House management contract.	6
Current Status		
The income forecasts for Choice Based Lettings, John Room House Hostel, B&B 's and HMO licensing were not achieved. Budgets were re-profiled to the end of the financial year as part of the ongoing mitigation plans and moving forward in 2011/12 the risk should be downgraded as the financial projections have been amended.		

ID	Risk Description	Score
R-SH 06	Increase in numbers of vulnerable customers accessing services leading to stress on key budgets and personnel and potential impact on ability to meet statutory service requirements.	6
Current Status		
Ongoing monitoring demonstrates increased requests for certain key services such as housing advice. Budgets have now been identified to target homelessness prevention for 2011/12 but with the changes to housing benefit and tenure, the council will have to keep a watching brief on the effect on housing services.		

Operational Risks

Strategic Housing

ID	Risk Description	Score
R-SH 10	Loss of key areas of revenue and capital Grant income, namely DFG's, Affordable Housing, Decent Homes, Homelessness Grant, Warmfront. Leading to large budget deficits in statutory service areas and a potential inability to deliver services.	9
Current Status		
The risk score remains unchanged due to the un-ringfencing of the homelessness grant and the associated implications of this. Breckland Council was awarded a higher provision of grant than anticipated and agreed for an element of the budget to remain in place for prevention services. The Disabled Facility Grant allocation also received a positive outcome.		

Sustainable Communities

ID	Risk Description	Score
R - SC 02	Corporate failure to correctly interpret and apply the restrictions of the PFI may lead to financial and reputational damage / breach of contract.	6
Current Status		
This risk is mitigated by having the PFI monitoring officer in post to ensure there is compliance with the contract. The PFI monitoring officer went on maternity leave at the end of February, this post has now been covered by an internal secondment to ensure there is continuity in the monitoring of this contract.		