

**Central Durham Crematorium
Joint Committee**

25 January 2012

Risk Register Update 2011/12



Joint Report of Terry Collins – Corporate Director: Neighbourhood Services; Don McLure – Corporate Director: Resources and Treasurer to the Joint Committee

Purpose of the Report

1. To provide an update on the current position of the Risk Register for the Central Durham Crematorium, in accordance with the arrangements established for the routine reporting of risk issues.

Background

2. A Risk Assessment report was presented to members at the 28th September 2011 meeting which included a comprehensive risk register that identified all known risks of a Service and Operational nature, with all risks scored using the Durham County Council methodology and approach to Risk Management. In approving the report, the Committee committed to regular monitoring and reporting of both strategic and operation risks.

Risk Assessment – January 2012

3. The Risk Register considered and approved by the Joint Committee in September 2011 has been reviewed, reassessed and updated in accordance with the Durham County Council methodology/approach to Risk Management. This entails an assessment of both the gross and net risk from each area, the difference between the gross and net risk score being that the net risk result is after taking into account existing control measures. Full details of the Durham County Risk Management Methodology are set out at Appendix 2.
4. In line with the previous reports, two risk registers have been prepared, separately identifying Service and Operational risks.
5. Both sections of the Risk Register have been reviewed by the Risk Officer responsible for Neighbourhood Services and the Superintendent and Registrar. Net risk ratings have been agreed by consensus and actions to mitigate and/or tackle issues arising from the individual risks have been agreed for the forthcoming year.
6. The service risks (i.e. those that are key to the service achieving its strategic objectives and priorities for improvement, linked to service improvement plans and the budget setting cycle) have been plotted onto a risk matrix, based on Net Risk Scores. This is set out in Appendix 3. The risk matrix plots the risk to a grid based upon the assessment of likelihood and impact scores. The higher a risk is towards the top right corner of the matrix the more significant the risk is to the service.

Only one strategic risk has an outstanding action and the detailed assessment is also included in Appendix 3.

7. One new risk has been added to the Service Risk Register; Risk 18 : “Pre-payment of bond premium is not sufficient to cover fees”. The detailed assessment regarding the financial implications is included in Appendix 3. There is the possibility of minor reputational damage and / or financial regulation compliance issues attached to this risk but this will be managed by registering and complying with the Financial Services Authority requirements.
8. All other strategic risks have low Net Scores and there have been no changes to the scores following the review. These risks are all considered to be at tolerable levels.
9. As with Service Risks, the Operational Risks (i.e. those that are key to the operational areas of the service which relate to individual tasks carried out on a routine basis) have also been plotted onto a risk matrix and these are set out at Appendix 4. The assessments undertaken confirm that the risks are being well managed and it can be demonstrated that there is a risk culture embedded within the business.
10. Only one operational risk has an outstanding action and the detailed assessment is included in Appendix 4.
11. There have been no changes to the remaining Operational Net Risk Scores following the review and all risks are considered to be at a tolerable level.
12. The emerging risk reported last quarter regarding the Local Authority becoming responsible for implementing the changes required under the reform of Health & Social Care bill regarding Death Registration where each Local Authority will have to appoint someone to oversee these responsibilities is still on the horizon. However, the Government has moved the implementation date for this to August 2013. A full risk assessment will be carried out nearer the time and details included in future reports.
13. Whist the project to replace the cremators is on schedule and there is no reason to suspect that the scheme will not be successful, particularly in light of the test results obtained from the same technology implemented in Newcastle recently, there is a minor risk that the Crematorium could not have compliant tested cremators by the end of December 2012, when the new legislation comes into force. To mitigate this risk the cremators will be independently inspected in June 2012 so that any inconsistencies in performance can be addressed well before the end of December 2012.

Embedding Risk Management

14. In order to ensure that risk management continues to be embedded and that the risk register is kept up to date, regular reviews will need to continue to be carried out to ensure any new and emerging risks are identified, existing risks are removed if no longer appropriate and existing risks are reviewed taking into account current issues.

Conclusions

15. The original risk register has been revised and updated and rescored, where appropriate, in accordance with Durham County Council criteria.

Recommendations and Reasons

16. It is recommended that :-

- Members of the Central Durham Joint Crematorium Committee note the content of this report and the updated position following the January review.
- The Risk Registers are kept up to date and continue to be reviewed by the Joint Committee on a half yearly basis the next one to be completed in June 2012.

Background Papers

- Risk Assessment – Report to Central Durham Crematorium Joint Committee – 28 September 2011
- Risk Assessment – Report to Central Durham Crematorium Joint Committee – 26 January 2011
- Risk Assessment – Report to Central Durham Crematorium Joint Committee – 29 September 2010
- Risk Assessment – Report to Central Durham Crematorium Joint Committee – 27 January 2010
- Risk Assessment – Report to Central Durham Crematorium Joint Committee – 12 June 2009
- External Audit Report – Report to Central Durham Crematorium Joint Committee – 30 October 2009

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Appendix 1: Implications

There are no financial implications associated with this report. Exposure to financial risk is integral to the gross and net risk assessments undertaken and included in the Risk Registers attached at Appendix 3 and 4.

Staffing

None

Finance

None

Risk

The report and associated appendices sets out in detail the strategic and operational risks, control measures in place to mitigate these and improvement actions associated with these. Each risk has been scored and against the Durham County Council risk management methodology. Maintaining and continually reviewing the risk register is a key component of the control and governance framework for the Central Durham Crematorium Joint Committee.

Equality and Diversity

None

Accommodation

None

Crime and Disorder

None

Human Rights

None

Consultation

Officers of Spennymoor Town Council were consulted on the contents of this report.

Procurement

None

Disability Discrimination Act

None

Legal Implications

None

Appendix 2: Durham County Council Risk Management Process

The risk management process at Durham County Council is based upon a cycle:-



Once a Risk has been identified it is analysed and evaluated as follows:-

- Likelihood X Impact (taking into account Financial + Service Delivery + Stakeholder impacts)

Initially the **Gross Risk** is assessed by scoring the impact and likelihood of the risk **without** taking account of any controls that the Council may already have in place. It is essential to determine this Gross risk, as it is the key baseline against which to evaluate this risk on an ongoing basis.

The **Net Risk** is then determined **after** taking account of any controls that the Council may already have in place, and the likelihood that the risk event may occur over a given period.

In order to calculate the scores for Likelihood and Impact the Risk Assessment criteria is used as outlined below.

After scoring the risk a decision is made whether to Tolerate, Transfer, Treat or Terminate the risk. If any control improvements or actions have been identified as a result of reviewing the risk these are allocated to a responsible officer with timescales to ensure they are carried out before the next review.

DURHAM COUNTY COUNCIL – IMPACT FACTORS

Factor	Severity	Financial	Service Delivery/ Performance	Stakeholder and Reputation
5	Critical	> / = £15M > 5% of Service budget	<ul style="list-style-type: none"> • Inability to meet statutory duties • Key services can no longer be delivered – emergency actions needed, which need Cabinet approval. • Significant Legal Action / Challenge • Intervention or sanctions by regulatory body / prosecution or litigation (including corporate manslaughter) • Strike action which is Council-wide or service-wide in a critical Service for a long period 	<ul style="list-style-type: none"> • Perception of the majority of potential partners and stakeholders that the Council is not 'fit to deal with'. • Loss of life
4	Major	£5M - £15M 3% - 5% of Service budget	<ul style="list-style-type: none"> • Major disruption to some statutory and / or non statutory services i.e. key service delivery adversely affected – crisis management implemented, which needs Cabinet approval. • Strike action which is Council-wide or service-wide in a critical Service for a short period 	<ul style="list-style-type: none"> • Serious reputational damage to the Council regionally, nationally and internationally • Damage to relationships with central government or other public bodies e.g. One North-East, Environment Agency, other Councils • Perception of small number of potential partners and stakeholders that the Council is not 'fit to deal with'. • Serious injury to individual
3	Moderate	£1M - £5M 1% - 3% of Service budget	<ul style="list-style-type: none"> • Moderate disruption to statutory and / or non statutory services i.e. some disruption to service delivery – action plans to rectify • Failure of Service to maintain existing status under other Inspection regimes e.g. Ofsted • Resolution requires approval at CMT level • Limited strike action within a Service 	<ul style="list-style-type: none"> • Results in negative Regional or National press / media coverage • Minor reputational damage to the County Council • Major criticism by other stakeholders e.g. Partners, central government
2	Minor	£0.5M - £1M 0.2% - 1% of Service budget	<ul style="list-style-type: none"> • Minor service disruption / customer dissatisfaction i.e. little disruption to service delivery – no long term or permanent impact on key services • Capable of resolution by Service Management Team 	<ul style="list-style-type: none"> • Results in negative press coverage within County Durham • Minor criticism by Community • Minor criticism by other stakeholders e.g. Partners, central government • Significant number of complaints from service users • Serious Reputational damage to own Service area
1	Insignificant	< £0.5M < 0.2% of Service budget	<ul style="list-style-type: none"> • Insignificant service disruption e.g. very little or no disruption to services • Impairment of quality of service • Capable of resolution by Head of Service and their management team 	<ul style="list-style-type: none"> • Results in negative press coverage within the locality / ward • Insignificant criticism by Community • Insignificant criticism by other stakeholders e.g. Partners, central government • Insignificant number of complaints from service users • Minor Reputational damage to own Service area

DURHAM COUNTY COUNCIL - LIKELIHOOD FACTORS

Factor	Description	Expected Frequency
5	Highly Probable	<ul style="list-style-type: none"> • More than once a year • Something that is already occurring or is likely to be a regular occurrence throughout a one year period • Inevitable i.e. the event is expected to occur in most circumstances • >80% chance of occurring
4	Probable	<ul style="list-style-type: none"> • Once a year • Something that has occurred in the last year, or is likely to occur at least once throughout a one-year period. • Probable or where the conditions of the loss occur on a regular basis i.e. the event will probably occur in most circumstances • 61% to 80% chance of occurring
3	Possible	<ul style="list-style-type: none"> • Every 1-3 years • Likely only to happen at some point over the next 1 to 3 years. • Possible but responding to well understood situations i.e. the event might occur at some time • 31% to 60% chance of occurring
2	Unlikely	<ul style="list-style-type: none"> • Every 3-5 years • Likely only to happen at some point over the next 3 to 5 years or likely to continue to occur i.e. the event is not expected to occur • 11% to 30% chance of occurring
1	Remote	<ul style="list-style-type: none"> • Over 5 years • Rare activity or is unlikely based on current intelligence i.e. the event may only occur in exceptional circumstances • < 10% chance of occurring

Appendix 3: Service Risk Register

RISK MATRIX							
5	Highly Probable						LIKELIHOOD
4	Probable						
3	Possible		11				
2	Unlikely	4, 17	7, 10, 15	3, 14, 18			
1	Remote	5, 12, 13, 16	1, 2, 6, 8	9			
		Insignificant (Score 1-3)	Minor (Score 4-6)	Moderate (Score 7-9)	Major (Score 10-12)	Critical (Score 13-15)	
		IMPACT					

Risk. No.	Risk – Ranked by Risk Number	Net Risk Score	Ranking
1	Not implementing changes in legislation	6	9
2	Non compliance with the new fire order	6	9
3	Impact of staff morale due to uncertainty over Job Evaluation and Single Status	14	2
4	Sickness absence of key staff	6	9
5	Disclosure of confidential information through incorrect disposal / maintenance of information	5	14
6	Failure of Cremators / Specialist Equipment	6	9
7	ICT and Power Failure	10	5
8	Loss of Income/Money	5	14
9	Breakdown of Partnership	7	8
10	Loss of knowledge and ability to cover existing workload through premature staff loss	10	5
11	Managing excess deaths	12	4
12	Financial Losses due to reputation	3	16
13	Contractual failure in relation to future planned projects or maintenance leading to financial claims or losses and loss of reputation and income e.g. Replacement of Cremators	3	16
14	Inability to meet 2012 legislation changes	14	2
15	Inability to recruit appropriately qualified staff at short notice	10	5
16	Lack of awareness of the Impact of Equalities, DDA, Access to Services and Age Legislation	3	16
17	Damage to Public or Vehicles due to tree branches falling	6	9
18	Pre-payment of bond premium is not sufficient to cover fees.	16	1

Risk. No.	Risk – Ranked by Net Risk Score	Net Risk Score	Ranking
18	Pre-payment of bond premium is not sufficient to cover fees.	16	1
3	Impact of staff morale due to uncertainty over Job Evaluation and Single Status	14	2
14	Inability to meet 2012 legislation changes	14	2
11	Managing excess deaths	12	4
7	ICT and Power Failure	10	5
10	Loss of knowledge and ability to cover existing workload through premature staff loss	10	5
15	Inability to recruit appropriately qualified staff at short notice	10	5
9	Breakdown of Partnership	7	8
1	Not implementing changes in legislation	6	9
2	Non compliance with the new fire order	6	9
4	Sickness absence of key staff	6	9
6	Failure of Cremators / Specialist Equipment	6	9
17	Damage to Public or Vehicles due to tree branches falling	6	9
5	Disclosure of confidential information through incorrect disposal / maintenance of information	5	14
8	Loss of Income/Money	5	14
12	Financial Losses due to reputation	3	16
13	Contractual failure in relation to future planned projects or maintenance leading to financial claims or losses and loss of reputation and income e.g. Replacement of Cremators	3	16
16	Lack of awareness of the Impact of Equalities, DDA, Access to Services and Age Legislation	3	16

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	5	
Risk Owner	Alan Jose	
Detail of Risk	Service Risk – Disclosure of confidential information through the incorrect disposal/maintenance of information	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> Loss of data Data disclosed to persons not authorised 	
Potential Impact	<ul style="list-style-type: none"> Breach of confidentiality Breach of Data Protection 	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	3	
Total Gross Impact Score (sum above)	5	
Likelihood (1 to 5)	2	
Total Gross Risk Score (Total Impact * Likelihood)	10	
Existing Control Measures		
<ul style="list-style-type: none"> Internal procedures and policies are in place for document retention and disposal Secure environment for storage of information Passwords in place for electronic data storage Document retention and disposal policy in place Contract with Securishred Book of Remembrance and Registers are scanned annually and held on external hard drive Improved filing/folder referencing system on the server Register is kept in a fire resistant safe and associated papers are kept in a separate location within the crematorium overnight. All records over 5 years old are stored at County Hall. 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	3	
Total Net Impact Score (sum above)	5	
Likelihood (1 to 5)	1	
Total Net Risk Score (Total Impact * Likelihood)	5	
CONCLUSION		
<ul style="list-style-type: none"> TOLERATE after taking into account existing control measures and planned actions 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
A fire resistant room has been built into the design of the new extension for the crematorium and will be completed in phase 2 of the build process.	A Jose	31/07/2012
Completed by	Date	
T Maddison/A Jose	09/09/11	

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Priority Theme	11/07-Altogether Better Council	
High level objective	Improving efficiency and value for money	
Risk 18	Pre-payment of bond premium is not sufficient to cover fees.	
Risk Owner	Alan Jose	
Detail of Risk	Pre-payment of bond premium is not sufficient to cover fees.	
BACKGROUND TO RISK EVENT		
Risk Causes	1. The fixed fee paid up front is not sufficient to cover future costs due to increases in inflation. 2. Take up is rate not as high as anticipated. 3. Insufficient Investment return on income.	
Potential Impact	1. Loss of future profits. 2. Adverse impact on Service Budget.	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	4	
Stakeholder Impact (1 to 5)	3	
Total Gross Impact Score (sum above)	8 (Moderate)	
Likelihood (1 to 5)	4 (Probable)	
Total Gross Risk Score (Total Impact * Likelihood)	32	
Existing Control Measures		
<ul style="list-style-type: none"> • Front load with a premium approximate (20%) payment to start. • Draw down on prepayments. • Review of premiums at least annually, and premium increased where necessary. • Income invested not spent. • Accounts and investments will be monitored by the FSA. 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	4	
Stakeholder Impact (1 to 5)	3	
Total Net Impact Score (sum above)	8 (Moderate)	
Likelihood (1 to 5)	2 (Unlikely)	
Total Net Risk Score (Total Impact * Likelihood)	16	
CONCLUSION		
TOLERATE; TRANSFER; TREAT ; TERMINATE		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
0001 – Review take up and age profile of plans sold to monitor premium.	A Jose	30/06/12
0002 – Register with FSA.	A Jose	31/03/12
Completed by	Date	
A Jose/ T Maddison	10/01/12	

Appendix 4: Operational Risk Register

RISK MATRIX							
5	Highly Probable						LIKELIHOOD
4	Probable						
3	Possible						
2	Unlikely		5				
1	Remote	7,8	2,3,4,6	1			
		Insignificant (Score 1-3)	Minor (Score 4-6)	Moderate (Score 7-9)	Major (Score 10-12)	Critical (Score 13-15)	
IMPACT							

Risk. No.	Risk – Ranked by Risk Number	Net Risk Score	Ranking
1	Injury to staff and visitors	7	2
2	Exterior Pathways, Steps and Grounds	5	3
3	Use of hand tools and machinery for gardening on site, driveway and car park	5	3
4	Cleaning, Maintenance and Gardening Duties	5	3
5	Risk Assessments and Reviews not undertaken	10	1
6	Violent or other Assault on officer whilst lone working	5	3
7	Limited Space in Office Area	3	7
8	Slips, trips and falls	3	7

Risk. No.	Risk – Ranked by Net Risk Score	Net Risk Score	Ranking
5	Risk Assessments and Reviews not undertaken	10	1
1	Injury to staff and visitors	7	2
2	Exterior Pathways, Steps and Grounds	5	4
3	Use of hand tools and machinery for gardening on site, driveway and car park	5	4
4	Cleaning, Maintenance and Gardening Duties	5	4
6	Violent or other Assault on officer whilst lone working	5	4
7	Limited Space in Office Area	3	8
8	Slips, trips and falls	3	8

DESCRIPTION OF RISK		
Business Unit	Durham Crematorium	
Risk	7	
Risk Owner	Alan Jose	
Detail of Risk	Operational Risk Limited space in office area	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> Not sufficient space for staff using office area 	
Potential Impact	<ul style="list-style-type: none"> Injury to staff 	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
Total Gross Impact Score (sum above)	3	
Likelihood (1 to 5)	1	
Total Gross Risk Score (Total Impact * Likelihood)	3	
Existing Control Measures		
<ul style="list-style-type: none"> Furniture moved to provide maximum space around desks Shelves checked to ensure they are secure and sturdy 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
Total Net Impact Score (sum above)	3	
Likelihood (1 to 5)	1	
Total Net Risk Score (Total Impact * Likelihood)	3	
CONCLUSION		
<ul style="list-style-type: none"> TOLERATE after taking into account existing control measures and planned actions 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
1. Accommodation issues have been addressed in the plans for the new extension proposed for the crematorium.	A Jose	31/07/12
Completed by	Date	
T Maddison/A Jose	09/09/11	