

AGENDA ITEM

**REPORT TO AUDIT COMMITTEE
2 March 2009**

**REPORT OF CORPORATE
DIRECTOR OF RESOURCES**

**CORPORATE RISK REGISTER PROGRESS REPORT
QUARTER 3 2008/9 – PERIOD ENDING 31 DECEMBER 2008**

PURPOSE OF REPORT

The Committee is reminded that quarterly reports on the Corporate Risk Register are presented for the purpose of reviewing the key risks that have been identified as having the potential to deflect services from achieving their objectives over the next 12 months and beyond. They also set out the actions being taken to ensure that the risks, and possible adverse outcomes, are minimised.

DETAIL

1. The Committee has requested that, in the absence of substantial changes to the register, quarterly reporting should be confined to highlighting significant additions and amendments since the previous update, with a detailed report incorporating a review of the Council's risk management process being produced annually at the end of Quarter 4.
2. This interim report covers the period 30 September to 31 December 2008. All Service Groups have been contacted subsequently and the returns show that there have been some changes to the Authority's risk profile over the months in question. These comprise the addition of five new risks, the deletion of three existing risks and, the update of a number of the current entries, as more particularly described later in the report.
3. The changes since the last reported position are detailed in the attached appendices as follows:

Appendix A – New risks added to the register.

Appendix B – Deletions from/amendments to the register.

4. The new risks added to the register can be summarised as under:

Service Area	Corp. Risk No.	Risk Issue	Risk Score	Comments
CESC	2	Serious injury or death leading to a Serious Case Review Through either a failing in policies/procedures, personnel or partnerships, clients under our care (either directly or through contracted services) are exposed to dangers sufficient to cause death or serious injury.	20	The likelihood has increased as a result of an increase in the volume of referrals to the services and subsequent increase in activity, together with difficulties in recruitment and retention of experienced staff.
Corporate	5	The effects and unpredictability of the current economic downturn and global recession on the local economy, jobs and residents, and on the ability of SBC to deliver the Council Plan and Strategy.	16	This risk is newly added to the register in recognition of the challenges being faced by the Council across the wide sphere of its activities; also in relation to financial planning and management and, the crucial role it has to play in helping local people and businesses through the current economic crisis and planning for the upturn.
CESC	6	Placement for people with Complex needs. Overspend in relation to budget due to unpredictability of demand in relation to specialist placements for: · Children who are difficult to place, including adoptive placements; · High cost transitions to adult services · Particular intensive LD placements; and · Having to move children out of the area due to lack of choice over provision. This includes local and out of area placements.	16	Growing demand pressures against finite capacity.
CESC	7	Personalisation Agenda Implementation of the Personalisation agenda as outlined in "Putting People First". In particular, the impact of anticipated risks around funding for services, staff roles and development, safeguarding and market management.	16	This assessment addresses the impact of anticipated risks around funding for services, staff roles and development, safeguarding and market management. Currently, the key risk centres on how the development of the RAS will match to use of resources, and result in an increase in cost for the delivery of key services across all client groups.
D & NS	13	A Grade 2* listed building (Brunswick Chapel) located on Dovecot Street has been deemed structurally unstable, and the Council has a statutory obligation to look after listed buildings.	16	The risk rating has been revised in light of a failure to secure a timely sale that would have allowed work to restore the building to commence immediately.

5. More detailed risk identification, assessment and management information for the above can be viewed at Appendix A.
6. Appendix B sets out details of the risks that have moved below the corporate reporting threshold and which have therefore been deleted from the register. Additionally, updates are provided on existing risks and of minor changes to the general management information for individual risks, and the latest reordering of entries in the register.
7. The total number of significant risks in the Corporate Risk Register has thus increased from 16 at the end of September 2008 to 18 at the close of the current Quarter.

8. For purposes of record, the changes referred to above have been incorporated in the latest version of the full Corporate Risk Register. This will be made available in the Member's Library and an electronic copy incorporating the supporting risk assessment details (accessed by double-clicking the embedded risk issue logo), is to be placed on the intranet (Toolkit/Risk Management & Insurance/Risk Management/Corporate Risk Register).
9. In addition to the foregoing risk commentary, it is also opportune to report here on the outcome of the recently completed corporate exercise into the Council's potential exposure to prosecution under the Corporate Manslaughter and Homicide Act 2007 (CMAHA) which came into force in April 2008.
10. Following presentations on the scope and implications of the new Act to senior managers, all Service Areas were required to review their risk management systems, practices and procedures to assess whether they were adequate to prevent acts of gross negligence that could lead to prosecution under the CMAHA and the Health and Safety at Work Act 1974.
11. Using standard corporate procedure, each Service Grouping duly carried out an assessment of their current status and resilience to breaches of the statutory regulations. The feedback was collated and analysed and levels of risk exposures were found to vary between very low to medium across the services. Within these parameters the recommended responses are to address the risk by existing management systems and routine daily activities, to maintain active risk management procedures in the service area and, to feature the risk issue in the Service Grouping Risk Register for regular monitoring and review.

J Danks

Corporate Director of Resources

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Financial Implications

The successful identification, assessment and management of risks are fundamental to proper performance of the Council's fiscal duties and responsibilities.

Environmental Implications

Good risk management practice supports the Council's objectives for securing a safe and attractive environment for current and future generations.

Community Safety Implications

Effective risk management is an essential element of fulfilling objectives in relation to community safety and well-being.

Background Papers

Annual Risk Management Report to Audit Committee 26 June 2008
Risk Management Guidance Notes for Elected Members – December 2006
SBC Guidance for Strategic Risk Identification and Assessment.

Report to Cabinet 30.5.02 – A Code of Corporate Governance.
CIPFA/SOLACE Corporate Governance Publication (2001).

Education Related Item?

No.

Risk Assessment

As the risk management programme is achieving its objectives and there has been an improvement in the Audit Commission's assessment of how well the Council manages its risks, this can be considered a low risk area.

Ward(s) & Ward Councillors

Not Ward specific.

CORPORATE RISK REGISTER DECEMBER 2008
ADDITIONS

RISK IDENTIFICATION & ASSESSMENT								RISK MANAGEMENT				
Service	Corp. Risk No.	Business / Service Objective	Risk Issue	Previous Risk Score	Present Risk Score	Risk Category	Risk Type(s)	Measures already in place to control risk	Effectiveness of proposed controls	Measures planned for next year	Target Date	Officer Responsible
CECSC Children & Young Peoples Operations / Strategy and Adult Operations / Strategy	2		Serious injury or death leading to a Serious Case Review Through either a failing in policies/procedures, personnel or partnerships, clients under our care (either directly or through contracted services) are exposed to dangers sufficient to cause death or serious injury.	I = 5 X L = 2 = 10	I = 5 X L = 4 = 20	High	Professional Social Reputational Financial Managerial Legal	Adult Protection / vulnerable adults training, CP procedures, LSCB, CSCI inspections, contracting arrangements.			March 2009	Tony Beckwith
Corporate	5		The effects and unpredictability of the current economic downturn and global recession on the local economy jobs and residents, and on the ability of SBC to deliver the Council Plan.	N/A	I = 4 X L = 4 = 16	High	Professional/ Managerial Environmental Reputation Financial Legal Environmental	The Council's budgetary preparations, the built in flexibility of the medium term financial and service plans and the progressive implementation of the efficiency, improvement and transformation programme. Use of discretionary housing benefit payments scheme.		Numerous Council led and multi-agency strategies have already been implemented. These are being continually enhanced and new ones developed to eliminate the risks where possible, and to reduce those with immutable presence to the lowest possible levels. Vigilant monitoring, tracking and review processes with monthly reporting to the CMT and to Cabinet and active risk management at all service levels.	Monthly	Richard Poundford

Working with National Government, regional and local partners to put in place measures to help mitigate some of the effects of the economic downturn. Identifying and utilising all available relief and enterprise funding to mitigate the impact of redundancies by providing advice, support and training to those people affected. Fortnightly meetings between the Association of NE Councils and the regional Government Minister to monitor the economic conditions. Vigilant monitoring and continual review of the economic situation by CMT and Cabinet. Regional funding from ONE to provide financial support to companies experiencing trading difficulties and working closely with other agencies and business partners to develop solutions and practical ongoing support. Pilot skills-swap schemes. The multi-agency TV Housing Recovery Task Force has been established to respond to worsening housing market and to explore and implement means of mitigating some of the effects. Enhanced services from SDAIS for the provision of help and advice to members of the community and wide publicity of local support services through Stockton News and the local media. The positive impact on the local economy of delivering public sector funded schemes e.g. The Infinity Bridge, Slash extension, refurbishment of Billingham Forum, upgrade of the Tees White Water Course.

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CECSC Adult Strategy & Children & Young People's Strategy	6		<p>Placement for people with Complex needs</p> <p>Overspend in relation to budget due to unpredictability of demand in relation to specialist placements for:</p> <ul style="list-style-type: none"> · Children who are difficult to place, including adoptive placements; · High cost transitions to adult services · Particular intensive LD placements; and · Having to move children out of the area due to lack of choice over provision. <p>This includes local and out of area placements.</p>	I = 4 X L = 3 = 12	I = 4 X L = 4 = 16	High	Social Economic Reputational Service Quality Financial	Gate keeping via internal Resource Panel and Multi-agency Panel (MAP), and adult multi disciplinary panel.			Review March '09	All CESC Heads of Service
CECSC Adult Strategy	7		<p>Personalisation Agenda</p> <p>Implementation of the Personalisation agenda as outlined in "Putting People First". In particular, the impact of anticipated risks around funding for services, staff roles and development, safeguarding and market management. Currently, the key risk centres around how the development of the RAS will match to use of resources, and result in an increase in cost for the delivery of key services across all client groups</p>	N/A	I = 4 X L = 4 = 16	High	Social Economic Reputational Service Quality Financial	<p>RAS finance group established reporting to Personalisation Board. Links into regional and national steering groups and guidance. Finance Officer appointed to take forward RAS work locally. Discussions with Internal Audit taking place to raise profile and highlight risks. Awareness raising events being organised for SBC staff and contracted providers.</p> <p>The impact of anticipated risks around funding for services, staff roles and development, safeguarding and market management. Currently, the key risk centres on how the development of the RAS will match to use of resources, and result in an increase in cost for the delivery of key services across all client groups.</p>		Implement Personalisation Action Plan	Review March '09	Pete Smith

**CORPORATE RISK REGISTER DECEMBER 2008
ADDITIONS**

**APPENDIX A
Continued**

RISK IDENTIFICATION & ASSESSMENT								RISK MANAGEMENT				
Service	Corp. Risk No.	Business / Service Objective	Risk Issue	Previous Risk Score	Present Risk Score	Risk Category	Risk Type(s)	Measures already in place to control risk	Effectiveness of proposed controls	Measures planned for next year	Target Date	Officer Responsible
DNS RED	13		A Grade 2* listed building (Brunswick Chapel) located on Dovecot Street has been deemed structurally unstable, and we as a Council have a statutory obligation to look after listed buildings.	I = 4 X L = 3 = 12	I = 4 X L = 4 = 16	High		Stockton Council served a notice under the Dangerous Structures Act and the building has been vacated. A Repairs Notice, through the Planning Act, has been served on the owner. Over two months have elapsed since this notice was served and, as no actions have been taken to secure the building, the Authority can now chose to instigate Compulsory Purchase Order proceedings. The Authority also has the power to serve an Urgent Works Notice through the Planning Act. If the owner was unable to fund the works then it would be the responsibility of the Authority to fund the work and then attempt to recover it.		Whilst continuing to make efforts to facilitate a sale Stockton Council is commissioning a future use study in order to complete an English Heritage Acquisition Grant application. Such a grant would underpin costs should compulsory purchase be pursued.	Review March '09	Nigel Laws/Fiona Short

The highways have closed off in the neighbouring streets to make the public highway safe. Engineers (Stockton Council, owners, and English Heritage) have designed a solution to support the building externally to make it safe to the public, but this has not been put in place and the building remains unsupported.

Currently got listed building consent for demolition of the roof and erection of structural scaffolding, but without an application from an owner there is no immediate prospect of spending the available Stockton Heritage in Partnership (SHiP) funding to secure the future of the building

**CORPORATE RISK REGISTER DECEMBER 2008
DELETIONS and AMENDMENTS**

APPENDIX B

Service Area	Previous Risk Nos.	Revised Risk No.	Risk Issue	Amendment Details
CESC - Adult Operations/Strategy	4	Removed from Register	Failure to deliver improved services and support the preventative agenda.	Accommodation issues still remain, although virtual running (as of 16 Jan for Adults) will mitigate impact. Risk remains a joint for both adult and children ISAs.
CESC - Adult Operations/Strategy	5	Removed from Register	Backlog of clients awaiting assessment for equipment & adaptations There remains a significant delay in assessing people for specialist services such as Occupational Therapy assessments	Progress is being made, with a number of actions being implemented. Waiting times for equipment triaged as "low" has come down over Q2 hence the reduction in scoring from a high risk. Likelihood remains high, however, as controls are not sufficiently robust to prevent this rising.
CESC - Children & Young Peoples Operations/Strategy	7	Removed from Register	Increasing number of teenage conceptions	Since the last review of the Risk Assessment form, the SRE Delivery Team is now in place and delivery has commenced alongside a dedicated Teenage Pregnancy Prevention Service. However, we no longer have NRF funding and WNF funding will also cease in March 09. Feedback from a recent inspection will identify priority recommendations for implementation.

**CORPORATE RISK REGISTER DECEMBER 2008
DELETIONS and AMENDMENTS**

**APPENDIX B
Continued**

Service Area	Previous Risk Nos.	Revised Risk No.	Risk Issue	Amendment Details
CESC - Children & Young Peoples Operations/Strategy and Adult Operations/Strategy	2	4	BSF Programme continuity/failure/late delivery	<p>The programme is currently in a strong position, being on target to provide the Strategy for Change documentation to DCFS, confidence has been expressed by PFS and OSC in the processes of managing the programme.</p> <p>However the current informal consultation exercise is highlighting potential difficulties in reaching agreement on proposals that will determine the Strategy for Change.</p> <p>Having regard to the present encouraging position, the risk rating has been reduced from 20 to 16.</p>
DNS Housing Regeneration	3	3	Housing Regeneration	<p>Developers have advised that Mandale is one of their best performing schemes in the region. Despite a slow down in sales at both Mandale and Hardwick and the risk that the developers may not be able to purchase the land when due, land will still need to be purchased at the same price even if its value has actually reduced. This will actually have a long term positive financial effect for the Council as we will get the same value for the land but repurchase the former Right to Buy's (RTB's) at a lower price.</p>

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**APPENDIX B
Continued**

Service Area	Previous Risk Nos.	Revised Risk No.	Risk Issue	Amendment Details
DNS RED	8	9	Billingham Town Centre Regeneration	<p>Stockland continue their master-planning, however, given the current financial and property investment climate progress regarding redevelopment for Billingham Town Centre has understandably slowed; despite this the Council has not lost sight of its aspirations for the Town Centre, mirroring those of the community consultation in 2005.</p> <p>Secretary of State Consent has been granted to dispose of the 15 residential flats to Stockland in accordance with the terms of the sale contract and transfer will take place on completion of the legal contracts. A report scheduled for April Cabinet will outline various options available to Council and recommend how best to proceed should Stockland fail to produce their masterplan by July 2009 deadline.</p>
DNS RED	9	10	Stockton Northshore Regeneration	<p>Since the last risk update the planning application has been delayed and the economy has deteriorated. Hence the risks to the satisfactory delivery of the Northshore project have increased, however the 16 rating captures the risks adequately.</p> <p>However, the outline planning application has now been received and reserved matters for the first phase of development is predicted to be achieved by January 2010, with a start on site following in April 2010.</p>

**CORPORATE RISK REGISTER DECEMBER 2008
DELETIONS and AMENDMENTS**

**APPENDIX B
Continued**

Service Area	Previous Risk Nos.	Revised Risk No.	Risk Issue	Amendment Details
DNS RED	10	11	Stockton Riverside	Since the last risk update the whole approach to the Stockton Riverside and Town Centre projects has been reviewed to take account of the changing economic situation, the delay in other major strategic projects such as North Shore and the findings of the Nathaniel Lichfield Partners (NLP) study on Stockton Town Centre. A report is going to Cabinet in March 2009 to recommend the desired way to maximise the regeneration of the Riverside and the Town Centre and there is an ongoing dialogue with ONE regarding our future approach. Thus the economic appraisal work has been parked for the time being until the future approach is confirmed. ONE have confirmed that resources are available to make strategic acquisitions and this is continuing at Southern Gateway and also potentially assisting linkage proposals between the Riverside and the High St. A CPO is to be served in the near future to acquire the Glynn Webb site to facilitate the highway improvements at Southern Gateway. The risk level remains the same at present but this needs to be reviewed along with the revised approach to Riverside and Stockton Town Centre.
DNS RED	11	12	TS Kellington	Since the last risk update the chances of a satisfactory outcome have increased. It has now been agreed by all parties that the vessel can be broken up in its current location on the Riverside Car Park lessening the risk associated with transportation to the Barrage site and the need for the heavy lift crane. The planning application has been submitted, the preparation of the wastes disposal licence is underway. However until the vessel is safely removed and satisfactory disposal undertaken it remains a high risk project due to the risk of sinking. The works are to be undertaken in March/April 2009.

CORPORATE RISK REGISTER DECEMBER 2008
DELETIONS and AMENDMENTS

Service Area	Previous Risk Nos.	Revised Risk No.	Risk Issue	Amendment Details
Corporate	6	8	Demographic changes and demands for services	Minor changes to the management information which have not affected the risk score.
Various	12, 13, 14, 15, 16	14, 15, 16, 17, 18	Various	Changes to the ordering of risk entries in the register.