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| | <p>Performance and Contract Management Committee</p> <p>27 February 2018</p> |
| <p style="text-align: right;">Title</p> | <p>Review of High Impact Risks</p> |
| <p style="text-align: right;">Report of</p> | <p>Commercial Director</p> |
| <p style="text-align: right;">Wards</p> | <p>All</p> |
| <p style="text-align: right;">Status</p> | <p>Public</p> |
| <p style="text-align: right;">Urgent</p> | <p>No</p> |
| <p style="text-align: right;">Key</p> | <p>No</p> |
| <p style="text-align: right;">Enclosures</p> | <p>Appendix A: High impact risks</p> |
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| <p>Summary</p> |
| <p>This paper presents information on moderate/low level risks (scoring 12 or below) with a high impact score of 5 on the strategic and service/joint risk registers. It sets out the controls and mitigations in place to manage these risks and any additional mitigating actions carried out during the last quarter. As Members usually see only high level service/joint risks (scoring 15 or above) as part of the Corporate Risk Register, this is intended to provide additional assurance that all risks with a high impact score of 5 are being effectively managed, in line with the risk management framework.</p> |

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| <p>Recommendations</p> |
| <p>That the Committee note the moderate/low level risks with a high impact score of 5, including the controls and mitigations in place to manage the risk</p> |

1. WHY THIS REPORT IS NEEDED

1.1 Members have requested information on the moderate/low level risks (scoring 12 or below) with a high impact score of 5, which would not normally be presented to PCM Committee as part of the Performance Monitoring Report, to seek assurances that all risks are being effectively managed, in line with the risk management framework.

1.2 To ensure consistency in the assessment of risks and to enable comparison and consistent reporting on the various levels of risk, the council uses a score of 1 to 5 to assess the impact and likelihood of a risk occurring within the next five years:

- **Impact** represents the expected disruption to the council. This is summarised as negligible (1), minor (2), moderate (3), major (4) or catastrophic (5)
- **Likelihood** represents the statistical chance of an event taking place. This can be rare $\leq 10\%$ (1), unlikely 11-25% (2), moderate 26-50% (3), likely 51-90% (4) or almost certain $>90\%$ (5)

1.3 If the impact of an event taking place would be “**catastrophic**”, the risk would be given a high impact score of ‘5’. An example of a “catastrophic” impact would be a fatality, multiple breaches in statutory duty leading to prosecution or disruption to the business lasting more than seven days.

If the likelihood of an event taking place would be “**rare**” (10 per cent or less) or “**unlikely**” (between 11 and 25 per cent), the risk would be given a low likelihood score of ‘1’ or ‘2’.

1.4 The two main response options for managing the council’s risks are:

- **Treat** – this means **actively managing the risk** through the implementation of additional mitigating actions
- **Tolerate** – this means **accepting the risk** with the existing controls and mitigations in place

1.5 The council has different levels of risk registers:

- **Operational risks** are captured on the **service** risk registers or **joint** risk registers, which are held with strategic partners (for The Barnet Group, Cambridge Education, Customer and Support Group (CSG) and Regional Enterprise (Re)). These are reviewed by the relevant senior management team or partnership board. Any risks scoring 12 or above are escalated quarterly for review by senior managers at Strategic Commissioning Board.
- **Strategic and business critical** risks are captured on the **strategic** risk register, which is also reviewed quarterly by Strategic Commissioning Board.

All strategic risks and high level service/joint risks (scoring 15 or above) are presented quarterly to PCM Committee as part of the Performance Monitoring Report.

- 1.6 This paper presents information on moderate/low level risks (scoring 12 or below) with a high impact score of 5 and low likelihood score of 1 or 2, as at end December 2017. It sets out the controls and mitigations in place to manage the risks, alongside any additional mitigating actions carried out in the last quarter (October to December 2017). Further information is set out in Appendix A.

Strategic risk register

- 1.7 There are 21 risks on the strategic risk register. Of these, three are moderate/low level risks (scoring 12 or below) with a high impact score of 5.
- **STR008 - Successful challenge to the decision-making process (risk score 10).** This risk relates to the council's statutory obligations to consult as part of the decision-making process. Controls include the institution of corporate advice and guidance on decision-making and clearance process. Senior managers and Members also have oversight of decisions. This risk is being managed as 'tolerate'.
 - **STR013 - Effective response to internal and external changes (risk score 10).** The risk concerns the council's ability to effectively respond in an agile way to internal and external changes (political and economic). To mitigate exposure to the risk the council undertakes forward and business planning at the corporate level. The risk management framework and audit process also control this risk. This risk is being managed as 'treat'. Additional mitigating actions include budget modelling that takes into account population projections, changes in legislation and emerging pressures. In the last quarter, the council continued its review process and updated its financial forecasts of the medium-term outlook for the organisation. This included reviewing the underlying assumptions and taking into account both macroeconomic factors together with prevailing internal performance in achieving savings, managing demand and balancing in-year budgets. The output is a Medium Term Financial Strategy (MTFS), which is provided to the Strategic Commissioning Board as a tool to assist decision-making. An updated MTFS was presented to Policy and Resources Committee in December 2017.
 - **STR019 - Fire health and safety (risk score 10).** The risk focuses on the council's ability to sufficiently manage policies and procedures around health and safety, including fire. Controls centre around policies and processes for managing compliance in respect of the council's estate and homes, audits and inspections. This risk is being managed as 'treat'. In the last quarter, all urgent and advisory works arising from inspections were completed. The two Registered Providers with outstanding information about their remedial work submitted their actions and these were agreed with the Fire Brigade. Following a programme of fire risk assessments and comprehensive intrusive

surveys to all 26 tower blocks, a prioritised programme of work was developed. This programme was approved by the Housing Committee in October 2017 and the funding for the works, totalling £17.5m from the Housing Revenue Account was subsequently approved by Policy and Resources Committee. Works have commenced on site and will be completed by August 2019. An initial submission identifying residential private sector high rise buildings with Aluminium Composite Material (ACM) cladding was made to DCLG in November 2017. 16 buildings required further investigation and Re was commissioned to carry out surveys for these in December 2017. Additional mitigating actions include considering proposals for improvements to council tower blocks following the Hackett review (due Spring 2018).

Service risk registers

Adults, Communities and Health risk register

1.8 There are 30 risks on the Adults, Communities and Health risk register. Of these, three are moderate/low level risks (scoring 12 or below) with a high impact score of 5.

- **AC008 – Non-adherence to safeguarding policies and procedures (risk score 10).** This risk relates to insufficient staff (permanent and agency, at all levels) to meet rising demand and complexity, leading to non-adherence with policies and procedures (specifically safeguarding). Controls and mitigations include staff training; a quality assurance framework; regular case file audits; and monthly reporting to the leadership team on safeguarding activity. This risk is being managed as ‘treat’. A programme of audit and assurance work for 2017/18 was agreed by the Quality Board and an internal and external audit cycle is in place, which scrutinises the adherence to safeguarding policy and procedures. In the last quarter, the internal audit cycle for Q3 2017/18 was completed and an external audit was started in January 2018. A report from the Subject Access Request (SAR) held in Q2 2017/18 was finalised and a second SAR will be carried out in Q4 2017/18. Multi-agency safeguarding training was commissioned and policies on “self-neglect and hoarding” and “recording” were signed off by the Safeguarding Adults Board and Quality Board.
- **AC011 - Breach of mental capacity act or code of practice (risk score 10).** This risk centres on insufficient staff (permanent and agency, at all levels) to meet rising demand and complexity, leading to a breach of the Mental Capacity Act or Code of Practice. As with the safeguarding risk, controls and mitigations include staff training; a quality assurance framework; and regular case file audits take place. This risk is being managed as ‘treat’. In the last quarter, procedures within the Deprivation of Liberty Safeguards (DoLS) team were reviewed and implemented in the light of Association of Directors of Adult Social Services (ADASS) guidance and prioritisation of ‘risk triggers’. The internal audit cycle for Q3 2017/18 was completed and the external audit started in January 2018. The findings will be reported to the Quality Board.

- **AC029 - Incomplete client records (risk score 10).** This risk relates to the possibility of incomplete or partial data having been migrated from the old Adults social care case management system Swift, to the new system, Mosaic. Controls and mitigations are being managed through the Investing in IT programme and include a data reconciliation exercise to confirm whether any data is missing, which will result in a project plan with resource in place to transfer any missing information. Communications have been issued to staff on how to resolve any issues relating to missing data; and Mosaic support tickets are being monitored to pick up any missing client data queries. This risk is being managed as 'treat'. In the last quarter, actions focused on managing the Investing in IT programme team to complete the data reconciliation; and recruitment of extra resource into the programme team to support the update and transfer of data where necessary. Monitoring of Mosaic support tickets has continued to ensure all client data queries can be quickly resolved.

Environment

1.9 There are 31 risks on the Environment risk register. Of these, two are moderate/low level risks (scoring 12 or below) with a high impact score of 5.

- **SS006 – Health and Safety incident (risk score 10).** This risk concerns the need for Street Scene staff to work in high risk situations (use of plant and machinery, working on highways, use of chemicals and substances). Controls and mitigations in place include training for staff before they are deployed; requirement to wear personal protective equipment (PPE); policies and procedures; risk assessments; qualifications for use of chemicals, drivers and operating certain machinery; daily vehicle and machinery checks; the following of Health and Safety Executive guidance. This risk is being managed as 'treat'. Information on health and safety conduct is discussed on a weekly basis at Street Scene Leadership meeting. Operational management health and safety assessment documentation is being reviewed to improve how data relating to incidents and risk assessments are recorded.
- **GS015 - Personal injury from falling trees (risk score 5).** The council manages approximately 40,000 street trees, plus many more in parks and open spaces. This risk relates to the possibility of personal injury from falling trees and branches on passers-by, vehicles or property due to adverse weather conditions. The risk is being mitigated through cyclical inspections of street and park trees by qualified staff; service level agreement with Barnet Homes; and a budget for emergency works. This risk is being managed as 'tolerate'.

Parking and Infrastructure

1.10 There are 14 risks on the Parking and Infrastructure risk register. Of these, one is a moderate/low level risks (scoring 12 or below) with a high impact score of 5.

- **PI013 - Enforcement contract extension (risk score 5).** This risk addresses the cessation of the enforcement contract in 18 months' time and

the need to commence a full procurement exercise under the Official Journal of the European Union (OJEU) process. To mitigate the risk, the current contract's 18-month extension clause has been activated. The procurement process will need a specialist resource; and planning is underway for this exercise. Controls and mitigations in place include the development of a project plan; engagement with the internal procurement team; and the identification of a resource to carry the project forward. This risk is being managed as 'treat'. A project manager has been appointed with milestones for the project established with the aim to award the new contract in July 2018. In the last quarter, the procurement was advertised for expressions of interest and shortlisting will follow.

Joint risk registers

The Barnet Group

1.11 There are 9 risks on The Barnet Group risk register. Of these, one is moderate/low level risks (scoring 12 or below) with a high impact score of 5.

- **TBG006 – Health and Safety/Compliance incident (risk score 10).** The risk relates to failure to adhere to regulatory requirements: asbestos (current and historic); Care Quality Commission; temporary accommodation conditions; legionella; gas and fire safety; and data quality. Incorrect data records could lead to a health and safety/compliance incident. To mitigate the risk the service has in place a number of controls including policies and procedures; health and safety management system; supplier contracts/agreements for temporary accommodation providers; violent and abusive register; vulnerable tenant password scheme; CQC audit; and use of specialist partners. This risk is being managed as 'treat'. Actions to remedy the risk include: implementation of e-learn for safeguarding and learning from the British Safety Council; implementation of recommendations from internal audits on legionella water systems and asbestos; inspecting the cladding installations to all tower blocks and working with the DCLG to test this for fire integrity; and reviewing the fire safety system and processes following publication of the findings from Grenfell Tower enquiry in Spring 2018. Following the Grenfell Tower fire, immediate action was taken to ensure the safety of all tower blocks. These were all inspected and a prioritised Fire Safety programme costing £17.5m was approved by the Housing Committee in October 2017. The Granville Road recladding options appraisal was completed and approved by the Fire Safety Board in December 2017. An internal audit of both Gas Safety and Asbestos Management was carried out. The compliance arrangements for temporary accommodation were reviewed and an ongoing monitoring framework put in place.

Re

1.12 There are 25 risks on the Re risk register. Of these, one is moderate/low level risks (scoring 12 or below) with a high impact score of 5.

- **PB02 - Major project delivery failure - Brent Cross (risk score 10).** The risk relates to the periodic review of project management controls and

resource capacity as the programme expands. Controls and mitigations in place include the appointment of a Project Director and additional Programme Management Office (PMO) support; monthly project meetings and reviews; establishment of a Brent Cross Governance Board and integrated PMO (iPMO). This risk is being managed as 'treat'. In the last quarter, governance has been tightened through the relevant boards and co-ordinated by the iPMO. The iPMO manages the interfaces between the projects and other key stakeholders such as Transport for London and produces monthly reports to both the Brent Cross Governance Board and the Brent Cross Government Assurance Board. The Infrastructure and Projects Authority (IPA) review was completed in November 2017 and the recommendations will be taken forward by September 2018. The capacity and capability of the iPMO is being reviewed to ensure it is able to proactively develop the management tools and information needed to support the programme into the delivery phase.

Other service/joint risk registers

- 1.13 The Public Health, Children and Young People, Customer Strategy, Communications and Assurance (CSCA), Growth, Resources and Commercial (GRC), Cambridge Education and CSG risk registers have no moderate/low level risks with a high impact score of 5.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The council developed a new risk management framework, which was approved by Performance and Contract Management Committee in January 2017. This report is intended to provide assurance to Members that risks are being managed in accordance with this framework.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 None.

4. POST DECISION IMPLEMENTATION

- 4.1 Risk owners are required to consider further actions to mitigate any risks being managed as 'treat'. To support risk owners, comprehensive risk management training and guidance notes have been provided; and regular sessions are held with risk champions who support each service in reviewing risks and maintaining the risk registers.
- 4.2 The Strategic Commissioning Board will continue to review the strategic risks and any service/joint risks scoring 12 or above on a quarterly basis. If any concerns are raised, a deep dive can be instigated to investigate the risk further.
- 4.3 At an operational level, the service/joint risks will continue to be reviewed by the relevant senior management team or partnership board.

5. IMPLICATIONS OF DECISION

Corporate Priorities and Performance

- 5.1 All strategic and service/joint risks are reviewed on a quarterly basis (as a minimum). Any high level service/joint risks (scoring 15 or above) will be added to the Corporate Risk Register and published as part of the quarterly Performance Monitoring Report to the Performance and Contract Management Committee.

Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2 There are no specific financial and value for money, procurement, staffing, IT, property and sustainability implications associated with this paper. However, as part of the risk management framework, risk owners may identify risks around finance and value for money, staffing and culture, etc. to ensure that risks within these key areas of business are properly identified and managed.

Social Value

- 5.3 Not applicable in the context of this report.

Legal and Constitutional References

- 5.4 Under the council's Constitution, Article 7, Committees, Sub-Committees and Working Groups, the Performance and Contract Management Committee has specific responsibility for risk management.

Risk Management

- 5.5 The purpose of this paper is to provide assurance to Members that risks are being managed effectively and in line with the risk management framework. Attached to this report are the moderate/low level risks with a high impact score (5), including the controls and mitigations in place and further mitigating actions to manage any 'treat' risks.

Equalities and Diversity

- 5.6 The 2010 Equality Act outlines the provisions of the Public Sector Equalities Duty which requires Public Bodies **to have due regard** to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010
 - advance equality of opportunity between people from different groups
 - foster good relations between people from different groups

The main equalities risk for the council is that Members and/or officers will fail to properly discharge their duties under the 2010 Equalities Act. Any equalities risks should be captured in the service/joint risk registers.

Corporate Parenting

- 5.7 Not applicable in the context of this report.

Consultation and Engagement

- 5.8 The risk management framework was developed in consultation with senior officers and approved by Performance and Contract Management Committee. Joint risk registers have been developed with partner agencies, including The Barnet Group, Cambridge Education, CSG and Re.

Insight

5.9 Not applicable in the context of this report.

6 BACKGROUND PAPERS

6.1 None.