

CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Committee Report

Public

Date of
Meeting:

18th April 2002

Title: RISK AND SAFETY MANAGEMENT BEST VALUE REVIEW
– UPDATE

Report of: DIRECTOR OF ENVIRONMENT AND DEVELOPMENT

Report
reference: EN 052 02

Summary:

This report provides an update on progress achieved to date following the scoping report for the Best Value Review of Risk and Safety Management on 22nd November 2001.

Recommendations:

It is recommended that the sub-Committee approves the project plan and provides collective views to define the key risks facing the Authority.

Contact Officer: Michael Battersby

Ext: 7400

RISK AND SAFETY MANAGEMENT BEST VALUE REVIEW - UPDATE

1. BACKGROUND

1.1 The scoping report for the Best Value Review of Risk and Safety Management was approved by the Overview and Scrutiny Management Committee on 22nd November 2002. This report provides an update on progress achieved to date and includes a review timetable.

2. ACTIONS TO DATE

2.1 The Best Value review team has met with the District Auditor who has provided some extremely helpful input into the process. Indeed a questionnaire has been completed for a wide range of risk management issues to provide an initial attempt to provide evidence as to what is in place now and the further action required. This will provide a very useful baseline.

2. The Leader of the Council, Chair of Overview & Scrutiny Committee and the Town Clerk and Chief Executive have been invited to complete a matrix to provide an initial baseline assessment of the nature, likelihood and impact of key risks which face the Authority.
3. As a follow-on from the above, the sub-Committee is provided with a schedule of the categories of risk together with the matrix. The sub-Committee's input into defining the risks as they see them would also make a contribution to the review process. Details are included in Appendix A.
4. Following the preparation of a project brief and a competitive tendering process Consultants, Marsh, have been appointed to assist the review team. A copy of the project plan is included as Appendix B and a further verbal update will be presented verbally at the meeting.

1. RECOMMENDATIONS

3.1 It is recommended that the sub-Committee approve the project plan and provide collective views to define the key risks facing the Authority.

M Battersby

Director of Environment and Development



Categories of Risk⁹

APPENDIX A (i)

STRATEGIC

Risks which need to be taken into account in judgements about the medium to long term goals and objectives of the council. These may be:

Political

those associated with failure to deliver either local or central government policy, or meet the local administration's manifesto commitments.

Economic

those affecting the ability of the council to meet its financial commitments. These include internal budgetary pressures, the failure to purchase adequate insurance cover, external macro level economic changes¹⁰, or the consequences of proposed investment decisions.

Social

those relating to the effects of changes in demographic, residential or socio-economic trends on the council's ability to deliver its objectives.

Technological

those associated with the capacity of the council to deal with the pace/scale of technological change, or its ability to use technology to address changing demands. They may also include the consequences of internal technological failures on the council's ability to deliver its objectives.

Legislative

those associated with current or potential changes in national or European Law (eg the appliance or non-appliance of TUPE¹¹ Regulations).

Environmental

those relating to the environmental consequences of progressing the council's strategic objectives (eg in terms of energy efficiency, pollution, recycling, landfill requirements, emissions, etc).

Competitive

those affecting the competitiveness of the service (in terms of cost or quality) and/or its ability to deliver Best Value.

Customer/Citizen

those associated with failure to meet the current and changing needs and expectations of customers and citizens.

Managing strategic risks is a core responsibility for senior managers in close liaison with elected members. Strategic risk assessments should be undertaken as part of the community, corporate and service planning process and as a key element of service reviews. Strategic risk assessment draws on techniques such as group assessment, brainstorming and SWOT or PESTLE¹² analyses.

OPERATIONAL

Risks which managers and staff will encounter in the daily course of their work. These may be:

Professional

those associated with the particular nature of each profession (eg social work service concerns over children at risk; housing service concerns as to the welfare of tenants).

Financial

those associated with financial planning and control and the adequacy of insurance cover.

Legal

those related to possible breaches of legislation.

Physical

those related to fire, security, accident prevention and health and safety (eg hazards/risks associated with buildings, vehicles, plant and equipment, etc).

Contractual

those associated with the failure of contractors to deliver services or products to the agreed cost and specification.

Technological

those relating to reliance on operational equipment (eg IT systems or equipment and machinery).

Environmental

those relating to pollution, noise or energy efficiency of ongoing service operation.

The categories are neither prescriptive nor exhaustive. However, they should provide a framework for identifying and categorising a broad range of risks facing each service. Each category cannot be considered in isolation. For example, changes in the TUPE legislation would affect judgements about the risks associated with the competitiveness of a service. The loss of a contract as a result of lack of in-house competitiveness may have greater political, economic and social consequences for the council if TUPE did not apply. Similarly, the physical risks associated with the security of a school can have professional consequences for teachers fulfilling their day-to-day duties and financial consequences for the council as a whole. As a result, managers must consider the risks associated with each of the sub-categories and their inter-relationships if a full risk assessment is to be carried out.

⁹ Taken from *Shorten the Odds*
A Guide to Understanding
and Managing Risk. Accounts
Commission for Scotland, July
1999

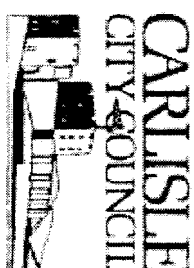
¹⁰ eg changes in interest rates,
inflation, borrowing consent
or other responses to the
global market.

¹¹ Transfer of Undertakings
(Protection of Employment)
Regulations relating to the
possible transfer of staff
terms and conditions when in-
house work is transferred to
an external contractor.

¹² Strengths, Weaknesses,
Opportunities and Threats;
Political, Economic, Social,
Technological, Legislative and
Environmental.

RISK ASSESSMENT		IMPACT		
LIKELIHOOD	LOW	HIGH	MEDIUM	LOW
LIKELIHOOD	MEDIUM			
LIKELIHOOD	HIGH			

Strategic Risk Assessment - Timetable of Events



ACTIVITY	APRIL	MAY	JUN	JUL
Project plan with key milestones identified for presentation to scrutiny groups on 18 April 2002	10th			
Report on current status by <ul style="list-style-type: none"> review of documentation (strategic plans, strategies, service delivery arrangements, government policy, public sector guidance, risk management guidance etc) review of Council's current risk management and H&S practices conduct interviews with key stakeholders (officers to be agreed) analysis of current costs of service provision arrangements for demonstrating competition in procuring elements of service review current performance measurement techniques 	30th			
Report on gap analysis and improvements required <ul style="list-style-type: none"> consideration of alternative methods of service provision? identification of best practice by reviewing published guidance consultation with other authorities and stakeholders establish benchmarks 		13th		
Draft report to Council BVRT		13th		
Final report to Council		27th		
Recommendations on programme of activity for implementation <ul style="list-style-type: none"> preparation and facilitation of six workshops / awareness sessions develop "train the trainer" approach to facilitate skills transfer and cascade activity 				31st
Discuss future activity to monitor and review and ensure continuous improvement				