

Wolverhampton City Council

**OPEN INFORMATION ITEM**

Audit Committee

Date **24 September 2012**

Originating Service Group(s)

**DELIVERY**

Contact Officer(s)/

**David Johnston**

Telephone Number(s)

**4565**

Title/Subject Matter

**CORPORATE RISK REGISTER**

---

**SUMMARY**

The Committee notes the current list of Corporate Risks as agreed by the Strategic Executive Board and the Corporate Delivery Board and recorded in the attached Corporate Risk Register and the actions being taken to manage them.

## **1. PURPOSE AND BACKGROUND**

- 1.1 To update Councillors on the outcome of the risk identification exercise carried out by the Strategic Executive Board and the Corporate Delivery Board as part of the Assurance Framework
- 1.2 The Assurance Framework is a key element in the Council's system of internal control and is designed to identify, evaluate the impact of and manage the high-level risks (Corporate Risks) to the delivery of the Corporate Objectives
- 1.3 It should be noted that:
- i) Corporate Risks are events that could impact on the Council's achievement of the aims of the Corporate Plan and also its longer term objectives.
  - ii) they include significant events that could impact upon the infrastructure and the efficient operation of the Council
  - iii) these risks should cover the full range of principal objectives
  - iv) these are risks that are likely to require ongoing control and are unlikely to be fully resolved.
- 1.4 Below this level the Directorates maintain operational risk registers that summarise the risks to the achievement of Directorate objectives. This process ensures that risks are captured and monitored and that appropriate actions are taken to manage them within individual service areas

## **2. DETAILS**

- 2.1 Following the approach agreed by the Strategic Executive Board/Corporate Delivery Board a two-stage identification and assessment process was carried out.
- 2.2 Stage 1 - A workshop was held with the majority of Strategic Directors and Assistant Directors and agreement was reached on the items to be considered as Corporate Risks.
- 2.3 Stage 2 - Meetings were then held with the relevant Assistant Directors and the Assistant Chief Executive in respect of the Corporate Risks directly related to the portfolios of services which provide the key control measures.

Discussion points:

- i) the completeness of the Risk Description
- ii) the scoring - probability and impact
- iii) the current control measures managing the risk
- iv) any additional controls which should be implemented

The results of the above are incorporated in the attached Corporate Risk Register which was presented to and agreed at the joint meeting of the Strategic Directors and Assistant Directors on the 3rd August 2012. (Appendix 1)

- 2.4 In addition to the above Single Status and the Shared Service Transformation Programme are major projects and these are subject to separate programme and risk reporting arrangements into SEB and Member Groups. These are also categorised as Corporate Risks and will be incorporated into the register in the next iteration.

### **3. FINANCIAL IMPLICATIONS**

- 3.1 The financial implications of the management of the Corporate Risks are individually identified in the Risk Control plans. [GE/06092012/Z]

### **4. LEGAL IMPLICATIONS**

- 4.1 The legal implications of the management of the Corporate Risks are individually identified in the Risk Control plans. [MW/04092012/E]

### **5. EQUAL OPPORTUNITIES IMPLICATIONS**

- 5.1 The equal opportunity implications of the management of the Corporate Risks are individually identified in the Risk Control plans

### **6. ENVIRONMENTAL IMPLICATIONS**

- 6.1 The environmental implications of the management of the Corporate Risks are individually identified in the Risk Control plans

**The Governance & Assurance Framework**

- Corporate **Objectives**
- Corporate (Strategic) **Risks**
- **Controls** to Mitigate the Risks
- Sources of **Assurance**
- Identifying and addressing the **Gaps**

**The Assurance Framework Life Cycle**

Identification of	Corporate <b>Objectives</b>	the Corporate Plan
Assessment of	Corporate (Strategic) <b>Risks</b>	Risk Workshops
Identification of	Key <b>Controls</b>	Risk Management Plans
Identification of	Sources of <b>Assurance</b>	Service Plans, Project Plans, Corporate Policies, External Reviews
Analysis of	<b>Assurance</b> on Key Controls	Risk Management & Insurance Corporate Risk Management Group Internal and External Audit

Reports to <b>Audit Committee</b> on	<b>Assurance</b> on Key Controls <b>Gaps</b> in Key Controls <b>Gaps</b> in Sources of Assurance	{ Risk Management & Insurance Corporate Risk Management Group Internal and External Audit
--------------------------------------	--	---

Response

**Action Plans**

Directors, Management Teams, Project Teams

Corporate Risks are events that could impact on the Council’s achievement of the aims of the Corporate Plan and also its longer term objectives. They include significant events that could impact upon the infrastructure and the efficient operation of the Council

The Corporate Aims

- 1 Encouraging Enterprise and Business
- 2 Empowering People and Communities
- 3 Re-invigorating the City
- 4 Confident, Capable Council

Profile of Risk Scores



Risk No	Corp Cat	Corp Aim	Risk – Cause/Event	Risk – Consequence/Impact	Prob	Imp	Score	Trend	Treatment/Controls	Risk Owner	Comment/Update
CR1	Legal, Customer/Citizen	2	<p><b>Safeguarding</b></p> <p>Safeguarding procedures and quality assurance processes fail to adequately manage safeguarding issues, and children and vulnerable adults are not protected from abuse</p>	<p><b>Consequence:</b> Death, serious abuse or injury to a vulnerable child or adult where the Council has not completely fulfilled its responsibilities</p> <p><b>Impact:</b> Reduced public confidence; emergency measures; increased inspection; personal litigation claims; bad publicity for both the Council and partners; possible financial penalty.</p>	3	5	15 <b>RED</b>		<p><b>Existing Controls</b></p> <ul style="list-style-type: none"> <li>• Multi-agency Safeguarding Boards in place which receive performance management reports</li> <li>• Safeguarding Procedures, monitored during on-going supervision, and via service quality monitoring arrangements including case file audits.</li> <li>• Children and Adults Safeguarding Practice Guidance and Procedures in place for Partners</li> <li>• Sharing information frameworks in place</li> <li>• Comprehensive and robust recruitment and training and development policies for staff, including safer employment practices and arrangements for induction and ongoing development. Clear arrangements in place for managing allegations against staff and whistle blowing procedures in place</li> <li>• Effective implementation of the Common Assessment Framework to identify children at risk. Child protection procedures in place including collaboration with the Police</li> <li>• Continuous process of updating practice and procedures, linking to local and national statutory guidance, including learning from local and national reviews such as Serious Case Reviews</li> <li>• Audits of safeguarding practice by arms length safeguarding managers</li> <li>• Safeguarding peer reviews by LGA</li> </ul>	AD V Griffin	

Risk No	Corp Cat	Corp Aim	Risk – Cause/Event	Risk – Consequence/Impact	Prob	Imp	Score	Trend	Treatment/Controls	Owner	Comment/Update
CR2	Political, Social, Technological, Legal	1	<b>Welfare Reform</b>	<p><b>Consequence</b></p> <p><b>Organisational Changes;</b> changing roles and responsibilities due the transfer of services and responsibilities to and from Central Government</p> <p><b>Reduced revenues</b> to the Council; impact on revenues into the Council either as a result of reduced funding or income, additional expenditure or increases in rent and council tax arrears</p> <p><b>Insufficient Service Capacity;</b> not having capacity to meet demand, such as welfare advice, financial advice and support and assistance with benefit applications and appeals</p> <p><b>Impact</b></p> <p><b>Loss of income</b> to residents and the ability of households' to meet their day to day living expenses – with no commensurate reduction in their costs.</p> <p><b>Demographics;</b> acceleration of existing patterns of deprivation and inequality. Detrimental implications for wellbeing, economic prosperity and educational attainment.</p> <p><b>Services;</b> increased demand for homelessness and housing advice; increased demand on schools in low rental areas as families move; debt and advice centres; strain on adult social care services where existing accommodation arrangements are not sustainable by users.</p>	4	5	20 <b>RED</b>		<p><b>Proposed Controls</b></p> <ul style="list-style-type: none"> <li>• Programme to identify, evaluate and address the issues;</li> <li>• Nominated project managers allocated to identified work streams.</li> <li>• Corporate team being developed</li> <li>• LSP debate started; combined agency responses are needed</li> <li>• Resource mapping taking place</li> </ul> <p>Comprehensive communication strategy is needed to raise people's awareness of this issue. Need to understand the likely impact across the city</p>	ACE J Lancaster	Complex and multi-faceted issue that will need a partnership approach.
2											
3		Welfare Reform Changes									
4											

Risk No	Corp Cat	Corp Aim	Risk – Cause/Event	Risk – Consequence/Impact	Prob	Imp	Score	Trend	Treatment/Controls	Risk Action Owner	Comment/Update
CR3	Social, Customer/Citizen	2	<b>Life chances for young people</b> Failure to meet the educational needs of young people and provide them with post-education opportunities	<b>Consequence:</b> Reduced life chances for young people Potential for long-term inequalities in our communities: Lack of employment opportunities leading to poorer mental health, increase in NEETs, loss of community cohesion. possible increase in substance misuse and mental health issues.  <b>Impact:</b> Increased future costs, Increased demand for services	3	3	9 AMBER		<b>Existing Controls</b> <ul style="list-style-type: none"> <li>Re-engineering curriculum delivery in schools to maximise opportunities for young people</li> <li>Appropriate challenge issued by the Local Authority to underperforming schools</li> <li>Local Authority brokerage of additional support to underperforming schools</li> <li>Facilitating dialogue between schools and local business to identify skills necessary to support business enterprise</li> </ul>	AD T Westwood	
Risk No	Corp Cat	Corp Aim	Risk – Cause/Event	Risk – Consequence/Impact	Prob	Imp	Score	Trend	Treatment/Controls	Owner	Comment/Update
CR4	Social, Customer/Citizen	1 2	<b>Increase in unemployment</b> Lack of employment opportunities for local people unable to compete in the labour market	<b>Consequence:</b> Potential for long-term inequalities in our communities: leading to poorer mental health, increase in NEETs, increase in young people leaving the City, loss of community cohesion.  <b>Impact:</b> Increased future costs, increased demand for services	3	3	9 AMBER		<b>Existing controls</b> <ul style="list-style-type: none"> <li>Use of Council procurement opportunities (such as BSF) to increase employment chances</li> <li>Greater emphasis on up-skilling young people - Skills Strategy</li> </ul> <b>Proposed control</b> <ul style="list-style-type: none"> <li>Seek to maximise apprenticeships around Section 106 agreements</li> </ul>	AD T Westwood	

Risk No	Corp Cat	Corp Aim	Risk – Cause/Event	Risk – Consequence/Impact	Prob	Imp	Score	Trend	Treatment/Controls	Owner	Comment/Update
CR5	Social, Customer/Citizen	2 3	<b>Demographic Pressures</b> Demographic pressures – increasing numbers of elderly service users; increasing numbers of service users with learning disabilities living longer, increasing number of looked after children	<b>Consequence:</b> Increased future costs, increased demand for services  <b>Impact:</b> The needs of adults and children can not be fully met Adverse affect on strategic objectives Increased risk to vulnerable adults and children	4	3	12 AMBER		<b>Existing</b> <ul style="list-style-type: none"> <li>The issues of Adult Social Pressures have been identified and mapped over preceding years – principal control measure is the use of agreed hypothecated incremental funding to support the existing Adult Strategies and Programmes.</li> <li>LAC – early intervention strategy and action plans</li> <li>Improvements in place to accelerate the 'permanency' process – adoption or other care placement.</li> <li>Strategies to manage the financial pressures</li> <li>Analysis of previous years to identify trends/patterns.</li> </ul>	AD A Ivko J Welsby	
Risk No	Corp Cat	Corp Aim	Risk – Cause/Event	Risk – Consequence/Impact	Prob	Imp	Score	Trend	Treatment/Controls	Owner	Comment/Update
CR6	Customer/Citizen	1 3	<b>Regeneration</b> Economic recession has reduced the availability of funding for developments in the City.  Funding from external sources is severely limited	<b>Consequence;</b> Key infrastructure developments and initiatives can not be delivered  <b>Impact;</b> Local economy does not develop; Lack of employment opportunities Negative effect on social and community outcomes	3	4	12 AMBER		<b>Existing</b> <ul style="list-style-type: none"> <li>Accessing Growing Places Funding</li> <li>Reorganisation of the Council's operational structure to maximise available opportunities – a 'one council' approach on regeneration</li> <li>Clearer focus on 3 priorities via the agreed City Strategy to maximise the benefit of available funding <ul style="list-style-type: none"> <li>encourage enterprise and business</li> <li>empowering communities</li> <li>re-invigorating the city</li> </ul> </li> </ul> <b>Proposed</b> <ul style="list-style-type: none"> <li>Marketing and promotion of the city that reflects the 'real' opportunities available</li> <li>City Centre regeneration programme</li> <li>Bilston regeneration programme</li> <li>Housing regeneration programme</li> <li>A planning platform focussed on development</li> <li>Improve partnerships (HCA/BCC) and a stronger focus on the role of private developers and funders</li> </ul>	AD N Edwards K Jones	



Risk No	Corp Cat	Corp Aim	Risk – Cause/Event	Risk – Consequence/Impact	Prob	Imp	Score	Trend	Treatment/Controls	Owner	Comment/Update
CR7	Customer/Citizen	1 3	<b>Business relationships and economic delivery</b>  Perception of the business community that Wolverhampton does not address barriers to growth	<b>Consequence</b> Key business partners do not engage with the Public Sector to maximise opportunities for collaboration  <b>Impact</b> Economic growth and benefits to residents do not emerge	3	4	12 AMBER		<b>Existing</b> <ul style="list-style-type: none"> <li>Proactive dialogue with business with a view to removing barriers and changing perceptions.</li> <li>Proactive dialogue with developers and investors to improve business infrastructure</li> <li>Reorganisation of the Council's operational structure to maximise available opportunities – a 'one council' approach on to economic development and physical regeneration</li> <li>Participation in the Black Country LEP</li> <li>Supporting business led groups and networks eg Business Champions</li> <li>Setting up of a Business Solution Centre, Find it and other business programmes</li> </ul> <b>Proposed</b> <ul style="list-style-type: none"> <li>Strengthen the marketing and promotion of the city, including commissioning professional advice</li> <li>A planning platform focussed on development</li> <li>Establish Enterprise and Business Clusters</li> <li>Identify and bring forward employment land in conjunction with South Staffordshire</li> <li>Engagement of professional advisors to promote the City to a wider audience</li> </ul>	AD K Jones N Edwards	
Risk No	Corp Cat	Corp Aim	Risk – Cause/Event	Risk – Consequence/Impact	Prob	Imp	Score	Trend	Treatment/Controls	Owner	Comment/Update
CR8	Physical	4	<b>Asset Management and Planning</b>  A need to manage and maintain the Council assets in support of the Corporate priorities	<b>Consequence</b> Continued use of unsuitable buildings Retention of unsuitable buildings  <b>Impact</b> Increased expenditure and reduction of opportunities Quality of services impacted due to 'less than perfect' environments	3	2	6 AMBER		The management of and responsibility for the Council property assets is currently split between two directorates. Several initiatives and proposals for maintenance programmes and better targeted use of properties have been put forward  It is necessary that clarity of ownership and control of decision making is determined to ensure effective progress is made.  ADs to meet and resolve the outstanding issues and co-ordinate activities.	AD A Merrick N Edwards	

Risk No	Corp Cat	Corp Aim	Risk – Cause/Event	Risk – Consequence/Impact	Prob	Imp	Score	Trend	Treatment/Controls	Owner	Comment/Update
CR9	Legal	4	<b>Emergency Preparedness/Major Incident Response</b>  The Council is ill prepared and has not planned adequately for civil emergencies or a major incident	<b>Consequence</b> The council can not comply with its Civil Contingency Act responsibilities.  <b>Impact</b> Failure to support the emergency services Failure to protect vulnerable citizens with the potential for loss of life or injury Extended disruption to the community Reputational damage and financial loss	3	4	12 AMBER		<b>Proposed Controls</b> <ul style="list-style-type: none"> <li>Development and implementation of the Major Incident Response Plan Project</li> <li>Updated Emergency Plan procedures and supporting documents</li> <li>Resources identified and roles clarified – training undertaken</li> <li>Regular testing and rehearsals</li> </ul>	AD S Kembrey	
Risk No	Corp Cat	Corp Aim	Risk – Cause/Event	Risk – Consequence/Impact	Prob	Imp	Score	Trend	Treatment/Controls	Owner	Comment/Update
CR10	Governance	4	<b>Information Governance</b>  The Council and/or its business operations do not fully know the extent, of the information it holds and how it handles its security, sensitivity and importance.	<b>Consequences</b> Loss of confidentiality: Inappropriate disclosure of personal and/or sensitive information;  Lack of comprehensive oversight, control and data ownership.  Critical information is wrongly destroyed, not kept, cannot be found when needed or lost  <b>Impact</b>  Financial – including potential substantial fines and wasting public money; Legal – exposure to fraud, malicious acts etc.; Reputational damage – poor media coverage, inability to recover from major incidents and customers suffer.	3	4	12 AMBER		<b>Proposed</b> <ul style="list-style-type: none"> <li>Information Governance Board now set up to establish strategy and determine individual work streams to address issues</li> <li>Working with the Information Commissioners Office to build robust systems</li> </ul>	ACE J Lancaster	

Risk No	Corp Cat	Corp Aim	Risk – Cause/Event	Risk – Consequence/Impact	Prob	Imp	Score	Trend	Treatment/Controls	Owner	Comment/Update
CR11	Legal	4	<b>Corporate Responsibilities</b> Non compliance with our legislative and regulatory requirements eg Health and Safety, Equalities, Consultation.	<b>Consequence</b> Injury or fatality to staff or a member of the public; Legal challenge to decisions on service changes or service delivery  <b>Impact;</b> Corporate Manslaughter charge, Individual claims, Financial penalties for non-compliance. Increased external inspection Service changes delayed or stopped	2	5	10 AMBER		<b>Existing</b> <ul style="list-style-type: none"> <li>Corporate H&amp;S policies and procedures</li> <li>H&amp;S management systems and training in place</li> <li>H&amp;S Action plan - for high risk areas; legionella, asbestos, manual handling</li> <li>Consultation and impact assessments carried out on key decisions</li> </ul> <b>Planned</b> <ul style="list-style-type: none"> <li>Formation of Corporate Wellbeing, H&amp;S Board to provide an oversight function</li> </ul>	AD S Kembrey ACE J Lancaster	
Risk No	Corp Cat	Corp Aim	Risk – Cause/Event	Risk – Consequence/Impact	Prob	Imp	Score	Trend	Treatment/Controls	Owner	Comment/Update
CR12	Governance	4	<b>Organisational Change</b> Pace that the organisation needs to change given the broader National Government agenda and the number of Corporate Priorities	<b>Consequence</b> Conflicting demands on resources which are limited and frequently the same ones  <b>Impact</b> Inability to deliver it all at the same time Projects are not delivered on time/fail or incomplete Organisation becomes stressed and performance drops	3	5	15 RED		<b>Existing</b> <ul style="list-style-type: none"> <li>Corporate decision on the clear priority order and realistic timescales agreed</li> <li>Additional resources sourced to supplement in-house resources</li> <li>Performance monitoring and assurance</li> <li>Programme and project management disciplines consistently rolled out</li> </ul>	ACE J Lancaster	

Risk No	Corp Cat	Corp Aim	Risk – Cause/Event	Risk – Consequence/Impact	Prob	Imp	Score	Trend	Treatment/Controls	Owner	Comment/Update
CR13	Financial, Technological	4	<b>Payroll</b> Payroll service, HR and ICTS can not meet the combined demands of the statutory system and record changes required to Payroll (Auto–Pension Enrolment and Real Time information for HMRC) in conjunction with the delivery of changes required for Single Status Implementation	<b>Consequence</b> The Council fails to meet its statutory compliance deadlines  Failure to implement the changes to individual records as a result of SS implementation and staff are paid incorrectly  <b>Impact</b> Substantial financial penalties imposed by Government departments Increase costs and potential fines to LGPS  Financial penalties/costs incurred by Staff as a result of our failures  Severe reputational damage	3	5	15 <b>RED</b>		<b>Existing</b> <ul style="list-style-type: none"> <li>Ongoing pressures on Payroll as a result of meeting existing compliance demands with a system that is not 'fit for purpose' are managed by manual intervention. Payroll service can not deliver the new changes with the current establishment</li> </ul> <b>Proposed</b> <ul style="list-style-type: none"> <li>Project team being established to manage the actions and changes need for each 'project' – Auto-enrolment and Real Time Information – to ensure an integrated approach. Additional resources will be required to backfill staff dedicated to the project team.</li> <li>Project team to liaise with the SS Team and agree an integrated approach to the payroll changes needed as a result of SS Implementation and manage the conflicting demands.</li> </ul>	AD P Main	
Risk No	Corp Cat	Corp Aim	Risk – Cause/Event	Risk – Consequence/Impact	Prob	Imp	Score	Trend	Treatment/Controls	Owner	Comment/Update
CR14	Economic, Financial	1 2 3 4	<b>Revenue and Capital Budget</b> Unforeseen financial pressures due to demand for Council services exceeding estimates  Changes in Government planning/allocation  Lack of robust financial planning and management	<b>Consequence;</b> Under/over spends, reduction in reserves to support service delivery  <b>Impact</b> Identified savings options not achieved  Impacts on service delivery and quality both immediate and long term  Failure to deliver revenue and capital budgets  Regeneration initiatives not delivered	3	5	15 <b>RED</b>		<b>Medium Term Financial Strategy</b> <ul style="list-style-type: none"> <li>Planning and financial management processes in the MTFS</li> <li>Regular budget monitoring</li> <li>Detailed performance monitoring and reports to SEB and Cabinet</li> <li>Ongoing monitoring of Government funding and allocations</li> <li>Direct finance support and training to Directorate and Service areas</li> <li>Regular review of the MTFS for adequacy of resources, trends and demands</li> </ul>	AD P Main	

Risk No	Corp Cat	Corp Aim	Risk – Cause/Event	Risk – Consequence/Impact	Prob	Imp	Score	Trend	Treatment/Controls	Owner	Comment/Update
CR15	Social, Customer/Citizen	2 3	<b>Perception of Crime</b>  Community Safety – perception of crime and the reputation of the City	<b>Consequence;</b> Negative public image of the City as viewed as ‘unsafe’  <b>Impact</b> Adverse effect on business and retail activity Restriction on growth	4	3	12 <b>AMBER</b>		<b>Existing</b> <ul style="list-style-type: none"> <li>Partnership working through re-invigorating the City Cluster and Safer Wolverhampton Partnership</li> <li>Employment of Neighbour hood Wardens</li> <li>PACT/Tasking Framework</li> <li>Promotional Campaigns eg ‘Keep it Safe’</li> </ul> <b>Proposed</b> <ul style="list-style-type: none"> <li>Re-launch ‘Keep it Safe’ – as Better in Wolverhampton with more positive messages</li> <li>Work with partners on a joint marketing strategy for the City</li> </ul>	AD K Jones ACE J Lancaster	
Risk No	Corp Cat	Corp Aim	Risk – Cause/Event	Risk – Consequence/Impact	Prob	Imp	Score	Trend	Treatment/Controls	Owner	Comment/Update
CR16	Professional/Managerial	4	<b>Skills</b>  Lack of professional skills and attributes to implement the Corporate Changes needed to produce a ‘fit for purpose’ organisation	<b>Consequence</b> Over reliance on a ‘few’ not necessarily professionally competent in the specific area but ‘capable’ of delivery  <b>Impact</b> Inability to deliver it all at the same time  Projects not delivered on time or are incomplete  Loss of focus on ‘core’ areas of service and development  Failure to respond to the organisational change agenda in a coherent manner	3	4	12 <b>AMBER</b>		<b>Existing</b> <ul style="list-style-type: none"> <li>HR Improvement programme</li> <li>Identification of gaps and resource appropriately</li> <li>Develop and implement structured workforce plans</li> </ul> <b>Proposed</b> <ul style="list-style-type: none"> <li>Cultural and attitudinal change programme/initiative</li> </ul>	ACE J Lancaster	

### Wolverhampton City Council – Risk Map

<b>PROBABILITY</b>	High	5					
	Medium/High	4			CR5 CR15		CR2
	Medium	3		CR8	CR3 CR4	CR6 CR7 CR9	CR1 CR12 CR13 CR14
	Medium /Low	2					CR11
	Low	1					
	<b>IMPACT</b>		1 Low	2 Low/Medium	3 Medium	4 Medium/High	5 High