

 the low tax borough	London Borough of Hammersmith & Fulham AUDIT PENSIONS AND STANDARDS COMMITTEE 26th September 2013
Combined Risk Management Highlight report	
Report of the Executive Director of Finance and Corporate Governance	
Open Report	
For Review & Comment Key Decision:No	
Wards Affected: None	
Accountable Executive Director: Jane West, Executive Director of Finance and Corporate Governance	
Report Author: Michael Sloniowski, Bi-borough Risk Manager	Contact Details: Tel: 020 8753 2587 E-mail: michael.sloniowski@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. This report updates the Committee of the risks, controls, assurances and management action orientated to manage Enterprise Wide risks.

2. RECOMMENDATIONS

- 2.1. The committee consider the current h&f Sovereign Strategic, Change and Operational risks as outlined in the report.
- 2.2. The committee note the Tri-borough and Bi-borough risks such as they may affect h&f as outlined in the report.
- 2.3. The committee approve the Bi-borough Enterprise Wide Risk & Assurance register (**Appendix 1**).
- 2.4. The committee note the case studies provided on risk management within the Facilities Management and ICT Programmes.

3. REASONS FOR DECISION

- 3.1. This report updates Members on the risk management issues identified across council services and follows changes in the reporting process to Committee to meet Corporate Governance requirements for Enterprise Risk Management as outlined in the 2012 guidance 'Delivering Good Governance in Local Government'. Effective risk management continues to help the council to achieve its objectives by 'getting things right first time' and is a key indicator of the 'Corporate Health' of the council.

4. INTRODUCTION AND BACKGROUND

- 4.1. Local government has been undergoing significant change and the environment in which it works is increasing in complexity. In addition to the continuing economic and financial challenge, the Localism Act and other key legislation has brought new roles, opportunities and greater flexibility for authorities.
- 4.2. Local authorities are changing the way in which they operate and undertake service provision. Public services are delivered directly, through partnerships, collaboration and through commissioning. Shared services and partnership boards have come into existence. The introduction of new structures and ways of working provide challenges for managing risk, ensuring transparency and demonstrating accountability.
- 4.3. Good governance enables an authority to pursue its vision effectively as well as underpinning that vision with control and the management of risk.

5. PROPOSAL AND ISSUES

- 5.1. In the Bi-borough work environment, people have to be stretched in their decision making and "doing" role. If there is no allowance for taking managed risks in an appropriate control environment, this stifles the whole process, prevents innovation and breeds poor morale. So a balanced approach to Enterprise Risk Management should allow for risk taking in a managed environment.
- 5.2. **Layered approach.** We propose to continue to encourage our services to own and manage risk on a layered approach based on the risk in hand. The ultimate protection is to do a risk assessment on everything (every step, every plan, every piece of new kit etc) but that is hugely time consuming and counterproductive. This would leave no time for running the business. To do this "micro risk assessment only approach prevents spontaneity and ownership by the decision makers. The layers of controls are for the service to work out in their management process and depend on the risk presented and the environment.
- 5.3. **Introduction of "Macro risk assessment" and "Micro risk assessment"**

- 5.4. A “micro risk assessment” approach must be and is carried out for critical risks including where legislation demands that it should be undertaken. A “macro risk assessment” for all critical and non-critical risks updated on an “exceptions” basis when any of the controls or environmental influences change is appropriate for Enterprise, Portfolio or Strategic big picture risks.
- 5.5. For example consider a frequent activity such as BACS transfer of funds to a supplier for a regular order. A macro risk assessment is carried out on that activity once every so often. Included in this is consideration to those things that would highlight an anomaly such as a variance in amount in excess of 15% or the frequency of payment changes. These are your exceptions and if either of those triggers is encountered the system should call for a micro risk assessment.
- 5.6. Risks continue to be rated on a 5x5 matrix resulting in a scale of risk exposure of 1-25. (25 being the highest exposure). Key risks are ‘rolled-up’ and consolidated into the Bi-borough Enterprise Wide Register attached as **Appendix 1**.
- 5.7. The Council has a number of significant change and transformation programmes each managed by a programme board. The majority of programmes relate to the Tri-borough agenda. The individual programme boards produce a risk register identifying significant risks to the delivery of the specific programme.
- 5.8. Where appropriate, risks identified in the risk registers have been incorporated into the annual audit planning process to enable audit resources to be directed to the most appropriate areas that may affect business assurance.

5.9. **ENTERPRISE WIDE RISK AND ASSURANCE REGISTER**

- 5.9.1. The Enterprise Wide Risk and Assurance Register has been updated following the review of Tri-borough , Bi-borough and Departmental submissions and has been reviewed by the Management Boards of Hammersmith and Fulham and The Royal Borough of Kensington and Chelsea Councils. It remains an indicator of ‘Corporate Preparedness’. The full version accompanies this paper for Members information at **Appendix 1**.

5.10. **H&F - STRATEGIC RISKS PERSPECTIVE**

Tri-borough Facilities Management (TFM) programme. Case Study 1 accompanies this report

- 5.10.1. The Tri-borough Facilities Management (TFM) project was approved by Hammersmith & Fulham and Westminster cabinets on Monday 13 May. This follows approval from the Royal Borough of Kensington and Chelsea cabinet on 2 May.

- 5.10.2. Amey, one of the UK's leading public services providers, is the chosen supplier to manage the facilities management services on behalf of the three Tri-borough councils.
- 5.10.3. The TFM contract will run for ten years (with an option to extend for a further three years) and includes building security, maintenance and repairs as well as catering, landscaping, cleaning and reception services.
- 5.10.4. Transfer of Undertakings and Protection of Employment (TUPE) regulations will apply for facilities management staff across the three councils. Amey is expected to meet with staff between June and September, with TFM due to go live from October this year.
- 5.10.5. No services will be closed as a result of TFM. The greatest changes will be behind the scenes and these implementation risks will need to be carefully managed. These have been illustrated in the Case Study.
- 5.10.6. To ensure that Amey perform well and manage risk effectively a small Tri-borough client side team has been set up to manage the TFM contract. An appointment has been made for the Head of the Client Side Team. The Client Side Team will be made up of roughly 22 staff and will be hosted by the Royal Borough Kensington and Chelsea. The team will be led by a new head of Tri-borough Facilities Management, reporting into Michael Clark, Lead Director TFM.

Tri-borough Managed Services programme.

- 5.10.7. Tri-Borough Managed Services (sometimes known as Programme Athena) is the programme of work to develop a fully outsourced managed services solution for a number of corporate services. This includes Finance & Procurement, HR, Property and Asset Data Management, Business Intelligence and E-Sourcing.
- 5.10.8. In January 2013 the Tri-borough Managed Services Programme reached a significant milestone by awarding a framework agreement to British Telecom (BT) to provide Finance and HR services. This decision follows an intensive joint procurement phase with a selected panel from across the three Tri-borough councils.
- 5.10.9. The Managed Services Programme Management Office has produced a (draft) top level plan, known as the Blueprint, and a (draft) Microsoft project plan. The Finance and HR Project Managers (Michael Blythin and Francis Solomon-Knox) have

been asked to provide detailed tasks that will support it. This will be followed by a workshop that will start to identify the various dependencies.

ICT Programme (Case Study 2 accompanies this report.).

Pace of Change risk.

5.10.10. As organisational changes are implemented, there is an expectation that ICT will respond and provide the enablers to the new service offerings but this is not always a straightforward exercise, as the requirements themselves can change quickly over time leading to the need to redesign ICT solutions. This comes with an element of risk.

Interdependencies risk.

5.10.11. A further risk area that is recognised as impacting on the complexity of delivering the new tri-borough service enablers, is the growing number of interdependencies between major change programmes such as Managed Services, Total FM, CLCH community services integration and the tri-borough ICT strategy implementation. These interdependencies take the form of multiple demands on the same skilled resource, the need to align ICT solutions and approaches to risk identification, delivery and communication between the programmes and to business stakeholders, including third parties. The cumulative impact of multiple programmes impacting on the same service areas within similar timeframes is also an identified risk. This can give rise to serious complexity which needs to be carefully navigated. Awareness, effective governance, active resource management and escalation is required to ensure all such interdependencies are captured and managed by each programme.

Accountability and service engagement risk.

5.10.12. ICT Programme governance has been established with clear accountability and senior leadership. The programme has changed the Chief Information Officer accountability, with Howell Huws in place as the lead CIO for ASC, Ben Goward for Libraries, Barry Holloway for TTS/ELRS and CHS and Jackie Hudson providing oversight as the tri-borough lead advisor for ICT. Customer feedback demanding a single point of contact for strategic development is being met by four strategic relationship managers, aligned with the four tri-or bi-borough services, on a secondment basis.

5.10.13. Unplanned risk exposures.

5.10.14. In February 2013 the Council's Finance System was placed at risk due to the administration of 2e2. 2e2 were a sub-contractor of the Hammersmith and Fulham Bridge Partnership and provided the data platform and disaster recovery for Cedar Olas and Collaborative Planning. In the period February to July 2013 the Corporate Finance Team supported by the Bi-borough Risk Manager responded rapidly to the threat and contingencies were identified and applied to stabilise the finance system that included but was not limited to;

- Identification of an alternate method of payments through the Treasury team and the Council's bankers.
- Identification of the critical suppliers and payments
- Off-line retention of an upto date Chart of Accounts
- Hard copy off-line printing and retention of critical finance information
- Hard copy alternate contingency journal transfer records
- Negotiation with alternate providers
- Review of the Council's approach to supply chain resilience
- Change freeze imposed to secure system stability
- Update of the Corporate Finance Resilience Plan
- Securing a data Escrow agreement with the National Computing Centre

5.10.15. Kitchen Extraction Systems: Contract Management and Health & safety concerns have been identified in relation to school kitchens, particularly in relation to gas safety and fire safety. E.C. Harris have been commissioned to undertake review and data collection process, required to ensure that all H&FC school catering Kitchens have permanent and fully compliant and integrated facilities (inc. all fixed cooking appliances, ventilation Hoods and ducts and all gas supply pipe-work and gas cut off valves).

5.10.16. School Asbestos Management: A Complaint has been raised by a School Site Manager. Subsequent investigation has identified concerns in relation to the quality of school Asbestos Management Plans and/or school surveys being provided by preferred contractor with some inconsistencies and decay in data. Issues also remain as to the approach to asbestos management with inception of 3BM and TFM. (Capabilities/competencies).

5.11. H&F - OPERATIONAL PERSPECTIVE.

Key risks.

5.11.1. Tri-borough Adult Social Care Services.

5.11.1.1. **Key risks (High risks only).**

Unplanned cuts to services as a result of further reductions in government grant for social care.

5.11.1.2. Unplanned cuts to services as a result of loss of funding from health.

Mitigating action.

- 1. Out of Hospital Strategies in place; Community budgets, sharing whole systems savings;
- 2. Operational integration with health will deliver staffing savings; review skill mix etc.
- 3. Hold reserves or balances to manage better.
- 4. Develop exit strategies for one off services.
- 5. Develop prioritisation strategy for all services.

5.11.1.3. Impact of proposed changes to long term funding of social care .

Mitigating action.

- 1. Work is being undertaken by the Director of Adult Social Care Finance and Resources to assess the magnitude of this risk.

5.11.1.4. Increasing demand for social care services.

Mitigating action.

- 1. Community budgets – sharing savings from acute sector.
- 2. Develop new model of personalisation to reduce costs.
- 3. Prevention / Info and Advice /signposting – deflect demand, enable individuals.
- 4. Reablement/rehab to reduce residential care admissions.
- 5. Review charging policies.

- 5.11.1.5. Not effectively establishing ASC 3 B personalisation model.
- 5.11.1.6. Risks of negative service outcome; lack of consistency across boroughs; reputation; negative impact on capacity and increased financial.

Mitigating action.

- 1. New common model of personalisation needs to be developed and agreed across 3B ASC and inform the next phases of TAS programme.

- 5.11.1.7. Not developing effective integrated commissioning with Clinical Commissioning Groups.

Mitigating action.

- 1. Out of Hospital Strategies agreed.
- 2. Community budget project, sharing savings.
- 3. ASC linked to Whole Systems workstream across the local health sector.
- 4. ASC involvement in review of contracts/commissioning plans re joint services reporting back to CCG OoH boards.

- 5.11.1.8. Unable to share information at necessary level with health partners to plan and evaluate.

Mitigating action.

- 1. Update information sharing and information processing agreements.
- 2. Explore shared access/stakeholder with CCGs and CLCH in NWL NHS data warehouse.
- 3. Shared consent process.

- 5.11.1.9. Death or serious injury of vulnerable residents.

Mitigating action

- 1. Effective safeguarding adults processes in place across tri borough.

5.11.2. **Tri-borough Childrens Services risks (Medium risks only).**

5.11.2.1. There is a Tri-borough risk that LAC numbers start to rise, increasing demand for placements. Even without a rise in overall numbers, ongoing or even increased demand for high cost placements, particularly for adolescents, will put pressure on placements budget.

Mitigating action.

- 1. The LAC numbers are rising in the rest of the country. Plans need to be put in place to monitor numbers and need.

5.11.2.2. There is a CHS Project risk that there is insufficient contingency time between the valuation of bids and political process to the award of contract. Also a tight time scale after award of contract to mobilise in time for start date.

Mitigating action.

- 1. Contract award processes have been planned.

5.11.2.3. There is a difficulty of using multiple systems for current combined systems for current combined services. If common ICS and processes are not developed, then there will be a risk to delivery for the next wave of combined services – one provider may pose a quality / time issue.

Mitigating action.

- 1. It is clear that a number of projects are dependent on ICS convergence. Work has started on what this might look like. PID has been developed.
- 2. The Project Board which was scheduled to take place on 2nd May was intended to highlight some of the key dependencies in relation to "family view" being available.

5.11.2.4. There is a CHS Portfolio risk of limited financial contingency to meet new unanticipated demands this will led to potential budget overspends.

Mitigating action.

- CHS Finance to monitor closely. Maintain sight of risk on register.

5.11.3. **Bi-borough Environment, Leisure and Resident Services risks (Medium and Borough specific risks only).**

- 5.11.3.1. There is a medium risk that increasing financial pressures and uncertainty leads to loss of staff, skills and knowledge, increase in workplace stress, high levels of sickness and ultimately affecting service delivery.

Mitigating action.

- 1. Communications with Tier 4 managers have begun; some reviews are still in progress, a few are at the start of implementation phase .
- 2. Workforce Development Working Group and Talent Management Plan in place.

- 5.11.3.2. There is a risk that contamination levels to the recycled waste stream continues to increase. Resulting in a potential financial implications running into hundreds of thousands of pounds. This means that the boroughs would pay twice for disposal, once at the recycling gate fee rate, and a second time at the higher incineration gate fee. Increased residual waste tonnages and falling recycling rates can also impact on disposal costs and recycling.

Mitigating action.

- 1. An action plan is in place and close monitoring of contamination levels is being undertaken.
- 2. April 2013 , Cory has reduced its gate fee for recycled waste. Research has been undertaken and service managers have developed action plans and communications appropriate for each borough in light of the research findings.

- 5.11.3.3. There is a H&F specific medium risk that the Trade Waste Income target will not be achieved - The shortfall in the invoiced amount, has created a gap of over £200k from the income target.

Mitigating action.

- 1. The new process that will be implemented, as part of the sales plan should have the following impact: Increased sales, robust debt recovery, focused sales activity and monitoring. The income will monitored on a monthly basis.

- 5.11.3.4. There is a H&F specific medium risk that a 6% increase in Cemeteries income target is not met.

Mitigating action.

- 1. The department is working with QSL to mitigate the risk

- 5.11.3.5. There is a H&F specific medium risk that if Fulham Palace Trust are given additional funding including the transfer of emergency £250,000 fund as a loan for their reserves, they may not be able to balance their budget and come back to the council for more funds.

Mitigating action.

- 1. Regular meetings.
- 2. Financial monitoring of Fulham Palace Trust and attendance at their finance board meetings. Quarterly monitoring with the Chief Executive.

5.11.4. **Tri-borough Libraries risks (Medium and low risks only).**

- 5.11.4.1. There is a medium risk of failure to realise Archives savings and inability to re-provide a service as part of tri-borough.

Mitigating action.

- 1. Regular meetings.
- 2. Monthly meetings with tri-borough and regular meetings with stake holder groups.

- 5.11.4.2. There is a low risk that the number of Library issues continue to decline.

Mitigating action.

- 1. Regular meetings.
- 2. Close monitoring of issue figures and analysis by customer and item type.

5.11.5. **Bi-borough Transport and Technical Services risks (Medium risks only).**

5.11.5.1. Tri/Bi-borough working - Pace and scale of change may adversely affect service delivery.

Mitigating action.

- 1. Regular communications.
- 2. Nigel Pallace Divisional briefings (floorwalks).
- 3. Ongoing programme of engagement.

5.11.5.2. Tri-Borough working arrangements.

Mitigating action.

- 1. Tri Borough Programme Boards.
- 2. Environment Family Programme Board.
- 3. TTS Programme Board.
- 4. Staff Forums held and service reviews underway. HR input and Union dialogue integrated into review process.

5.11.5.3. Adverse consequences of recession/downturn in economic environment.

Mitigating action.

- 1. BC Workload planning.
- 2. Planning Workload planning.
- 3. Corporate revenue monitoring.
- 4. Staffing to match workload.
- 5. Review of debt.

5.11.5.4. Adverse budget variances.

Mitigating action.

- 1. Regular finance & trading accounts monitoring.
- 2. Work with policy and planning to bring in funds .
- 3. Financial reporting by Quantity Surveyors, BTS, QA system, use of contingencies. Training plan for staff.
- 4. New criteria introduced to prevent blue badge fraud.
- 5. Review budget staffing level.
- 6. MTFS planning process.
- 7. Parking Control Board.
- 8. Recovery plan in place.
- 9. Recruitment approval restricted.
- 10. Review adverse variances and report action plan to DMT.

5.11.5.5. Health and Safety breaches affecting staff and others.

Mitigating action.

- 1. Safety audit.
- 2. Contractors managed.
- 3. CDM.
- 4. QA.
- 5. Learning and Development Plans.
- 6. Monitoring.
- 7. Maintenance and inspection schemes underpin the engineering response to risk
- 8. Ongoing training programme.
- 9. Established H&S Committee.
- 10. Departmental Policy.
- 11. Divisional PR.
- 12. Statutory responsibilities audit.
- 13. Guidance issued with respect to cross borough working and duty of care for both sets of employees.
- 14. Corporate Health & Safety currently under review in the bi-borough programme and protocol signed.

5.11.6. Risk indicators are an important tool within operational risk management, facilitating the monitoring and control of risk. In so doing they may be used to support a range of operational risk management activities and processes, including: risk identification; risk and control assessments; and the implementation of effective risk appetite, risk management and governance frameworks.

Health and Safety.

5.11.7. HFBB review a quarterly health and safety performance report for the organisation produced by the Corporate Safety Team. It includes recommendations for improvements, identified weaknesses, Corporate Safety activity and building performance information.

5.11.8. The Health and Safety Executive have scheduled an inspection in early August following the asbestos incident at Linford Christie Stadium in February. An update will be provided when more is known.

5.11.9. Significant progress in this area, across the corporate and schools portfolio, has been made in line with the council's legal and strategic objectives ensuring that each property has its own asbestos management plan and named responsible person. All schools funded through the dedicated schools grant have been written to regarding asbestos management advising them of the responsibilities of the council's contractor's, 3BM, corporate safety's and theirs. Training of key personnel in corporate buildings (52 to date) has commenced. Training for schools is ready for delivery in the new academic year, managed by 3BM

and corporate safety. A Tri-borough strategy for asbestos management in school is under development.

5.11.10. A number of meetings with Tri-borough colleagues have been held between corporate safety, Amey (TFM) and the Intelligent Client Function (ICF) to agree the management of health and safety during mobilization and thereafter. Named Executive Directors/Directors (in accordance with agreed corporate policy) for each building will be identified as the responsible person where decisions are required by the ICF/Amey, for example, on identifying Chief Fire Wardens. It is proposed, where buildings are shared, that the Director with the majority stake hold adopts this responsibility.

Information Management.

5.11.11. Information security incidents are recorded by the Information Management team and are reviewed periodically by the cross departmental Information Technology Security Operations Group (ITSOG). A security incident is an event that has an actual or potential adverse effect on the computer, network or user resources, compromises data or where there has been damage or loss of equipment.

5.11.12. During the this calendar year, 2013, there have been 26 incidents compared with 37 in all of 2012. This is primarily due to increased awareness and improved reporting across staff as a direct result of Information Governance training and communications. The Childrens Services Department are attributed to 10 of the incidents. Issues are escalated by the Information Manager at ITSOG meetings together with any mitigations or actions necessary.

5.11.13. The Information Management incident experience is attached as **Appendix 2**.

Procurement.

5.11.14. The Bi Borough Procurement Board is apprised of key risks and issues as part of the new reporting format to the Board. Cabinet reports include a provision for comment on risk management. Key risks identified include;

- Not all procurement projects maintain risk logs.
- Separate Governance decision making processes.
- Separate Contract Standing Orders, although an exercise to harmonise them where appropriate is underway.

- Differing approaches to procurement exist in that a category management approach is the preferred WCC method.
- Optimum timing of contracts extensions to co-ordinate three borough procurement exercises.

6. OPTIONS AND ANALYSIS OF OPTIONS

6.1. *Not applicable as the report is a representation of the business risks and opportunities to H&F council.*

7. CONSULTATION

7.1. *Not applicable as the report addresses the business risks to H&F council.*

8. EQUALITY IMPLICATIONS

8.1. *The responsibility to complete Equality Impact Assessment in relation to policy decisions is the responsibility of the appropriate departmental officer. The report highlights some of the risks and consequences of risk taking over a broad landscape and as such specific Equality and Diversity issues are referred to in the councils Enterprise Wide Risk and Assurance Register.*

9. LEGAL IMPLICATIONS

9.1. *Failure to manage risk effectively may give rise to increased exposure to litigation, claims and complaints. As such the report contributes to the effective Corporate Governance of the council.*

10. FINANCIAL AND RESOURCES IMPLICATIONS

10.1. *Exposure to unplanned risk could be detrimental to the ongoing financial and reputational standing of the Council. Failure to innovate and take positive risks may result in loss of opportunity and reduced Value for Money. There are no direct financial implications with the report content.*

11. RISK MANAGEMENT

11.1. *It is the responsibility of management to mitigate risk to an acceptable level. Appropriate and proportionate mitigating actions to known risks are expressed in the Enterprise Wide Risk and Assurance Register and subject to review as part of planned Audit work and the Annual Governance Statement.*

11.2. Implications verified/completed by: Michael Sloniowski, Principal Consultant Risk Management. 020 8753 2587

12. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 12.1. *Failure to address risk in procurement may lead to a reduction in the expected benefits (Value for Money, Efficiency, Resilience, Quality of Service) and leave the council exposed to potential fraud and collusion as identified in the Bribery Act.*

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Association of Local Authority Risk Managers & Institute of Risk Management, 2002, A Risk Management Standard	Michael Sloniowski 2587	Corporate Finance Division, Internal Audit, Town Hall, Hammersmith
2.	The Orange Book, Management of Risk Principles & Concepts – HM Treasury	Michael Sloniowski 2587	Corporate Finance Division, Internal Audit, Town Hall, Hammersmith
3.	Departmental Risk Registers, Tri borough Portfolio risk logs	Michael Sloniowski 2587	Corporate Finance Division, Internal Audit, Town Hall, Hammersmith
4.	Tri-borough Programme report updates	Michael Sloniowski 2587	TriBnet
5.	BS 31100 Code of Practice for risk management	Michael Sloniowski 2587	Corporate Finance Division, Internal Audit, Town Hall, Hammersmith

[Note: Please list only those that are not already in the public domain, i.e. you do not need to include Government publications, previous public reports etc.] Do not list exempt documents. Background Papers must be retained for public inspection for four years after the date of the meeting.

LIST OF APPENDICES:

Appendix 1

Enterprise Wide Risk and Assurance register


Appendix 2

Information Management incident experience


Case Study 1 Facilities Management risk management

Case Study 2 Tri-borough IT Security risk management

			<p>under/overspend *</p> <ul style="list-style-type: none">• Incomplete/inaccurate accounting records• Overestimation of potential revenue streams		<p>tracked at FSB</p> <ul style="list-style-type: none">• Monthly corporate revenue & capital monitoring to cabinet• Reports to the Leader identify where spend levels exceed a tolerable level during the year• Credit check of contractors is being undertaken through the Bi-borough Procurement Strategy Board (RBKC & H&F)• Disposal of Assets• Sponsorship and advertising opportunities risk & reward exercise								
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No.	Business risk Perspective (Strategic, Change or Operational)	Tri-borough Bi-borough or Sovereign risk	Risk	Consequence	First line of defence (Management Controls)	Second line of defence (Independent Assurance)	Likelihood (L)	Impact (I)	Exposure = L x I	Risk Rating	Responsible Officer or Group	Review
2.	Strategic	Bi-borough	Managing the Business Objectives (publics needs and expectations)	<ul style="list-style-type: none"> • The Public or section of the public may not receive the service that they need or to the quality they expect • Reputation of the service may be affected • Services are delivered in an unplanned way • Services start to do their own thing - Maverick decisions • Inconsistencies in service delivery start to emerge • Lack of transparency • Duplication of effort • Communication of objectives and values is lost • Target and Objective setting is diminished reducing the effectiveness of the performance management regime for officers 	<ul style="list-style-type: none"> • Tri-borough Business Plans have been issued for 2013 • Implementation of Lean Thinking principles putting the voice of the customer at the heart of service design • Performance monitoring and feedback through local media • Customer experience and satisfaction surveys 	Cabinet Members Scrutiny Cttee review performance Ofsted Care Quality Commission	3	3	9	Low 	All Executive Directors	Review August 2013


					<p>reviewed at Bi-borough Procurement Board (RBKC & H&F)</p> <ul style="list-style-type: none">• Market Testing progress report to HFBB• Programme & Project Management – Risk Logs being maintained, periodic risk reviews• Revenue estimated from the contract to be included as a risk in the MTFS							
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No.	Business risk Perspective (Strategic, Change or Operational)	Tri-borough Bi-borough or Sovereign risk	Risk	Consequence	First line of defence (Management Controls)	Second line of defence (Independent Assurance)	Likelihood (L)	Impact (I)	Exposure = L x I	Risk Rating	Responsible Officer or Group	Review
4.	Change.	Tri-borough.	Managing Portfolios Programmes, and Projects. <ul style="list-style-type: none"> • Successful delivery of the Tri-borough Managed Services Programme. 	<ul style="list-style-type: none"> • The change environment became ever more complex with single, bi and tri-borough programmes of work requiring management alongside business as usual; • Senior Managers of combined teams became responsible for managing risks over a wider geography; • New risks emerged both as a result of and as a by-product to Tri-borough working; • Changing type or level of risk resulting from external pressures such as devolved responsibilities from Central Government and new legal requirements; • Governance has become ever more complex i.e. understanding who is responsible for managing some risks has been challenging. 	<ul style="list-style-type: none"> • Common reporting tools for key Tri-borough programmes- this included highlight reports identifying identification and documentation of key risks and issues. • A Portfolio Delivery Group consisting of a cross section of Directors and designated Tri-borough lead specialists. This group was tasked with ensuring the successful set up of shared working arrangements and played a key problem solving role-managing and mitigating key risks experienced by both programmes and corporate support functions. 	<p>A fortnightly Chief Execs' Portfolio Management Board to oversee and manage portfolio delivery including managing key strategic risks and resolving operational risks where escalated.</p> <p>A Tri-borough Leaders' Board to oversee the delivery and development and to manage Political opportunities and risks.</p>	3	3	9	Low 	<p>Jane West, Executive Director of Finance and Corporate Governance (The London Borough of Hammersmith and Fulham).</p> <p>Nicholas Holgate, Town Clerk and Executive Director of Finance (The Royal Borough of Kensington & Chelsea).</p> <p>Marie Snelling Tri-borough Portfolio Director.</p> <p>Martin Nottage (Tri Borough Innovation and Change Management Division).</p>	Review August 2013.

			<ul style="list-style-type: none"> • Successful delivery of the Tri-borough ICT Programme 	<ul style="list-style-type: none"> • Customers' needs and expectations are not fully met when projects are delivered • Benefits of investment in creating toolkit not realised • Threat of overspend on projects • Benefits are not fully realised • Delays in mobilisation of services through revised contracts • Impact of staffing 	<ul style="list-style-type: none"> • appointed • 4 Workstreams agreed (Change Management/ Enablement - Testing/ User Acceptance Testing -Service Design and Service Delivery - ICT Readiness/ Interfaces/ Data Migration) • Managed Services Programme Director and Management Resources in place • Managed Services Roadmap published • Detailed Tri-b requirements for the Agresso system and BT service agreed by July 2013 • Build Agresso system to the Tri-b specification by September 2013 • Complete system build and recruit and train the staff ready to provide the service by January 2014 • Sort snags and post-go-live appraisal of service and levels and quality by April 2014 • WCC in conjunction with H&F and RBKC intends to create a pan-London framework agreement. The intention is WCC entering into it immediately from contract award in January, moving straight into transition to have the new service providers in place from October 2014. • H&F have a contract with HFBP which terminates 31st 	<p>Executive Board (WCC)</p> <p>The Royal Borough of Kensington & Chelsea Internal Audit</p> <p>WCC RSM Tenon Internal Audit</p> <p>Bi Borough Procurement Board</p> <p>Transformation Board</p> <p>Audit and Transparency Committee (RBKC)</p> <p>Audit Pensions and Standards Committee (H&F)</p>						
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			<ul style="list-style-type: none"> • Successful delivery of the Tri-borough Total Facilities Management Programme <p>Sub-risks</p> <ul style="list-style-type: none"> • Projects do not consider enough time to mobilise in the event services are awarded to the private sector • Project implementation is delayed due to protracted discussions regarding pensions transfers • The risk of challenge to contract awards may increase during the harsher economic climate • Large scale high risk high return projects are not led by a qualified or experienced project manager. • Too many projects are undertaken with unrealistic or unachievable targets 		<p>October 2016 so it plans to move to the new suppliers at that time.</p> <ul style="list-style-type: none"> • RBKC will move to the new service providers, either in whole or in part, which is an option, wherever there is a compelling business case. • A small Tri-borough client side team has been set up to manage the TFM contract. An appointment has been made for the Head of the Client Side Team. The Client Side Team will be made up of roughly 22 staff and will be hosted by the Royal Borough Kensington and Chelsea • The Innovation and Managing Change Team brings together portfolio and programme management skills from H&F and RBKC. • Portfolio ,Programme and Project management is supported by a recommended decision-making and governance process. • Projects and programmes are managed through the context of the Transformational portfolios. • Further training and capability is being advanced with RBKC and WCC. • Standard documentation is to be provided to 							
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					<p>support Portfolio, Programme and Project Management.</p> <ul style="list-style-type: none">• Monthly reporting to Transformation Board (dashboard)• Bi-borough Procurement Strategy Board (RBKC & H&F) monitor aspects of project management compliance• Procedures for TUPE transfer have been included in project management instructions							
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5.	Change	Sovereign	Public Health Service and NHS Provision Sub-risks <ul style="list-style-type: none"> the Council remains concerned about the impacts of proposals to change the hospital arrangements in North West London The transfer of the Public Health Service from the NHS to local government may not go well 	<p>The Council is remaining active in debate with NHS decision-makers to ensure the best possible deal for residents. The Council could face unexpected spending pressures from new responsibilities</p>	<ul style="list-style-type: none"> The new Director of Public Health will attend Housing, Health and Adult Social Care Select Committee Dedicated officers implementing the setting up of a Health & Well Being Board The Council has no obligation to cross subsidise Public Health Tri-borough Public Health service should be hosted at Westminster as agreed by the Leaders of the three councils 	HFBB Education & Childrens Services Select Committee Cabinet	4	3	12	High 	Derek Myers, Joint Chief Executive Director of Public Health	Review March 2013


			<p>IT resilience (H&F)</p> <ul style="list-style-type: none"> Proposed move of the H&F IT from the East London site. Systems not joined up and connected in the event of a H&F, Royal Borough or Tri-Bi Borough event. Lack of top tier response plans. Electronic information storage capacity. Mobile Communications technology provider service failure. Information Governance during the development of major programmes (Managed Services, FM). H&F Openscape as a form of remote communications and working. 	<ul style="list-style-type: none"> Delays/ interruption to the service as a replacement is found. Cost and time of re-procuring the service. Protection of contributions to the H&F Pension fund as more outsourcing is undertaken. 	<p>regulates network connections and communications on the perimeter of the RBKC private network with the public internet.</p> <ul style="list-style-type: none"> Request For Change process in use by Hammersmith and Fulham is being adopted under the Tri-Borough shared services initiative. Business Continuity Recovery Group allocates resources between business groups for recovery <ul style="list-style-type: none"> H & F Bridge Partnership have submitted a Local Service Recovery, a major incident process has been established by HFBP as part of Data recovery is insured under the councils corporate insurance package (but limited) The Service Desk Manual A threat assessment has been compiled Some ITC service has been moved to East London The Business Continuity (BC) project now involves provision of IT BC for approximately 30 First Order applications as identified by H&F. The data is replicated from the primary data centre at East London to the secondary site at HTH. Additionally, there is local network switch resilience within HTH; resilience for 							
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			<p>Contractor Liquidity</p> <ul style="list-style-type: none"> • Service interruption. • Property loss or damage. • Injury or harm. 	<p>the infrastructure elements such as profiles, home folders and printing; plus annual tests of parts of the BC solution.</p> <ul style="list-style-type: none"> • Creditsafe Financial checks. • Corporate Finance credit checking. • Contractor Business Continuity Planning. • Pension fund performance bond (H&F). 	<p>Bi Borough Procurement Board</p>						
			<p>Terrorist attack/Civil disturbance</p>	<ul style="list-style-type: none"> • Terrorism insurance cover. • Tri Borough councils are working together to prevent terrorism offering free interactive workshops to raise awareness of the Prevent Strategy. • Prevent aims to stop people from becoming terrorists or supporting terrorism by focusing on supporting and protecting those who might be vulnerable to radicalisation. 	<p>Cabinet Office COBRA</p>						
				<p>NOTE Please refer to BCP Risk Assessment for highlighted risks and controls</p>							

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7.a	Operational	Bi-borough	Managing statutory duty Sub-risks Non-compliance with laws and regulations Breach of duty of care	<ul style="list-style-type: none"> • Non-compliance may result in prosecution or a Corporate Manslaughter charge • Financial compensation may be claimed • Injury or death to a member of the public or employee • A breach of information security protocols may result in fines, harm to reputation and personal liability of Executive Directors • Inadequate level of service • Poor satisfaction with statutory services 	<ul style="list-style-type: none"> • The Royal borough Stock Conditions Surveys. • Capital Programme • Nigel Pallace is lead Sponsor on HFBB for Health & Safety • Pro-active Health, Safety and Welfare culture across the council. • Tri-borough - The Total FM contractor will manage a number of statutory and regulatory Health & Safety procedural, record and management processes. • Tri-borough Health & Safety protocols are being discussed and established. • Contractors are managed within CHAS regime. • Insurance cover is in place in the event of a claim for breach of duty of care and in respect of financial claims. • Legislative changes are adopted and reflected in amendment to the council's constitution, budget allocation through MTFS (Now unified business & financial planning process). • Training and 	<p>Annual Assurance process</p> <p>Assurance requires that actions are being taken to ensure compliance with the law and regulations</p> <p>HFBB, Audit Pensions and Standards Committee</p> <p>H&F Safety Committee</p> <p>Tri-borough Safety Committees CHS and ASC</p> <p>Internal Audit 2012 2013 Review of Health & Safety Statutory & Regulatory compliance</p> <p>FSB, Executive Director of Finance and Corporate Governance, Chief Executive and Leader of the Council</p>	4	3	12	Medium 	Derek Myers, Joint Chief Executive Nicholas Holgate (The Royal Borough of Kensington & Chelsea) Responsibility for Health & Safety, Debbie Morris (The Royal Borough of Kensington & Chelsea) Nigel (London Borough of Hammersmith and Fulham) All Executive Directors	Review August 2013


					<p>guidance packages and newly agreed performance management indicators.</p> <ul style="list-style-type: none"> • Periodic reporting to HFBB. • Health & Safety campaign on slips, trips and falls. • Tri-borough Health & Safety guidelines have been reviewed, refreshed and communicated. • Promotion of the Occupational Health Service and Workplace Options Employee Assistance Scheme. • Housing and Regeneration have rolled out personal safety training to over 130 staff through the Suzy Lamplugh Trust Training. • FSB reviewed and approved a process to harmonise the Management Assurance process at Director and Divisional level with that of RBKC. 							
			<p>Equalities (public sector equality duty or 'PSED') and Human Rights</p> <p>(a budget challenge could be in whole terms or of a single line)</p>	<ul style="list-style-type: none"> • Increased complaints, Ombudsman involvement, judicial review which can result in; quashing order, prohibiting order, mandatory order, declaration, injunction, damages, and potential further challenge to a budget. 	<ul style="list-style-type: none"> • EIA's or Equality Statement (where applicable) must accompany all Cabinet, Full Council and Key Decision reports, KPI's • EIA's and Equality Statements address Human Rights where applicable • HFBB signed off actions that included a Policy for completion of Service Delivery EIA's (April 2012) and guidance for equality impacts of 	<p>Limited Assurance report April 2012 H&F Application of the Equality Act 2010</p> <p>Officer Working Group</p>						

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7.b	Operational	Tri-borough	<p>Standards and delivery of care</p> <p>Sub-risks</p> <ul style="list-style-type: none"> Breach in standard and delivery of care – caring and care homes The Executive, and Management Teams may not have been apprised of significant controls weaknesses that appear in the service area. A breach of information security protocols in relation to an individual <p>Corporate Parenting</p>	<ul style="list-style-type: none"> Non-compliance may result in prosecution or a Corporate Manslaughter charge. Injury or death to a member of the public. Financial compensation may be claimed. Harm to the professional or personal reputation of the Council or individual Officer. may result in fines, harm to reputation and personal liability of Executive Directors. Inadequate level of service. Poor satisfaction with statutory services. Increased complaints. 	<ul style="list-style-type: none"> Insurance cover is in place in the event of a claim for breach of duty of care and in respect of financial claims. Legislative changes are adopted and reflected in amendment to the council's constitution, budget allocation through MTFs (Now unified business & financial planning process). Training and guidance packages and agreed performance management indicators. Periodic reporting to HFBB and the Royal Borough of Kensington and Chelsea Management Board. All child protection cases have remained allocated to a social worker despite of the high demand. A detailed action plan has been implemented in 	<p>ASC Tri-borough Management Team (TMT).</p> <p>ASC CoCo, the Home Care Board, TAS programme, Whole Systems review board</p> <p>H& F Housing, Health And Adult Social Care Select Committee</p> <p>Annual Assurance process</p> <p>The Royal Borough of Kensington & Chelsea Internal Audit</p> <p>The London Borough of Hammersmith & Fulham Audit Pensions and Standards Committee</p> <p>The Royal Borough of Kensington and Chelsea Audit and</p>	4	3	12	<p>Medium</p> 	<p>Sue Redmond (Liz Bruce from October) Tri-borough Executive Director of Adult Social Care</p> <p>Andrew Christie Tri-Borough Executive Director of Childrens Services</p>	<p>Review</p> <p>August 2013</p>


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8.	Operational	Bi-borough	<p>Successful partnerships & Major Contracts</p> <p>Sub-risks</p> <ul style="list-style-type: none"> Partnering activity with other boroughs and the NHS may blur the lines of responsibility, accountability, governance or liability in the event of service failure Local Housing Company Differing procurement processes Financial Regulations and Contract Standing Orders across Tri-borough services 	<ul style="list-style-type: none"> Joint objectives are not met Community expectations are not met A business plan may not be concluded Decisions may be made which contradict or challenge the Contract Standing Orders or Financial Regulations of H&F 	<ul style="list-style-type: none"> Governance arrangements are in place Performance monitoring reports reported to Select Cttee's The Cabinet Member will be closely involved in business plan discussions Financial creditworthiness checks at Bi-borough Procurement Board (RBKC & H&F) 	<p>H & F Bridge Partnership Assurance process</p> <p>Internal Audit Substantial Assurance report 2011/12 Partnership Governance</p> <p>Bi-borough Procurement Board (RBKC & H&F)</p> <p>HFBB, Audit Pensions and Standards Committee</p>	4	3	12	<p>Medium</p> 	Derek Myers	<p>Review</p> <p>August 2013</p>


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9.	Operational	Sovereign (H&F)	<p>Maintaining reputation and service standards</p> <p>Sub-risks</p> <ul style="list-style-type: none"> • Multiplicity of external forces and initiatives • Breach of Officer or Member code of conduct • Information Management and Governance • Inappropriate Data released • Poor data quality internally or from third parties, breaches of information protocols, information erroneously sent to third parties. • Auto forwarding of information (Information control and threat of leakage) 	<ul style="list-style-type: none"> • Threat to the status of the council • Failure to deliver plans & savings. • Ability to effectively lead and resource the transformation agenda is diminished • Service delivery deteriorates • Harm to the council's reputation • Potential adverse media reporting • Potential fines or action from the Information Commissioner • Quality and integrity of data held in support of Performance Management & Financial systems leads to under or over estimation • Data management 'without boundaries' could be more sensitive to local, national or geographical 	<ul style="list-style-type: none"> • The Annual Residents Survey • A review of the corporate governance arrangements has been conducted by Internal Audit • Annual Complaints review report April 2010 to March 2011 produced to Committee • Combined Finance & Service Planning processes • New Standards procedures are in place • Standards issues now covered under the Audit Pensions and Standards Committee • Information governance forms part of the Tri-borough ICT Programme • New Information Management Security Protocols published on the Intranet • Regular reporting on Security Incidents by the Information Management Team • Performance statistics are scrutinised by Select Committees, HFBB & DMT's • Corvu Performance 	<p>Cabinet Ofsted, Care Quality Commission, Annual Audit letter</p> <p>HFBB, Audit Pensions and Standards Committee, Overview and Scrutiny Board</p> <p>Tri-borough Information Management Project Board</p> <p>ITSOG</p> <p>Management Letter has been issued (based on comparison to requirements under the Data Protection Act)</p>	4	3	12	<p>Medium</p> 	Jane West (London Borough of Hammersmith and Fulham)	<p>Review</p> <p>August 2013</p>

			<ul style="list-style-type: none"> • Local information interconnectivity and data storage (hosting) 	<p>service interruption, theft, loss or duplication</p>	<p>Management System is able to pick up anomalies</p> <ul style="list-style-type: none"> • Data Quality E-Learning module has been released • From Wednesday 1st August 2012, the Council is introducing a new contractor (industry specialists) for the collection and destruction of confidential waste from all Council offices in the H&F. • Webmail has now been banned across H&F • New Egress system introduced to protect confidential e-mails going outside of Tri-borough 							
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10.	Operational	Bi-borough (Tri-borough) (from April 2013)	<p>Managing fraud (Internal & External)</p> <p>Sub-risks Misappropriation of assets Appointee ship/custodian or guardian</p> <p>Contracting Gifts & Benefits Manipulation of performance data, collusion, billing, non-compliance with Financial and or Contract Standing Orders</p> <p>Misrepresentation of Personal or Commercial Circumstances</p> <p>NNDR</p> <p>Payroll</p> <p>Cheque</p> <p>Grant award</p> <p>Treasury</p> <p>Housing and Tenancy Fraud</p> <p>Benefit Fraud</p>	<ul style="list-style-type: none"> • Loss of reputation • Financial loss • Loss of asset • Loss of revenue • Adverse regulatory /audit report 	<ul style="list-style-type: none"> • An adaptable Bi-Borough corporate fraud function now exists which responds through a single professional and effective team to the challenging and changing range of fraud, both internally and externally executed. • CAFS teams use a risk assessment to assist in targeting and workload prioritisation • Literature, web presence and training is being reviewed to deliver to all levels of the authority • Information and guidance is available on the corporate intranet • Level of fraud is being tracked through FSB • Close working relationship is established with the Police, DWP and other enforcement agencies • Bribery Act Policy and Risk Register • Money laundering policies recently reviewed and amended. 	<p>Both H&F and RBKC Audit Committees receive biannual reports on Fraud</p> <p>HFBB receive quarterly summary information on anti-fraud activity</p>	4	3	12	<p>Medium</p> 	<p>Tri-borough Nicholas Holgate RBKC Town Clerk and Executive Director of Finance and Business Lead, Internal Audit</p> <p>H&F Jane West (London Borough of Hammersmith and Fulham)</p> <p>All Executive Directors</p> <p>Bi-borough Director of Internal Audit, Risk, Fraud and Insurance</p>	<p>Review</p> <p>August 2013</p>

OPPORTUNITY RISKS (Where the is in excess of £3Million Benefit to H&F)

No.	Business risk Perspective (Strategic, Change or Operational)	Tri-borough Bi-borough or Sovereign risk	Opportunity Risk	Consequence	First line of defence (Management Controls)	Second line of defence (Independent Assurance)	Likelihood (L)	Impact (I)	Exposure = L x I	Risk Rating	Responsible Officer or Group	Review
1.	Change	Tri-borough	Merging of education services (with Westminster Council and the Royal Borough of Kensington and Chelsea)	Savings due to removal of duplication across the councils <ul style="list-style-type: none"> IT opportunities such as access and sharing of files and connecting to networks when at other sites. HR workshops regarding specific topics such as Sick Leave, Pay etc. are currently being planned and more information will be available soon. 	<ul style="list-style-type: none"> Service Reviews, Looked after Children, Leaving Care Tri-borough Managers Induction Tri Borough Mandate approved for Childrens Services at Cabinet 05-12-11 Combined Senior Management Team A single education commissioning function responsible for raising standards A single commissioning function responsible for arranging services for early years, children, young people, social care, health, disability and workforce development. Three Borough-based delivery units with responsibility for protecting children, supporting families and delivering early help in the most efficient manner possible. 	Children, young people and their families Schools, partners and Health Services 3 x Cabinet Portfolio Holders for Children s Services 3 x Health and Well-being Boards 3 x Children s Trust Boards Bi-borough Business Board WCC Strategic Executive Board 3 x Children s Scrutiny Committees Local Safeguarding Children Board (Tri-borough)	• 2	4	8	Low 	Andrew Christie	Review August 2013

No.	Business risk Perspective (Strategic, Change or Operational)	Tri-borough Bi-borough or Sovereign risk	Opportunity Risk	Consequence	First line of defence (Management Controls)	Second line of defence (Independent Assurance)	Likelihood (L)	Impact (I)	Exposure = L x I	Risk Rating	Responsible Officer or Group	Review
3.	Change	Sovereign (H&F)	Regeneration of King Street and Civic Offices Sub-risks GLA do not approve the proposals	<ul style="list-style-type: none"> The Town Hall extension has come to the end of its life and needs to either be demolished or refurbished. An estimated cost of around £18m in temporarily accommodating staff through a relocation to facilitate repairs New office accommodation at no cost is being provided in exchange for land A new modern building is also expected to save around £150,000 in energy costs Jobs will be created in King Street A new community-sized supermarket and a range of new restaurants and other retailers, alongside a council 'One Stop Shop', will draw more people down King Street and encourage more investment in the area Successful redevelopment would enable the council to terminate contracts for various costly leased buildings around the borough savings around £2 	<ul style="list-style-type: none"> The Leader of the H&F Council announced revised proposals regarding the height of buildings in the residential blocks. King Street Development will be reviewing the scheme over the coming months and a further consultation with residents' and amenity groups will follow later in the year. Exhibition of 3 bid schemes 2007 Statement of Community Involvement – Two public consultation exercises Private meetings with residents Stakeholder Forums Flyer to 15,000 homes Pre application meetings with GLA and local amenity groups 1800 letters sent to individual properties in the wider area. Consultation with statutory groups; GLA, HAFAD, Port of London Authority, LFEPA, Metropolitan Police, English Heritage & Archaeology, Natural England,CAA, BAA Airports, Thames Water, Environment 	Cabinet Planning Applications Committee Mayor of London Greater London Authority Port of London Authority English Heritage	3	4	12	Medium 	Nigel Pallace	Review August 2013

				million a year.	<p>Agency, Tf</p> <ul style="list-style-type: none"> Residents Groups & Landowners; Thomas Pocklington Trust, Tesco, Quakers, Amenity Groups, Brackenbury Residents Assoc. The Georgian Group, HAMRA, the Hammersmith Soc. H & F Historic Buildings Group, Ravenscourt Action Group, Ashchurch Residents Assoc. Old Chiswick Protection Soc. Digby Mansions 39-58a Residents Assoc. <p>Submitted by the Planning Applicant;</p> <ul style="list-style-type: none"> Environmental Statement, Energy Statement, Flood Risk Assessment, Air Quality Assessment, Environmental Noise Assessment, Lighting Strategy Phase 1 Habitat Survey & ecological database search Telecommunications assessment 						
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No.	Business risk Perspective (Strategic, Change or Operational)	Tri-borough Bi-borough or Sovereign risk	Opportunity Risk	Consequence	First line of defence (Management Controls)	Second line of defence (Independent Assurance)	Likelihood (L)	Impact (I)	Exposure = L x I	Risk Rating	Responsible Officer or Group	Review
4.	Change	Bi-borough	Earls Court regeneration	<ul style="list-style-type: none"> The Mayor of London has given his consent to the redevelopment of Earls Court and the surrounding area, paving the way for a £8billion investment enabling the creation of thousands of new homes and jobs. Comprehensive redevelopment allows existing housing stock to be replaced on a "new for old" basis and 16% of existing tenants who are overcrowded can be re-housed in homes with enough bedrooms to meet their need. Proposed guarantees for tenants and leaseholders include; <ul style="list-style-type: none"> - Brand new replacement homes, one move only within the local area. - Tenants remain secure Council tenants and continue to pay Council rents – there is no stock transfer and therefore no requirement for a ballot. - Phased approach allows communities to be moved together. 	<ul style="list-style-type: none"> Earls Court Regeneration Team supported by high quality advisory team comprising Jones Lang LaSalle, SNR Denton and PWC. All major decision reports reviewed by Tim Kerr QC in relation to Judicial Review challenge risk. Workshops in August 2012 to cover procurement, risk, finance, housing redevelopment, planning, legal and communications. Comprehensive report submitted to and approved by Cabinet 3rd September 2012. The council received £15m from Capital and Counties (CapCo) for signing an exclusivity agreement relating to the Earl's Court Regeneration site. Of this receipt, £10m is refundable should completion of the CLSA not occur, the remaining £5m is not refundable under any circumstances 	<p>Project Group chaired by Executive Director</p> <p>HFBB and the Royal Borough Management Board</p> <p>Cabinet</p> <p>Housing, Health And Adult Social Care Select Committee</p> <p>Planning Applications Committee</p> <p>The Royal Borough Major Planning Development Committee</p> <p>The Royal Borough Planning Applications Committee</p>	3	4	12	Medium 	Mel Barrett	Review August 2013

				<p>Comprehensive regeneration offers opportunity to secure major estate renewal across the West Kensington and Gibbs Green estates as well as offering major regeneration benefits including 7,500 new homes, 36,000 construction jobs, 9,500 permanent jobs and £99.5 million per annum of additional local expenditure, together with additional community facilities comprising new schools, leisure and health facilities, new open and play space and a significant increase in job opportunities.</p>								
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Note 1. All key risks have been extracted from(but not limited to) a number of sources for analysis by the Royal Brough of Kensington and Chelsea Management Board and Hammersmith & Fulham Business Board . The sources include;

- i. Previous models of the Corporate Risk & Assurance Registers.
- ii. World Economic Forum Global risks 2012.
- iii. Information identified from Tri Borough Programme, Departmental Risk & Assurance Registers.
- iv. Officers Knowledge and experience.
- v. Tri-Borough & H&F Portfolio, Programme and Projects summary reports.
- vi. Procurement exercises.
- vii. Significant Weaknesses established from the Annual Assurance process.
- viii. Audit & Fraud Reports.
- ix. Knowledge and experience of public sector risks from the Bi-borough Risk Manager.
- x. Data Quality and Integrity.
- xi. Cabinet, Scrutiny and public domain reports.
- xii. WCC H&F and RBKC Risk knowledge pooled information.
- xiii. Zurich Municipal, Grant Thornton and Price Waterhouse Coopers reports.

Note 2. Categorised under the PESTLE methodology as published in the Hammersmith & Fulham Risk Standard. Compliant with BS31100/ ALARM/IRM/CIPFA best practice.

Score	Key
16-25	RED - High and very high risk - immediate management action required
11-15	AMBER - Medium risk - review of controls
6-10	GREEN - Low risk - monitor and if escalates quickly check controls
1-5	YELLOW - Very low risk - monitor periodically

Statistical summary of incidents

Total Incidents per year (by incident type)

Department	2010			2011			2012			2013		
	Incident	Loss	Dept Total	Incident	Loss	Dept Total	Incident	Loss	Dept Total	Incident	Loss	Dept Total
CHS	6	12	18	3	2	5	6	9	15	6	4	10
ASC	1	1	2	1	2	3	3	2	5	1	4	5
T&TS	0	2	2	0	1	1	1	2	3	1	1	2
FCS	7	1	8	4	0	4	6	1	7	1	1	2
HRD	0	0	0	5	2	7	1	0	1	1	1	2
HFBP	0	0	0	0	0	0	2	2	4	0	0	0
ELRS	0	0	0	0	0	0	0	1	1	0	0	0
Cross Dept	4	0	4	2	1	3	1	0	1	0	5	5
Yearly Total	18	16	34	15	8	23	20	17	37	10	16	26

Note:

- The figures above indicate the number of incidents logged in each year by type and department.
- Incidents are only counted once, therefore if an incident was a 'Cross Department' incident it will only be counted in this row and will not also appear against the individual department's totals.
- **Cross Department** = This includes incidents which occurred across all departments (e.g. a malware attack on the H&F network) or where an incident occurred across more than one department (e.g. incident occurred in ASC and CHS).
- **Loss** = This includes incidents which occurred as a result of a loss or a theft
- **Incident** = This includes all incidents which have not occurred as a result of a loss or theft. This would include for example confidentiality breaches, personal data leaks, Information Security Policy breaches, Government Connect breaches.

Incidents Monitored in 2013

Department	Closed	Contained	Live	Total
CHS	4	6	8	18
ASC	1	6	2	9
T&TS	2		1	3
FCS	2	4	1	7
HRD	1	2		3
HFBP			1	1
ELRS		1		1
Cross Dept		2	3	5
Total (to date)	10	21	16	47

Note:

- The figures above include all active cases (Live and Contained) from previous years which have been carried over to 2013 for monitoring.
- The figures are updated each month to reflect new incidents which have been logged during 2013
- Incidents are only counted once, therefore if an incident was a 'Cross Department' incident it will only be counted in this row and will not also appear against the individual department's totals.
- **Live** = Active incidents with priority tasks for containment outstanding
- **Contained** = Active incidents with priority tasks to contain the incident completed, but with either remedial actions, lessons learnt, or the monitoring of residual risks outstanding

Case study 1. - Total Facilities Management (TFM) of Risk

1. Background to the project

- 1.1. The drive for increased efficiency in procuring services, the challenge to reduce overall costs and the need to attain improving performance standards shaped the need for a more centralised, consistent and visible service delivery model.
- 1.2. This initiative included a programme of work to look at a fully outsourced, managed solution for Facilities Management (FM) across 3 councils. TFM will align the delivery of facilities management services and will see services such as cleaning, security, reception, building repairs and maintenance delivered through Amey. TFM will go live on 1st October 2013 and Amey will provide services under a 10 year contract.

2. FM Services across 3 Boroughs

- 2.1. LBHF – on the 1st April 2010 LBHF centralised its FM functions and 27 FTE staff manage the range of FM contracts of varying terms across the Borough
- 2.2. RBKC – the Borough were engaged in centralising a disaggregated FM service into a more cohesive central, in-house team of 69 individuals. Recruitment and centralising plans were in progress at the time of writing the scope of the service.
- 2.3. WCC – operated a mix of direct service provision and a Managing Agent function with external delivery contractors. There was a small ‘residual’ in-house, thin-client team of 6 FM staff managing the outsourced FM model.

3. The Project Board

- 3.1. The Project Board is the Property Asset Management Board and is comprised of the Executive Director of Transport and Technical Services and the 3 Boroughs respective Officers with the Property Portfolio responsibility. Their responsibility includes the Strategic delivery risk for TFM. The delivery risk is managed by a Project Team of Officers. The Governance Structure is attached as **APPENDIX 1**.

4. The Project Team

- 4.1. The Project Team are responsible for the overall risk management and mitigation of the project including during scoping, specification, procurement and delivery of the work across the three Boroughs. Project Management support was provided by Officers of the Royal Borough of Kensington and Chelsea, Raj Patel and Sue Cooper. The scale of the project was such that a number of workstreams were identified including procurement, Human Resources, Finance, IT, Data and communications. The Project Team produce Flash reports to members of the Project Board and Team by which progress is measured and is produced periodically. A copy of the report is attached as **APPENDIX 2**.

5. Accountability

5.1. The Project Team reports into the Property Asset Management Board, and is comprised of the Heads of Property drawn from each of the three Boroughs with Nigel Pallace, Executive Director, London Borough of Hammersmith & Fulham acting as Lead Advisor. The Board is accountable for the delivery of the project in line with Tri-borough governance, Member and political engagement, ensuring alignment with other strategic initiatives and ownership of the business case.

5.2. EC Harris were commissioned by the three Boroughs to conduct a high level review of the options including alternative operating models for the Boroughs' FM Services.

6. Business Case

6.1. Key risks with the proposed solution were identified within the Business Case and Options Appraisal prepared in association with EC Harris LLP. WCC acted as the lead procuring borough.

7. **Primary areas of risk** were identified and recorded in the Project Risk Log attached as **APPENDIX 3** and updated in **APPENDIX 4**. These included the following risks;

- **Governance** – failure to secure timely approvals and decision making, effective Member communications and authorisations throughout the procurement process.
- **Political** – lack of consensus or delay in gaining approval from politicians across the three boroughs as well as the risk of changes in policy at local, regional or central government. **Alignment of Data** – failure to ensure that data sets are in a common format and describe each Borough's requirements adequately. Risk of sharing of data becomes overly complicated and not effective.
- **Availability of Resources** – particularly a lack of funding, inappropriate level of the necessary skills and/or not releasing the required resources away from day-job duties to ensure that people can be deployed on this project. There is a potential clash with other initiatives – this project is one of several parallel projects. There is a need to allow for the likelihood of sharing internal resources across each of these initiatives. Others include West London Alliance Project Athena and the broader Tri-Borough programme.
- **Alignment of Service Specifications** – unable to align or agree service specifications using a common vocabulary and with sufficient detail due to differing borough priorities.

- **Creation of a unitary Client Entity** – unable to establish a single point of contact and a unified contracting authority to keep the commercial engagement with the contractors as simple as possible.
- **Procurement** – inability to identify and secure a supplier of sufficient capacity and capability to deliver the service required.
- **Systems** – failure to align and integrate different IT systems across the Tri-Borough and supply chain organisations.
- **TUPE** – the transfer of the proper resources allocated to the new service delivery model will take place in accordance with the TUPE regulations, which impose certain restrictions and costs that potential suppliers may find off-putting.
- **Stakeholder Management** – failure to engage the key stakeholders and decision makers in a timely and effective manner.
- **Contract** – the most appropriate form of contract is not utilised resulting in the procurement and delivery of a sub-optimum level of service.

8. Risk Mitigation

Recommendations to mitigate these risks included;

1. Approval of the project Business Case including of the funding required
2. Endorsement of the proposed governance structure for the management of the project.
3. Approval of the timeframe outlined in the project plan.
4. Approval of the procurement strategy.
5. Agreement of the Competitive Dialogue OJEU process as the preferred procurement route.
6. Approval of the Contract Approach (i.e. Client Side Structure).
7. Endorsement of the proposed contract form.

9. Lessons Learned

- 9.1. A lessons learned exercise is now standing operating procedure adopted by the Bi-borough Procurement Strategy Board. The report will be prepared by a procuring consultant from Hammersmith & Fulham Council and presented to the Bi-borough Procurement Strategy Board for consideration.

10. Implementation

- 10.1. Steve Bowker, is the Senior HSEA (Health, Safety, Environmental and Assurance) Advisor for the Tri-borough contract. It is his job to ensure that safe environments exist for staff to work in.

10.2. Over the coming months Steve will also be focusing on establishing common standards for all areas of the contract to work from. This will include risk management, assurance, occupational health, as well as processes and procedures.

10.3. It is also will be ensured that Amey are compliant across the contract and that every asset, system and piece of equipment we look after has suitable maintenance regimes and inspections in place.

Case study 1, Appendix 1: Governance Structure

Project Board

(2-weekly at LBH&F)

Chair: Nigel Pallace

Mike Clark

Maureen McDonald-Khan

Richard Platt

Project Team rep Glenn Woodhead

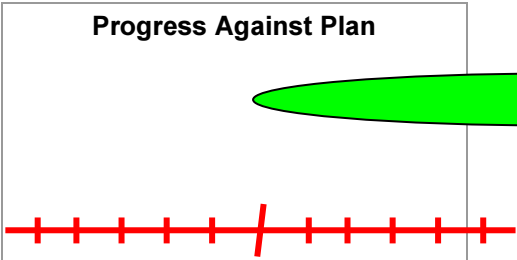
<i>Roles and responsibilities:</i>	
<ul style="list-style-type: none"> • Overall accountability for the delivery of the TFM project • Approvals and sign-offs - £'s and process • Compliance with tri-borough governance • Integration with wider Property initiatives, and Project Athena • Risk Management 	<ul style="list-style-type: none"> • Decision making and direction setting – political guidance • Approvals and sign-offs - £'s and process • Member briefing, engagement and sign-offs • Allocate resources • Ownership of Business Case

Project Team (weekly at RBKC)	
Chair: Glenn Woodhead, Project Manager: Raj Patel Project Support: tba FM Borough Leads: <ul style="list-style-type: none"> • WCC: Glenn Woodhead • LBHF: Mike Cosgrave / Chris Nolan • RBKC: Sue Cooper / Raj Patel Technical Advisers: EC Harris Others as required / requested	Functional Work stream Leads: <ul style="list-style-type: none"> • Procurement: Alan Parry • Legal: Sharpe Pritchard • HR: Keeley Cooper / Sue Hollingsworth • Finance: Dave McNamara • IT: Paul Kinnon • Communications: Kate Pierce • Processes: tba

<i>Roles and responsibilities:</i>	
<ul style="list-style-type: none"> • Project Planning / Management • Project Resource / Budget Management • Project Support / Administration • Communications and Consultation • Stakeholder management • Trade Union liaison • Business Case development / management • Risk Management and mitigation • Project monitoring and reporting • Decision making and escalation of issues • Compliance with legislative and tri-borough policy requirements • Business change management / Transition planning • Standardisation of FM processes, policy, standards, formats across tri-borough • Design of client side organisation 	<ul style="list-style-type: none"> • Competitive Dialogue with suppliers • Data mining / collation / cleansing • Document Management • Sourcing supply chain • Strategic FM processes • TUPE / HR / Pensions / Finance / Legal / Procurement issues • Define outputs / specifications • Direct work streams • Systems and ICT • Problem solving / resolving technical issues • Best practice

Case study 1, Appendix 2: Flash Highlight Report

Tri-Borough FM Transformation Project	05 Feb 2013
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Achievements (since last review)	<ul style="list-style-type: none"> • Financial evaluation completed • Meeting with SHSOP Project Team • Stakeholder Engagement Officer recruited 		Progress Against Plan 
	Work Streams	RAG	Work Stream Status
		<i>Project Team</i> – Financial evaluation completed. Meeting to discuss the SHSOP projects impact on TFM, workshop organised for the 7 th Feb	
		<i>Procurement</i> – Reviewing clarifications and supporting the evaluation process	
		<i>Legal</i> – Supporting clarifications, evaluations and the ICF development	
		<i>Data</i> – Concerns about the WCC property and TUPE data still remain and needs to be resolved before mobilisation	
		<i>Finance</i> – Baseline budgets need to reflect change in project scope. Financial evaluation completed	
		<i>Technical</i> – ICF and mobilisation planning and development of the enabling programme	
		<i>HR</i> – Tri-Borough position on pensions outstanding	
		<i>Communications and Engagement</i> – Stakeholder Engagement Officer recruited by RBKC	
Benefits	RAG	Project Benefits	
		At least £2 million saving per annum on the total revenue budget	
		Reduce duplication and waste	
		More efficient use and availability of occupied property across the three estates	
		Enhanced capacity to respond to service demand	
		Greater financial stability through enhanced forecasting and budgeting	
		Significantly reduced risk of the property issues impacting on HR issues related to direct employment and non-compliance with statutory regulation	

Risks/ Issues	RAG	Risks/Issues			
		<i>People</i> – Need to recruit key positions within ICF ASAP. Timetable for recruitment required			
		<i>Finance and Commercial Work Stream</i> – Baseline Budgets to be reworked to reflect current changes in project scope and TUPE list			
		<i>Schools</i> – Approach to dealing with schools to be agreed			
Enabling Programmes		Transition – Delay in the recruitment of the ICF team mean there is a requirement to establish interim mobilisation team (risk of knowledge loss and increased project costs) and resource plan			
	Enabling Programme Status Updates				
		Overall Position – workshop required to establish the deliverables to define a common programme for each Borough			
		<i>H&F</i> – Plan submitted outlining key deliverables			
		<i>RBKC</i> - EC Harris audit completed with no significant problems outlined in the report. Minor issues being resolved			
	<i>WCC</i> – on hold until February 2013				
Do Next	Action		Who	When	Status
	<i>Project Team</i> – Agree preferred bidder		Project Team	FEB 13	
	<i>Mobilisation</i> – Develop plan and costings		Project Team	MARCH 13	
	Key Milestones				
	Agree preferred bidder		Project Team	FEB 13	
	Audit		Project Team	MARCH 13	
	Contract closure activities and planning mobilisation		Project Team	MARCH 13	
	Resource and mobilisation plan		Project Team	MARCH 13	
	Savings and cost model development		Project Team	FEB 13	
	Stakeholder satisfaction baseline survey		Project Team	MARCH 13	
Development of the Framework					

Case study 1, Appendix 3: Project Risk Log, August 2012

Risk Description	Risk Number	Project Priorities	Principal Statutory Obligations	Consequences	Inherent Risk			Residual Risk			How to Mitigate Risk	Proposed Action to Mitigate Risk	Action By Date	Who Responsible for Action	Open / closed
					Impact	Likelihood	Total	Impact	Likelihood	Total					
Governance															
a) Approvals from 3 Boroughs for Decisions (there is no known precedent for this)	1				5	4	20	2	3	6		Ensure Critical Path identified Ensure project programme meets Nov 12 deadline	15 July 2011		Open
b) Progress on Legal entity for Contracting. Driven by persons external to Project Team. Need to identify who lead is.	2				4	3	12	3	3	9		Resolve issue of Contracting Authority and Sign-offs	31 August 2011		Open
Data															
Availability and Integrity of Data	3				4	3	12	3	2	6		Begin data collation and identify gaps	29 July 2011		
Resources															
Project team resource availability	4				5	4	20	3	3	9		Allocate sufficient people with enough time to action the Project Stages	Ongoing		
Failure to create support PMO	5				4	3	12	4	2	8		Create PMO - escalate to Project Board to seek approval for action	26 August 2011		
Service Specifications															
a) Tailor these to meet all 3 Borough's needs. Fail to make first cut specs based on ECH template	6				5	3	15	5	2	10		Requires common data standards, common asset nomenclature, common room numbering etc	31 August 2011		
b) Fail to establish scope and scale 'fit for purpose'												Requires due diligence based on accurate and timely data collations	31 August 2011		Closed
Critical Dates															
Westminster Nov 2012 - 'burning platform'	7				5	5	25	4	3	12		Ensure Critical Path identified Ensure project programme meets Nov 12 deadline	30 November 2012		
Client Entity															
Fail to define size, function & roles within Client entity	8				3	4	12	3	3	9		Define requirement for entity, define adequate roles and responsibilities, level of authority, legal status and relationship with the 3 Boroughs	29 July 2011		
Clash with Other Initiatives															
a) Project Athena - independent procurement project	9				3	4	12	3	2	6		Agreement in principle for independent procurement has already been established but need to test in practice with publication of OJEU Contract Notice	29 July 2011		
b) Project Athena - Choice of IT Platform	10				2	4	8	2	2	4		IT platform for Integrated Property Management System is currently subject to Programme level discussion	31 August 2011		
c) Ongoing Individual Borough Programmes	11				4	4	16	4	2	8		Conflict of resource and timeframes, savings and contract novation need to be resolved	29 July 2011		
Procurement Risks															
a) Engaging with 3 Borough Procurement, Legal, HR, Finance and IT teams	12				4	3	12	4	2	8		i) Identify leads and relevant governance/authorities ii) Endorse and authorise selections	15 July 2011		
b) Competitive Dialogue - getting dialogue under way	13				4	3	12	3	2	6		Develop Procurement Strategy and write paper to seek endorsement of process	29 July 2011		
c) Managing Contractors Expectations - failing to define substantive economic interest to drive a successful procurement, failing to keep offer credible & clear. Need for unity of purpose across Boroughs	14				3	3	9	3	2	6		Use Memorandum of Information, soft-market testing and Bidders' Open Day to define scope & outline requirements. Ensure stakeholder alignment & avoid project 'scope creep'	29 July 2011		
d) Future Change - risk of policy shift or changes in participating clients, changes to specifications or volume of expenditure to be included in procurement	15				4	5	20	3	4	12		i) Define mechanism to manage all changes ii) Define paymech to join - % savings v lump sum	31 August 2011		
e) Risk of Project becoming a Framework	16				4	3	12	3	3	9		Protect timeframe and Tri-Borough 'Brand' by creating the 'Vanilla' contract and all joining parties need to accept this. Endorse by Project Board	Ongoing		
f) Failure to choose appropriate Form of Contract	17				4	3	12	3	3	9		Prepare Procurement Options Appraisal for choice of Contract. Engage Legal opinion on choice. Endorse use of NEC3 as form of contract - familiar in use with Local Government procurements	29 July 2011		
Systems and Platform															
Risk of inconsistencies in data and priorities between Boroughs	18				3	5	15	3	3	9		Align data formats and choice of systems and/or systems parameters	29 July 2011		
Unsuccessful access to SharePoint or Data Room	19				3	4	12	3	2	6		Either senior IT Manager to resolve in short term or fund external options	29 August 2011		
TUPE															
Union and Staff opposition, costs, acquired rights issues. HR and Legal position requires clarification.	20				5	4	20	5	3	15		HR integrated approach across Boroughs, begin staff consultation early, engage HR and Legal to define requirements and develop risk profile	Ongoing		
Mobilisation															
Risks and costs of delay	21				4	5	20	4	3	12		Define early - avoid project scope creep	01 August 2012		
Internal Stakeholder Management															
a) Risk of objection or poor co-operation from Customer Directorates, Business Units and Staff affected by the project	22				4	3	12	3	3	9		Identify primary stakeholders, develop Communications strategy and keep feedback channels open	Ongoing		
b) Lack of Access to Stakeholders	23				4	4	16	3	2	6		Keep stakeholders informed of key progress stages	Ongoing		
c) Aligning 'Custom & Practice' in each Borough	24				3	4	12	3	3	9		Appoint lead on the Project Board to act as liaison	Ongoing		
Branding															
a) Fail to establish Brand Identity for Tri-Borough 'product' - adequately identify key differences between current delivery models in each Borough and the proposed TFM model.	25				3	4	12	3	2	6		Identify the What, When and How of the TFM model so that the Tri-Borough brand can be defined. Use existing contract registers and local management to describe transition programme	31 July 2012		
b) Westminster - risk of failure to identify what the change to a full TFM model means for the Council. Will it confuse contractors and stakeholders												Clarify commercial and delivery differences between the new TFM contract vs. current CSI contract. Manage existing suppliers	31 August 2011		Closed
General															
a) Ongoing risk to Public Services during transition to Tri-Borough operations	26				5	3	15	5	2	10		Create detailed transition programme allied to a robust Communications Plan and regular information updates to key stakeholders	01 August 2012		
b) Engaging with Schools - risk that schools will not opt into the delivery mechanisms under the TFM model.	27				3	4	12	3	3	9		Develop consistent message, aligned to Tri-Borough brand, for communication to Schools as a marketing campaign.	31 August 2012		

Case study 1, Appendix 4: Project Risk Log, March 2013

TFM Risk Register

Risk Description	Inherent risk			Proposed Action to Mitigate Risk	Action By Date	Who Responsible for Action	Residual Risk		
	Impact	Likelihood	Total				Impact	Likelihood	Total
Contract sign off is required for May 2013 for go live in September 2013. Risk remains that Members in each council are not in agreement to sign off to one position for this date leading to inability to mobilise, lost savings, supplier lack of confidence in tri-borough to deliver.	4	3	12	Stakeholder Engagement Manager in post and defining engagement strategy and plan. Senior Management to liaise with key Councillors to explain benefits of Programme to get buy in for Contract sign off	March- May 2013	RP/MC	4	1	4
Quality of the service is negatively impacted by the implementation of TFM across tri-borough.	4	2	8	Standardisation of output specifications and processes enable the delivery of savings whilst developing the opportunity to enhance the service(i.e. H&S processes and reporting on a robust basis). Further the PMS has been developed to ensure that the successful provider will be required to put £2m at risk and quality aspects are central to the PMS. In addition, as part of the Paymec, payments will be retained until agreed by the client. The client entity will recruit individuals with strong commercial skills to ensure vfm and quality is maintained.	Jun-13	Project Team	4	1	4
Failure to agree apportionment of savings leading to inability to obtain cabinet sign off between the three councils.	4	1	4	Engagement with Finance Directors and Project Team to ensure agreement across the Tri-Borough for Cabinet sign off in three boroughs	May-13	RP	4	1	4
Failure to obtain agreement to the inter authority agreement in time to finalise contract	3	2	6	Engagement with Finance Directors and Senior Legal Teams to ensure agreement on the ICF and the Project Governance across the Tri-Borough.	May-13	RP	3	1	3
Failure to obtain funding to resource the mobilisation team appropriately leading to time delay and contract start, currently scheduled for Sept/ Oct 2013	3	4	12	Resource required to secure mobilisation team will be provided by Senior Management	Apr-13	MC	3	2	6
Failure to close contract through preferred bidder consultation	4	1	4	Ensure regular communication with preferred bidder and engagement with senior management	May-13	MC	4	1	4
Union and Staff opposition to the changes due to job losses and potential changes in terms and conditions and additional challenges at a national level for instance by GMB	2	4	8	HR have integrated the process and have also began staff engagement at all three councils. Early engagement at preferred bidder stage will align transition process.	May-13	JO'R	2	2	4
Failure to agree the structure of the client side entity will block recruitment initiatives in advance of the contract mobilisation, resulting in undue operational risk, potential loss of knowledge, continuity and also the risk of staff challenge from staff to the recruitment process.	3	3	9	Application deadline for ICF Recruitment has closed with long listing and shortlisting to follow. Expect interviews to take place by May 2013. Full agreement to use H&F T&Cs is also required in order to progress a successful recruitment campaign.	Sep-13	MC	3	2	6
Challenge from unsuccessful bidders, for instance due to the leaking of sensitive information, disrupts the programme and confidence lost among stakeholders. If successful the challenge could result in a veto of the result and a requirement to retender.	4	3	12	From the start of the procurement we have ensured that the process for selection is to be endorsed by Sharpe Pritchard to ensure contract solutions are arrived at. This strategy has been successful to date, now the project team are proposing an additional day of dialogue to close out the process, mitigate risk of challenge, maintaining the agreed programme. Any financial and saving profiles that are circulated beyond the project team are indicative only ensuring that due process is followed	May-13	MC/ Sharpe Pritchard	2	1	2
Enabling Programme is not fully managed and controlled. This leads to difficulties in aligning business readiness	3	3	9	PMO are liaising with Enabling Programme leads to ensure key risks are escalated to Programme level. A Workstream lead has been appointed to oversee the programme and	Sep-13	SC	2	1	2

across the three boroughs leading to potential mobilisation issues and service delivery gaps				ensure key milestones are met effectively.					
Difficulty in engaging third party suppliers at this juncture leads to problems of decommissioning current contracts, implementing mobilisation plan, TUPE concerns and stakeholder dissatisfaction.	3	3	9	PMO are liaising with Enabling Programme leads to ensure key risks are escalated to Programme level. A Workstream lead has been appointed to oversee the programme and ensure key milestones are met effectively.	Sep-13	SC	2	1	2
Completed									
The Specifications are not fit for purpose to align the 3 Councils FM services	5	3	15	FM Leads to ensure that all specifications are circulated appropriately and comments made to ensure they are 90% correct prior to CD process. Further detailed amendments to follow	Feb-12	Project Team	2	2	4
The payment mechanism cannot be finalised/ modelled correctly due to poor specification/ data or failure to agree financial principles across Tri-Borough (data and specifications are within the remit of the project),	4	4	16	Ensure that a single and appropriately skilled and hierarchically positioned finance lead is appointed to form part of the CD dialogue	Jan-12	Project Board	2	2	4
Without Cabinet sign-off from all 3 Boroughs, the project will stop as it cannot enter into Competitive Dialogue. This implies an agreed approach across all three Boroughs.	5	3	15	Single Paper drafted to be processed through governance structures. Project Board to own and manage the senior stakeholder approvals. Meet with Mike More to outline project.	Cabinet Paper written by 8 December. Stakeholder approval during December for Cabinet approval by end of January 2012.	Project team to draft paper. Heads of Property to manage approval process	1	1	1
Inconsistency of data sets and failure to integrate systems across the three boroughs (Property and non-property systems) will result in poor MI and data integrity.	3	5	15	Align data formats and agree IT specification and integration strategy. Borough specific enabling programmes to be created and monitored to align data collection and associated strategies as per Board agreement 19/01/12	Jan-12	IT Leads and Project Board	2	3	6
Failure to agree a defined client side model and/ or get member endorsement of the model	4	4	16	Further develop the model including roles and message/ circulate to members. Hold Workshop to effect the above	Feb 12 onwards	Project Team	2	2	4
Failure to ensure that the competitive dialogue team have the correct skills and/ or members have sufficient time available	4	5	20	Serve and 'lock down' roles ASAP. Permit technical support to ensure that AD finance fully committed to projects	2 weeks	Project Board and Project Team	1	3	3
Failure to agree and endorse across all 3 Boroughs a fully defined project scope and specification will lead to budget and operational delivery issues. In addition this may impact on the TUPE list.	3	3	9	Specifications and broad scope have been agreed and amended iteratively but Board have not fully endorsed scope. Intention to take a further scoping report to Board on the 15th Nov for consideration and sign off.	15th Nov 2012 - Project Board	RP/GW	2	2	4
Is the project affordable? The savings and its apportionment across the Councils and service areas cannot be guaranteed until the CD process has been completed.	5	2	10	Throughout the CD process indications are that savings will be substantially greater than the original challenge as set in the business case. Although figures cannot be released until preferred bidder has been agreed indicative figures will be shared with senior stakeholders.	week ending the 16th November	GW	3	1	3
In the current economic climate bidders are encouraged to bid low in order to 'buy the contract'. This would result in operational and commercial risks.	4	3	12	Benchmarking to comparable industry rates for TFM indicate that savings between twenty and thirty per cent are achievable. Also bidders have priced within a similar ball park throughout the CD process giving validated to the savings profiles that have been submitted.	Jan-13	Project Team	4	1	4
The Framework does not deliver the anticipated growth resulting in less commissions and lower royalty payments to the tri-borough	3	4	12	Robust procurement ensures that the bidders competitively bid for access to the framework opportunity. This has resulted in guarantees of returns to the tri-borough for the life of the Framework irrespective of the turnover generated. Should the client entity commercially work in partnership with the provider this will assist the use of the framework and deliver additional royalties over and above those guaranteed.	Dec-12	Project Team	3	1	3

Case Study 2. Tri-borough Information security risk management

The Tri-IT Joint Review by Michael Sloniowski Bi-borough Risk Manager for the Royal Borough of Kensington and Chelsea, London Borough of Hammersmith and Fulham.
and Nick Byrom, Strategic Business Analyst, Corporate Finance

1. Executive Summary

1.1 The three Councils have three existing and separate internal management processes for capturing Information security risks. These have been reviewed and tested against recognised best practice as set out in the CIPFA Hazard Identification Documents for Information Technology that identifies 9 classes of risk. Following this exercise 5 Strategic key risk areas* (Page 3, As-is RAG) have been identified following an in-depth review of risk and exposure. A governance structure has been proposed to ensure that the Tri-Borough IT management teams have a consistent mechanism for reviewing risk within the service but also a route to escalate high impact or strategic issues to SEB and JMT and for onward scrutiny to Audit Committee.

2. Background

2.1 This report was commissioned by Jackie Hudson, Director for Procurement and IT Strategy for Hammersmith and Fulham and Tri-borough IT Programme Lead advisor. The brief was to analyse the current major IT risks (Appendices 5,6 &7) across Tri-Borough and then further examination of the current IT security risk assessments, (Appendices 2, 3 & 4) of the three authorities to identify common areas of concern with a particular focus on remote working. Further to this, it was agreed that a methodology be formulated that would allow for comparison of risk controls against industry standards and best practice.

2.2 The findings of the analysis would be fed into the IT Programme Board for consideration. A series of recommendations and prompts for further discussion are provided.

3. Methodology

3.1 The CIPFA Auditing Control matrices were used to assess the current controls in place across the three authorities, specifically the Hazard Identification Document (HID) for Information Technology. These systems-based auditing documents produced by CIPFA were developed in conjunction with Exeter City Council are inherently aimed for use in the sector. The HID provides a comprehensive assurance checklist for reviewing the effectiveness of controls in place to maintain a secure IT Service. Importantly, the HID sets out the main categories of threat in this area and also shows what the possible consequences are. The HID also clearly sets out the best practice requirements.

3.2 The three IT Security Managers across the Tri-Borough were asked to provide their top 10 IT risks from their local risk registers produced in line with local risk management

policy and arrangements. These registers are appended for information. Managers were asked to refresh the current controls in place that protect from these risks. This was so up to date information was used in the cross-reference against the CIPFA Hazard Identification Document checklist.

3.3 Data Quality is considered low risk given the information coming back on current controls is provided directly from specialist staff with direct responsibility for IT security for the three authorities but it must be noted that the information in the risk registers was not validated by independent audit.

3.4 There are differences in the style and content of the three registers but the fundamental data and commentary are produced in line with best practice. It was fairly straightforward to align the risk types using the HIDS to form a shortlist of common risks facing the three authorities.

4. Review findings

4.1 IT is acknowledged that three differing appetites and attitudes to risk and response exist due to historic and separate working arrangements. This will need to be considered in any future Tri-borough IT provision. The review of the IT risk registers across the three authorities and using the HIDs to undertake the review 5 common risks have been identified from the following 9 classes that will require consideration by the relevant responsible officers.

Classes of IT risks

- 1. Data Protection**
- 2. File controls**
- 3. Freedom of Information**
- 4. Procurement of IT**
- 5. Personal Computing**
- 6. Records Management**
- 7. Information technology governance**
- 8. Network security**
- 9. Recovery and business continuity**

Figure.1 The Tri-IT risk management proposed governance structure.

