

# Report

Report to:	<b>Community Wealth Building Commission</b>
Date of Meeting:	<b>27 October 2021</b>
Report by:	<b>Executive Director (Finance and Corporate Resources)</b>

Subject:	<b>Community Wealth Building - Risk Register</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to: -

- ◆ present a Community Wealth Building Risk Register and detail the proposed risk monitoring and reporting arrangements.

## 2. Recommendation(s)

2.1. The Community Wealth Building Commission is asked to approve the following recommendations: -

- (1) that the Community Wealth Building Risk Register is approved
- (2) that the proposed risk reporting and monitoring arrangements are approved

## 3. Background

- 3.1. The council's draft Community Wealth Building (CWB) Strategy was approved at the Executive Committee meeting of 10 March 2021. CWB is an alternative approach to traditional economic development, which seeks to develop resilient, inclusive local economies, with more local employment and a larger and more diverse business base.
- 3.2. The Strategy sets out high level aspirations in relation to CWB. A detailed action plan has been developed to support the delivery of these aspirations over an appropriate time-period (three to five years).
- 3.3. Recognising that CWB could signal a fundamental shift in the council's approach across a number of services, it was agreed that a risk register would be developed to accompany the detailed action plan.

## 4. The CWB Risk Register

- 4.1. The council's CWB lead officers were consulted during May and June 2021 on risks that are likely to impact upon the aspirations set out within the strategy. Officers were also asked to record any risk controls currently in place and actions required to mitigate the risks identified.
- 4.2. Following this consultation exercise, a risk register was established detailing risks which impacted upon the five pillars noted within the strategy. Those being building the generative economy; finance; land and property; spending; and workforce.
- 4.3. The risk register, including the recorded control and actions is attached at Appendix One to the report. Risks identified include:-

- ◆ Scope to increase spend with local business and social enterprises is limited due to a lack of capacity and / or inability to meet council requirements
- ◆ Scope to significantly increase local spend through contract awards is limited by the procurement regulations
- ◆ Limited scope to collaborate with anchor institutions due to existing contractual commitments or lack of overlap in opportunities
- ◆ Town centres decline with increased numbers of neglected town centre assets, decreased footfall and reduced spend in the local economy.
- ◆ Failure to demonstrate improved outcomes as a result of the CWB strategy

4.4. The CWB Commission is asked to approve the register and note that this will remain a live document as CWB work progresses over the forthcoming years.

4.5. The strategy and associated risk register are in the early stages of development at this point in time. As work in this area progresses and once the CWB risk register has had time to mature, it is expected that an overarching risk will be added to the council's top risk register.

## **5. Monitoring and reporting arrangements**

5.1. Going forward, it is proposed that the CWB Group will review and update the risk register as required, progress actions and provide an annual risk report to the CWB Commission.

## **6. Employee Implications**

6.1. There are no employee implications associated with this report.

## **7. Financial Implications**

7.1. There are no financial implications associated with this report.

## **8. Climate Change, Sustainability and Environmental Implications**

8.1. There are no implications for climate change, sustainability or the environment in terms of the information contained within this report.

## **9. Other Implications**

9.1. Failure to demonstrate that risk is actively considered and managed could adversely affect the delivery of the CWB strategy and could affect the reputation of the council. The work undertaken to identify and review the risks and monitor the progress of the risk control actions will enable the CWB Group to effectively manage the impact of these risks.

## **10. Equality Impact Assessment and Consultation Arrangements**

10.1. There are no Equality Impact Assessment or consultation arrangement implications associated with this report.

**Paul Manning**  
**Executive Director (Finance and Corporate Resources)**  
**South Lanarkshire Council**

30 July 2021

**Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

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## Appendix 1

### Community Wealth Building Risk Register

Pillar	We will	Risk Description	Inherent Risk Score (Prior to controls being in place)			Current control measures	Residual Risk Score (Take account of control measures currently in place to mitigate the risk)			Further actions required to control risk	Action target date	Risk Lead Officer
			Impact	Likelihood	Overall score		Impact	Likelihood	Overall score			
Spend	<ul style="list-style-type: none"><li>Expand the capability of local business and social enterprises to bid for public sector contracts with support from economic development and procurement teams</li><li>Increase promotion of tender opportunities to local sectors</li><li>Increase the levels of pre-market engagement before commissioning to shape the preparation of tender requirement and prepare potential local bidders</li></ul>	Scope to increase spend with local business and social enterprises is limited due to a lack of capacity and / or inability to meet council requirements	4	5	20	<ul style="list-style-type: none"><li>Ongoing training businesses to bid for contracts via initiatives such as the Supplier Development Programme (SDP).</li><li>Ongoing promotion of tender opportunities across a wide range of platforms.</li></ul>	3	5	15	<ul style="list-style-type: none"><li>Do further work with partners such as SDP to improve the capacity of social enterprises to bid for public sector contracts.</li><li>Increase levels of pre-market engagement.</li><li>Increase promotion of tender opportunities across a wide range of platforms *</li></ul>	Year 1 (March 2022) then annual reviews.	Head of Planning and Economic Development
										<ul style="list-style-type: none"><li>Completion of gap analysis *</li></ul>	Year 1 (March 2022)	
										<ul style="list-style-type: none"><li>review existing support. *</li></ul>	Year 2	
Spend	<ul style="list-style-type: none"><li>Review procurement practices to deliver more local spend where possible</li></ul>	Scope to significantly increase local spend through contract awards is limited by the procurement regulations	4	5	20	<ul style="list-style-type: none"><li>Promotion of tender opportunities locally</li><li>Meet the Buyer events</li></ul>	3	5	15	<ul style="list-style-type: none"><li>Greater focus on low value spend requirements, sub-contracting opportunities and community benefits.</li></ul>	(March 2022) then annual reviews.	Head of Finance (Transactions)
										<ul style="list-style-type: none"><li>Scope spend that could be directed locally and ensure awareness of limitations posed by regulations. *</li></ul>	<ul style="list-style-type: none"><li>Year 2</li></ul>	
Spend	<ul style="list-style-type: none"><li>Review procurement practices to deliver more local spend where possible</li></ul>	Increased local spend results in an increase in costs for council budgets	3	5	15	<ul style="list-style-type: none"><li>Sourcing strategies confirm available budget before commencing a tendering exercise</li><li>Reports on tender highlight potential budget pressures.</li></ul>	3	5	15	<ul style="list-style-type: none"><li>Discuss limitations with Scottish Local Government Procurement Forum (SLGPF)</li></ul>	Year 1 (March 2022) then annual reviews.	Head of Finance (Strategy)

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			Impact	Likelihood	Overall score		Impact	Likelihood	Overall score			
Spend	<ul style="list-style-type: none"> <li>• Increase promotion of tender opportunities to local sectors</li> </ul>	Falling rates of local business and social enterprises successfully bidding for contracts because of wider economic changes that affect capability.	4	4	16	<ul style="list-style-type: none"> <li>• Ongoing training businesses to bid for contracts via initiatives such as the Supplier Development Programme (SDP).</li> <li>• Ongoing promotion of tender opportunities across a wide range of platforms.</li> </ul>	4	3	12	<ul style="list-style-type: none"> <li>• Completion of gap analysis and review existing support.</li> <li>• Increase promotion of tender opportunities across a wide range of platforms. *</li> </ul>	Year 1 (March 2022) then annual reviews.	Head of Planning and Economic Development
Spend	<ul style="list-style-type: none"> <li>• Work with anchor institutions to explore further opportunities for local spend</li> </ul>	Limited scope to collaborate with anchor institutions due to existing contractual commitments or lack of overlap in opportunities	3	5	15	<ul style="list-style-type: none"> <li>• None, as new activity.</li> </ul>	3	5	15	<ul style="list-style-type: none"> <li>• Assess collaborative opportunities over a longer period.</li> <li>• Early engagement with anchor institutions.</li> </ul>	Year 1 (March 2022) then annual reviews.	Head of Finance (Transactions)
Building the generative economy	<ul style="list-style-type: none"> <li>• Continue to develop how business grants can help grow communities</li> </ul>	Low take up of business grants will limit their impact on helping to grow communities	3	2	6	<ul style="list-style-type: none"> <li>• Sector specific programmes, new micro-grants scheme for small and start-up businesses, and offering larger recovery and growth grants should widen the appeal of our grants' programmes.</li> <li>• Businesses are also signposted to other sources of help and advice.</li> </ul>	3	1	3	<ul style="list-style-type: none"> <li>• Review annually. Adjust business support programmes if take-up levels are lower than anticipated. *</li> </ul>	Year 1 (March 22) then annual reviews.	Head of Planning and Economic Development
Building the generative economy	<ul style="list-style-type: none"> <li>• Promote investment opportunities to regional and national institutions</li> </ul>	Regional and national organisations are not convinced to invest in Lanarkshire.	3	3	9	<ul style="list-style-type: none"> <li>• We work with Scottish Enterprise, Scottish Development International and Glasgow City Region partners to raise the profile of investment opportunities in South Lanarkshire.</li> </ul>	3	2	6	<ul style="list-style-type: none"> <li>• New inward investment officer and improved marketing materials should result in more demand and secure investment. *</li> <li>• Monitor and review indicators. Take additional action if necessary.</li> </ul>	Year 1 (March 2022) then annual reviews	Head of Planning and Economic Development
Building the generative economy	<ul style="list-style-type: none"> <li>• Develop actions to increase the number and improve the sustainability of social enterprises in South Lanarkshire</li> </ul>	Declining numbers and higher failure rates of social enterprises are recorded in South Lanarkshire.	4	2	8	<ul style="list-style-type: none"> <li>• Support is provided to all businesses, including social enterprises through the council's Business Support Team and through the Business Gateway Lanarkshire service.</li> </ul>	4	1	4	<ul style="list-style-type: none"> <li>• The development of a social enterprise strategy and action plan. *</li> <li>• Monitor and review indicators. Take additional action if necessary.</li> </ul>	Year 1 (March 2022) Then annual reviews.	Head of Planning and Economic Development

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			Impact	Likelihood	Overall score		Impact	Likelihood	Overall score			
	<ul style="list-style-type: none"> <li>Develop a new Social Enterprise Strategy and action plan and, in conjunction with the Social Enterprise sector, establish a Social Enterprise Steering Group</li> </ul>									<ul style="list-style-type: none"> <li>formation of a steering group *</li> <li>recruitment of a dedicated Social Enterprise Officer should ensure higher success rates via the provision of additional tailored support to social enterprises in South Lanarkshire. *</li> </ul>	Year 2  Year 1 (September 2021)	
Workforce	<ul style="list-style-type: none"> <li>Promote living wage and fair work practices locally demonstrating this within our own working practices</li> </ul>	Organisations do not adopt fair work practices/Living Wage	3	1	3	<ul style="list-style-type: none"> <li>Living wage campaign group promoting the benefits is attended by partner organisations</li> </ul>	3	1	3	N/A	N/A	Head of Personnel Services
Workforce	<ul style="list-style-type: none"> <li>Identify employability support staff to provide local employability support to applicants</li> </ul>	Employability funding reduces	3	2	6	<ul style="list-style-type: none"> <li>Funding opportunities are maximised via contact with SG, Cosla and relevant professional groups</li> </ul>	3	2	6	N/A	N/A	Head of Personnel Services
Workforce	<ul style="list-style-type: none"> <li>Identify potential numbers and roles for modern apprenticeship opportunities with managers in the council and work with Skills Development Scotland (SDS) to reflect these in the contract</li> </ul>	SDS do not fund suitable MAs	2	3	6	<ul style="list-style-type: none"> <li>Contact via professional groups to highlight areas of need and secure correct contract level</li> </ul>	2	2	4	N/A	N/A	Head of Personnel Services
Workforce	<ul style="list-style-type: none"> <li>Screen vacancies for suitability to local labour market</li> </ul>	Suitable vacancies are not identified	2	3	6	<ul style="list-style-type: none"> <li>Workforce planning activity to project future needs</li> </ul>	2	2	4	N/A	N/A	Head of Personnel Services
Land and Property	<ul style="list-style-type: none"> <li>Continue to deliver an affordable housing supply programme</li> </ul>	Failure to deliver duties as a statutory housing authority including implementing the Local Housing Strategy and deliver of an affordable housing supply programme.	4	4	8	<ul style="list-style-type: none"> <li>Range of management structures and groups in place to ensure progress is made on statutory functions.</li> <li>Reporting schedule in place to relevant regulatory authorities and to HTR Committee, Executive Committee and the Scottish Government.</li> </ul>	2	2	4	N/A	N/A	Head of Housing Services

Pillar	We will	Risk Description	Inherent Risk Score (Prior to controls being in place)			Current control measures	Residual Risk Score (Take account of control measures currently in place to mitigate the risk)			Further actions required to control risk	Action target date	Risk Lead Officer
			Impact	Likelihood	Overall score		Impact	Likelihood	Overall score			
Land and Property	<ul style="list-style-type: none"> <li>Deliver improvements to support the Energy Efficient Scotland programme and encourage homeowners to do the same</li> </ul>	Failure to meet energy efficiency requirements and national targets for domestic and non-domestic properties.	4	4	8	<ul style="list-style-type: none"> <li>Annual Housing Investment Programme agreed with funds identified to improve number of properties that meet required standards.</li> <li>Reporting schedule in place to monitor progress, through Local Housing Strategy and Sustainable Development and Climate Change Strategy.</li> </ul>	2	2	4	N/A	N/A	Head of Property Services
Land and Property	<ul style="list-style-type: none"> <li>Repurpose neglected town centre assets to encourage footfall and spend in the local economy</li> <li>Encourage investment and create thriving places where people can access goods and services on foot or via public transport</li> <li>Improve our carbon footprint by making the “20 minute neighbourhood” a reality – promoting local shopping and health facilities, education, green spaces, affordable and diverse housing, safe streets, active travel and public transport, and employment opportunities</li> </ul>	Town centres decline with increased numbers of neglected town centre assets, decreased footfall and reduced spend in the local economy.	3	4	12	<ul style="list-style-type: none"> <li>Using the “20-minute neighbourhoods” as key scoring criteria when assessing funded capital scheme bids. Initiatives by Business</li> <li>The council monitors funding opportunities and pursues town centre funding whenever possible.</li> <li>We support the Lanarkshire Improvement District (BIDs) who carry out town centre promotional activity.</li> <li>The rollout of the InsideOut app should stimulate footfall in town centres.</li> </ul>	3	3	9	<ul style="list-style-type: none"> <li>Monitor and review indicators. Take additional action if necessary. *</li> </ul>	Year 1 (October 21) then annual reviews.	Head of Planning and Economic Development
Finance	<ul style="list-style-type: none"> <li>Through our relationship with the council’s pension fund provider, Strathclyde Pension Fund, look to develop and support their work on providing</li> </ul>	Pensions – lack of interest from other councils.	1	3	3	<ul style="list-style-type: none"> <li>Good relationship with other councils and awareness that other councils are also pursuing Community Wealth Building</li> </ul>	1	2	2	<ul style="list-style-type: none"> <li>Early engagement with neighbouring councils *</li> </ul>	Year 1 (September 2021)	Head of Finance (Strategy)

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	opportunities for more local investment opportunities											
Finance	<ul style="list-style-type: none"> <li>Through our relationship with the council's pension fund provider, Strathclyde Pension Fund, look to develop and support their work on providing opportunities for more local investment opportunities</li> </ul>	Pensions – SPF failure to engage or support request to develop options for community / local investment.	2	3	6	<ul style="list-style-type: none"> <li>Relationship with Pension fund through officer and members groups</li> </ul>	2	2	4	N/A	N/A	Head of Finance (Strategy)
Finance	<ul style="list-style-type: none"> <li>Building on the relationship we already have with local credit unions, we will work locally with the credit unions and other community partners to explore ways to encourage use of the saving and affordable credit facilities which they offer</li> </ul>	Credit unions - Lack of cooperation from Credit Unions.	2	3	6	<ul style="list-style-type: none"> <li>Good relationships with credit unions</li> </ul>	1	2	2	<ul style="list-style-type: none"> <li>Named link person identified to develop Credit Union network and be first point of contact for CUs *</li> </ul>	Year 2	Community Engagement Manager
Finance	<ul style="list-style-type: none"> <li>Building on the relationship we already have with local credit unions, we will work locally with the credit unions and other community partners to explore ways to encourage use of the saving and affordable credit facilities which they offer</li> </ul>	Credit Unions - Lack of uptake for services offered.	2	3	6	<ul style="list-style-type: none"> <li>CUs promote their services . current use of CUs is encouraging</li> </ul>	1	2	2	<ul style="list-style-type: none"> <li>CPP Communications Group actively promotes Credit Unions as part of their activity</li> </ul>	By March 2022	Community Engagement Manager
Finance	<ul style="list-style-type: none"> <li>Encourage SLC staff, those of other anchor institutions, local businesses and residents to spend locally and retain investment in local businesses and promote local tourism</li> </ul>	Spend local – dedicated investment and marketing officer recruitment unsuccessful.	2	3	6	<ul style="list-style-type: none"> <li>Proven record in targeting recruitment to attract suitable candidates</li> </ul>	1	1	1	N/A	N/A	Head of Planning and Economic Development



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			Impact	Likelihood	Overall score		Impact	Likelihood	Overall score			
Finance	<ul style="list-style-type: none"> <li>Encourage SLC staff, those of other anchor institutions, local businesses and residents to spend locally and retain investment in local businesses and promote local tourism</li> </ul>	Spend local –local companies fail to promote themselves effectively.	1	3	3	<ul style="list-style-type: none"> <li>Our contractor Business Gateway Lanarkshire runs a wide range of free marketing and social media training programmes for varying levels of technical ability.</li> </ul>	1	2	2	N/A	N/A	Head of Planning and Economic Development
Finance	<ul style="list-style-type: none"> <li>Encourage SLC staff, those of other anchor institutions, local businesses and residents to spend locally and retain investment in local businesses and promote local tourism</li> </ul>	Spend Local – no support from local trading networks.	2	3	6	<ul style="list-style-type: none"> <li>A shop local message is promoted by many existing local business groups in South Lanarkshire.</li> </ul>	2	2	4	<ul style="list-style-type: none"> <li>Monitor. Take additional action if necessary.</li> </ul>	Year 1 (March 2022) Then annual reviews.	Head of Planning and Economic Development
Finance	<ul style="list-style-type: none"> <li>Encourage SLC staff, those of other anchor institutions, local businesses and residents to spend locally and retain investment in local businesses and promote local tourism</li> </ul>	Events calendar – attendance at events is low.	2	3	6	<ul style="list-style-type: none"> <li>Events are promoted through the council's website and social channels and via South Lanarkshire Leisure &amp; Culture, VisitLanarkshire and VisitScotland websites and social media channels.</li> </ul>	2	2	4	<ul style="list-style-type: none"> <li>Monitor. Take additional action if necessary.</li> </ul>	Year 1 (March 2022) Then annual reviews.	Head of Planning and Economic Development
Overarching	N/A	Failure to demonstrate improved outcomes as a result of the CWB strategy	2	3	6	<ul style="list-style-type: none"> <li>CWB Commission in place to oversee progress</li> </ul>	2	2	4	<ul style="list-style-type: none"> <li>Monitoring and reporting framework to be developed and delivered – quarterly reporting of action plan to CWB Commission.</li> </ul>	Year 1 (December 2021)	Head of Communications and Strategy
Overarching	N/A	Failure to integrate CWB with strategic and operational plans	3	3	9	<ul style="list-style-type: none"> <li>Annual review of Resource Plans reflects CWB aspirations</li> </ul>	3	1	3	<ul style="list-style-type: none"> <li>Complete Review of Council Plan and Community Plan which will ensure CWB integrates strategically</li> </ul>	Year 2 (May 2022)	Head of Communications and Strategy
Overarching	N/A	Ineffective engagement with communities as part of the CWB strategy	3	3	9	<ul style="list-style-type: none"> <li>Action Plan includes engagement with VASLAN and community groups</li> </ul>	3	1	3	<ul style="list-style-type: none"> <li>Establish appropriate community representation on the CWB Commission</li> </ul>	Year 1 (March 2022)	Head of Communications and Strategy

\* Action also noted within the Community Wealth Building Action Plan and Work Programme