

GRAVESHAM BOROUGH COUNCIL

Corporate Risk Register

2015-16

Gravesham’s Corporate Risk Register is the result of an annual strategic risk management exercise conducted to identify, analyse and prioritise those risks that may affect the ability of the council to achieve its corporate objectives. The key risks facing the council were identified through discussion with Cabinet Members, Finance and Audit Committee Members, Members, Directors, Assistant Directors, Service Managers and other senior managers.

The Corporate Risk Register outlines the key strategic risks facing the council, the controls currently in place to respond to these risks and any further action required by the council to properly manage these risks. The actions that the council has in place/needs to implement are assessed as one of the following:

- **Good** – actions in place will mitigate the risk and no further action is required.
- **Adequate** – whilst the action will help to mitigate the risk, there is still further work that can be undertaken to further mitigate the risk.
- **Inadequate** – the action is either not already in place or is not mitigating the risk and therefore further work is required.

The following matrix is utilised when assessing whether a risk is a high, medium or low risk for the council:

The Risk Matrix

LIKELIHOOD	Very High	5	5	10	15	20	
	High	4	4	8	12	16	
	Medium	3	3	6	9	12	
	Low	2	2	4	6	8	
	Very Low	1	1	2	3	4	
	High Risk		1	2	3	4	
	Medium Risk		Negligible	Marginal	Serious	Critical	
	Low Risk						
	IMPACT						

Guidance used for assessing Likelihood and Impact

Likelihood:

Rating	Score	
Very High	5	On the evidence and knowledge of officers and members it is almost certain that this issue will occur sometime within the next year. The issue may have already occurred in previous years either at the council or elsewhere.
High	4	On the evidence and knowledge of officers and members it is very likely that this issue or event will occur in the coming year.
Medium	3	On the evidence and knowledge of officers and members the issue is more likely to occur than not in the coming year.
Low	2	On the evidence and knowledge of officers and members it is unlikely that this event will occur in the coming year. Occurrences of this risk have occurred in the past but occurrences are very few and far between.
Very Low	1	On the evidence and knowledge that this event would occur in either the coming year or in future years.

Impact:

Rating	Score	
Critical	4	The financial impact on the authority would threaten the council's financial stability. The delivery of service to the public could be affected either permanently or for a long duration and the council could not achieve its key objectives. There would be a seriously damaging impact on the council's reputation through poor media coverage.
Serious	3	The financial impact on the authority would be significant although would not threaten the stability of the councils financial position. Services would experience disruption with the delivery of services being affected for a number of days. Whilst the council's objectives would be met there would be significant delays in achieving them. The council would endure poor media coverage for a period of time affecting the council's reputation which would take some time to recover from.
Marginal	2	There may be minimal financial impact on the authority and/or the cost of mitigating the risk exceeds the financial implications of the risk there may be some minor disruption to services and possibly some small delays in achieving the council's objectives. Although there may be some poor media coverage it will not affect the council in the long term.
Negligible	1	There is little or no financial impact of the risk to the authority. There would be no disruption to the delivery of the council's key objectives or frontline services. There is no risk of this risk impacting on the councils reputation

Given that the council works in an ever-changing environment it will be necessary to conduct similar risk management exercises on a periodic basis. Progress against management actions recorded in the register will be reported to Cabinet on a quarterly basis and the register will be reviewed on a six-monthly basis by the Finance and Audit Committee.

As a contribution to good corporate governance, risk management also forms a part of the annual business planning process – each departmental business plan has a specific service risk register to identify the key risks facing that service. This reinforces the corporate risk management approach through each Service Manager giving proper formal consideration to corporate and operational risks

The Risk	Ongoing financial viability of the Council					Risk No.	1				
Assessment Date	February 2015										
INHERENT RISK SCORE					RESIDUAL RISK SCORE						
Likelihood	5	Impact	4	Score	20	Likelihood	5	Impact	3	Score	15

Cabinet Portfolio	Leader of the Executive (but affects all portfolios)
Risk Background	Since 2010-11 the overall level of Central Government Grant received by the council has reduced from £7,639,170 to £4,710,590 in 2015-16, representing a cash reduction of £2,928,580 (38.3%) over the six-year period. Changes in the local government funding structure during the coalition government term, such as New Homes Bonus, Localised Support for Council Tax, Business Rate Retention and Welfare Reform have introduced unprecedented volatility and uncertainty in local government. There are also other external factors affecting the financial position of the council, such as increases in demand for certain Council services and a desire for clients and residents to interact with the council in different ways.
Consequences	<ul style="list-style-type: none"> • Financial savings not achieved. • Budgets exceeded and/or reserves depleted. • Problems stored up for the future. • Minimum reserve position of £1.25 million is not maintained. Usage needing to be made of £2 million specifically set-aside to mitigate financial risks. • Cuts in services and/or drop in quality of delivery possible leading to damage to Council's reputation • New legislative requirements not met. • Uncertainty over future large projects. • Potential for infrastructure to deteriorate.
Controls already in place	<p>Monthly Budget monitoring processes for service managers.</p> <p>Quarterly budget monitoring for Cabinet and Finance & Audit Committee.</p> <p>Management Team actions – to regularly monitor key areas of expenditure and income generation.</p> <p>Robust Medium Term Financial Strategy and Medium Term Financial Plan spanning 10 years. Policy decision to retain working balances of £3.25m, with £2m of this intended to mitigate against future liabilities and effects of Business Rates Retention, Localised Support for Council Tax and Welfare Reform.</p> <p>Reserves –regularly monitored and reviewed.</p> <p>Annual exercise to review fees and charges.</p> <p>Resource allocated to Service Review Process.</p> <p>Gravesham Area Board established to nurture and enable joint-working with partner organisations.</p> <p>Digital Team established to develop website and access to e-enabled services.</p>
Key corporate documents and processes	<p>Medium-Term Financial Strategy (including the Medium-Term Financial Plan)</p> <p>Budget monitoring process</p>
Risk Owner (s)	Assistant Director (Finance) and Service Manager (Finance)

Additional actions required to further mitigate risk		
Required Management Action	Lead Officer(s)	Target Date
On-going monitoring of budgets and key areas of expenditure and income.	Management Team	On-going through the year
Development of recommendations from the Service Review Process to be considered by Members and Management Team and implemented where agreed.	Assistant Director (Corporate Performance)	On-going through the year

Target for end of the 2015-16 financial year					
Likelihood	5	Impact	3	Score	15

The Risk	Changes in national priorities and legislative change					Risk No.	2				
Assessment Date	February 2015										
INHERENT RISK SCORE					RESIDUAL RISK SCORE						
Likelihood	5	Impact	3	Score	15	Likelihood	5	Impact	3	Score	15

Cabinet Portfolio	All Portfolios
Risk Background	New legislation, particularly around Welfare Reform and Social Housing Reform, will have a significant impact on the business of the council. The council needs to keep abreast of developments in legislation to ensure that it is best placed to respond to any changes it may face, whilst recognising that legislative changes may impact on the council's strategic partners and affect the ability to deliver joint projects and programmes.
Consequences	<ul style="list-style-type: none"> • Change of direction for the council may be required. • Changes result in additional costs/ workloads for staff. • Severe financial position encountered which may restrict which services the council can deliver (see Risk 1). • Failure to meet stakeholder expectations • Funding pressures / increased costs of working • Staff morale falls with potential for sick absence due to stress. • Increased scrutiny from Members and other relevant bodies.
Controls already in place	<p>General monthly policy briefings to Management Team and Wider Management Team giving updates on the development of key issues/legislation.</p> <p>Six-monthly legislative briefing to officers and Members.</p> <p>Reports to Management Team from relevant managers highlighting the impact of legislative changes and potential consequent risks.</p> <p>Consideration of the impact of legislative changes within the medium-term financial planning process.</p> <p>Gravesham Area Board provides an active opportunity for partner agencies to keep other partners abreast of changes affecting them and ensure that joint-working can continue wherever possible.</p>
Key corporate documents and processes	<p>Corporate Business Plan 2011-15</p> <p>Medium-Term Financial Strategy and Medium-Term Financial Plan</p>
Risk Owner (s)	Chief Executive and Management Team

Additional actions required to further mitigate risk		
Required Management Action	Lead Officer(s)	Target Date
Continuation on monthly policy briefings and six-monthly legislative briefings.	Policy Officer	Monthly/six-monthly as required.

Target for end of the 2015-16 financial year					
Likelihood	5	Impact	2	Score	10

The Risk	Organisational capacity/ resilience					Risk No.	3				
Assessment Date	February 2015										
INHERENT RISK SCORE					RESIDUAL RISK SCORE						
Likelihood	5	Impact	4	Score	20	Likelihood	5	Impact	3	Score	15

Cabinet Portfolio	Leader of the Executive (but affects all portfolios)										
Risk Background	<p>The council's Management Team have put in place arrangements to deal with the reduction in Government grant funding over the medium term, including approval of all new appointments and the cessation of temporary staff contracts and non-contractual overtime (except in exceptional circumstances). Inevitably these actions increase the demands on the remaining staff, which can expose the council to key person dependency and the risk of poor resilience. Management and staff can help improve organisational capacity and resilience by identifying critical tasks, working flexibly across departments and developing the skills and abilities of key leaders and staff. The council also need to ensure that it has plans in place to cope with other potential impacts on capacity which may result from severe weather, building damage or pandemic to ensure that key services can continue to be delivered.</p>										
Consequences	<ul style="list-style-type: none"> • Council unprepared for changes resulting in additional costs/ workloads for staff. Adverse impact on staff being asked to adopt more flexibility and a greater workload, when their managers have less flexibility to incentivise or support staff in light of pay and recruitment freezes. • Essential services where there is greater staff turnover are adversely impacted compared to services with less staff turnover. • Potential adverse impact on public liability claims if services like repairs and maintenance are not completed or recorded properly. • Increased likelihood of internal controls as a result of having fewer staff in post. • Cuts in services and a potential drop in service quality possible. • A fall in staff morale could increase staff sickness and stress. • Potential damage to the council's reputation. 										
Controls already in place	<p>Sound Corporate Business Plan in place.</p> <p>Sound governance and decision-making arrangements in place to direct and control the allocation of human and financial resources to Corporate Business Plan priorities.</p> <p>Good financial planning to support delivery of the Corporate Business Plan priorities.</p> <p>Succession and Workforce planning arrangements in place.</p> <p>Increasing activity to deploy staff to the best use of the council.</p> <p>Business Continuity Plans and Emergency Plan in place.</p> <p>Investment in staff training and development maintained.</p>										
Key corporate documents and processes	<p>Corporate Business Plan 2011-15</p> <p>Workforce Development Plan</p>										
Risk Owner (s)	Chief Executive and Management Team										

Additional actions required to further mitigate risk		
Required Management Action	Lead Officer(s)	Target Date
Monitoring and allocation of resources to critical tasks and services	Management Team	On-going through the year
Continue to encourage staff to work more flexibly across the organisation – offer opportunities for redeployment, secondments and project work.	Management Team	On-going through the year
Provide training to support increased flexible working across the organisation.	Director (Communities)	On-going through the year

Target for end of the 2015-16 financial year					
Likelihood	5	Impact	2	Score	10

The Risk	Management of Universal Credit Implementation					Risk No.	4				
Assessment Date	February 2015										
INHERENT RISK SCORE					RESIDUAL RISK SCORE						
Likelihood	5	Impact	4	Score	20	Likelihood	5	Impact	3	Score	15

Cabinet Portfolio	Performance & Administration Portfolio
Risk Background	<p>The government remains committed to a phased implementation of Universal Credit and have been testing in partnership with pathfinder local authorities. Following the roll-out of Universal Credit in the North West of England, national roll-out will use a tranche based approach. Universal Credit is rolling out in four tranches; with tranche one taking place between February 2015 and April 2015, for 77 local authorities</p> <p>Gravesham have been requested to adopt Universal Credit in tranche two in its most basic form on the 18 May 2015 for single residents only in prescribed circumstances.</p> <p>The Department for Work and Pensions (DWP) has overall responsibility for implementing Universal Credit, although the Council will have a key role in how the scheme will be introduced within the Borough.</p> <p>There remains much uncertainty as to the exact direct and indirect consequences of the changes upon the authority, particularly whether resources to support the scheme will still be required to be retained by the council (and at what level) once administration of Universal Credit is taken over by the Department for Work and Pensions. Indirect consequences are also expected, including the potential for increased arrears of Council Tax and Housing Rents (as benefit caps come into effect and payments are made direct to claimants) together with increased costs of cash handling through the shift away from rebating benefit to cash transactions.</p>
Consequences	<ul style="list-style-type: none"> • Lack of clarity of roles played by DWP and GBC. • Customers unclear of the application process or which body to contact. • Customers may suffer hardship. • Potential for insufficient resource if council expected to provide residual or supporting services. • Potential reduction in council dwelling rental income and increase in rent arrears as payments made direct to tenant, not by rebate. • Increase in workload for Housing Team. • Funding Implications. • Increases in evictions/homelessness/voids. • Rise in level of corporate debt
Controls already in place	<p>Initial contact has been made by the Job Centre Plus with regards to implementing UC.</p> <p>The Service Manager Revenues & Benefits and the Assistant Revenues & Benefits Manager are liaising and attending meetings with the JCP.</p> <p>The Service Manager Revenues & Benefits and the Assistant Revenues & Benefits Manager are liaising and attending meetings with Kent Benefits Managers and attending seminars when new information becomes available.</p> <p>Further meetings have been arranged to discuss the Delivery Partnership Agreement, to do site visits to sites in tranche, to discuss with Social and Private Landlords, to discuss with staff, to discuss with potential partner organisations such as the CAB and to discuss resource implications.</p>

Key corporate documents and processes	Folder created in H:\Revenues and Benefits\Shared\Universal Credit with all information regarding Universal Credit.
Risk Owner (s)	Assistant Director (Finance) and Service Manager (Revenues and Benefits)

Additional actions required to further mitigate risk		
Required Management Action	Lead Officer(s)	Target Date
Welfare Reform Corporate Working Group to continue meeting on a regular basis.	Mike Bytheway Service Manager (Revenues and Benefits)	On-going
To update and report to Management Team on a regular basis.	Mike Bytheway Service Manager (Revenues and Benefits)	On-going
To continue updating Members and staff.	Mike Bytheway Service Manager (Revenues and Benefits)	On-going
To keep the website up to date	Mike Bytheway Service Manager (Revenues and Benefits)	On-going
To use the UC Local Support Services Update and Trialling plan to prepare the service for the introduction of UC.	Mike Bytheway Service Manager (Revenues and Benefits)	On-going

Target for end of the 2015-16 financial year					
Likelihood	5	Impact	2	Score	10

The Risk	Changes in Refuse and Recycling						Risk No.	5			
Assessment Date	February 2015										
INHERENT RISK SCORE					RESIDUAL RISK SCORE						
Likelihood	5	Impact	3	Score	15	Likelihood	4	Impact	3	Score	12

Cabinet Portfolio	Community and Environment Portfolio
Risk Background	<p>The Council was awarded £4,915,990 to improve the refuse and recycling service following a successful bid to the Government's 'Weekly Collection Support Scheme'. The money was awarded to fund the introduction of wheelie bins to replace the clear recycling bags and black sacks and to introduce a new food waste collection service. Given the scale and importance of the new arrangements the introduction of the new service was split into two phases.</p> <p>Phase one of the project which consisted of the introduction of wheelie bins for recycling and the new food waste collection service was successfully introduced during 2014. Additional work in 2015 consists of introducing a recycling service for flats. Planning for phase two of the project which consists of the introduction of wheelie bins for residual waste will take place during 2015 in preparation for rolling out the new service in 2016.</p>
Consequences	<ul style="list-style-type: none"> • Some residents who live in flats may be reluctant to 'buy-in' to the new recycling service for flats. • Potential for poor communication with residents prior to and during the introduction of the new residual waste collection service. • There is a risk that residents may not have sufficient information about the new services. • There could be a delay in the procurement of vehicles and/or bins for the new residual waste collection service. • The actual costs of implementing the new residual waste service could prove to be higher than planned. • Some residents may be reluctant to have a wheelie bin for residual waste. • Some residents may not be physically able to move their wheelie bin to the kerbside. • The additional wheelie bin for residual waste may cause some storage problems for some residents or properties may not be suitable for a wheelie bin. • Problems could be experienced regarding the operational roll-out of the new service potentially damaging the council's reputation. • Adverse weather conditions could affect the successful roll-out of the new service. • The speed of the delivery of the residual waste collection service could be an issue – loading the bins and waiting for the mechanism to empty them and then for the operatives to return the bins to the properties will be slower than the current black sack collection method. This could lead to some traffic issues in some particularly narrow streets. • Operatives may experience problems simply getting the bins from the kerbside to the refuse vehicle in streets where there are no gaps between parked cars.

Controls already in place	<p>Specific officer Working Groups and the Members' Cross-party Working Group set up for the implementation of Phase One of the new recycling and refuse services will be used to project-manage Phase Two of the project.</p> <p>The experience gained from successfully introducing Phase One of the new service will be applied in managing the implementation of Phase Two of the project.</p> <p>As with Phase One, the Procurement Manager will oversee the procurement process so that proper procedures are followed to ensure the achievement of value for money and compliance with procurement regulations.</p> <p>Progress throughout the project will be reported to the Management Team and the Members' Cross-party Working Group to ensure proper monitoring of the scheme implementation against targets and budgets.</p>
Key corporate documents and processes	Corporate Business Plan 2011-2015
Risk Owner (s)	Director (Finance & Environment) / Assistant Director (Environment)

Additional actions required to further mitigate risk		
Required Management Action	Lead Officer(s)	Target Date
Recycling in flats will be introduced on a phased basis and information to explain how recycling in flats will work will be prepared and issued to residents as the new recycling service is implemented at each block of flats. (First set of leaflets/posters to be developed April/May 2015).	Director (Finance & Environment) Assistant Director (Environment)	April/May 2015 and on-going through 2015
Development of a 'Phase Two' Communications Project Plan (to include leaflets, posters, videos and social media).	Director (Finance & Environment) Assistant Director (Environment)	June 2015
Communications Plan to incorporate engagement with residents as necessary to encourage maximum take up of wheelie bins for residual waste.	Director (Finance & Environment) Assistant Director (Environment)	June 2015 and on-going through the roll-out of the new service
Preparation and distribution of communications materials	Director (Finance & Environment) Assistant Director (Environment) Communications Manager	On-going through 2015/16 and 2016/17
Continuation of the Assisted Collection Service for those residents who are unable to move their wheelie bins.	Assistant Waste Manager	On-going through 2015/16 and 2016/17
Procurement Plan to be prepared and research carried out to determine procurement frameworks available.	Procurement Manager	April 2015
As successfully applied in Phase One of the project the waste managers will engage with residents to assist them in resolving bin storage locations.	Assistant Waste Managers	January 2016/17

Additional actions required to further mitigate risk		
Required Management Action	Lead Officer(s)	Target Date
Preparation of a detailed 'Project Roll-out Plan' and identification of GBC refuse driver 'pilots' to assist the distribution company in delivering bins to the correct addresses.	Assistant Director (Environment) Assistant Waste Managers	September 2015
Project Roll-out Plan to include details of the training required for operatives.	Assistant Director (Environment) Assistant Waste Managers	September 2015
Close liaison between Operational Services, GBC Customer Services and the Communications Team to monitor the level of risk prior to and during the implementation of the new service and to report any issues arising to the Director (Finance & Environment).	Assistant Director (Environment)	On-going through 2016/17
Project costs to be monitored through Phase Two of the project and the MTFP to be updated to reflect any changes in forecasts.	Assistant Director (Environment) Service Manager (Finance)	On-going through 2015/16 and 2016/17
Formal validation of costs with suppliers. Proactive monitoring and control of costs through robust project management.	Assistant Director (Environment) Procurement Manager Assistant Director (Finance)	On-going through 2015/16 and 2016/17
Feedback from customer engagement events undertaken previously has indicated that wheeled bins are acceptable to residents.	Assistant Director (Environment) Promotions Officer	Completed
It has been established that to date parked cars have not caused significant operational problems for the crews, but this will continue to be monitored.	Assistant Director (Environment) Assistant Waste Managers	On-going through 2015/16 and 2016/17

Target for end of the 2015-16 financial year					
Likelihood	4	Impact	3	Score	12