Report

Report to:	**Community Services Committee**
Date of Meeting:	**11 October 2016**
Report by:	**Executive Director (Community and Enterprise Resources)**

Subject:	**Update on the Community and Enterprise Resources' Risk Register and Risk Control Action Plan**

1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ provide an update on the risk register for Community and Enterprise Resources

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

(1) that the system and controls in place to monitor risks within the Resource be noted.

3. Background

3.1. The Council's Risk Management Strategy promotes consideration of risk in service delivery, planning and decision-making processes. The strategy requires Resources to record and review risks and control actions regularly. Community and Enterprise Resources follow the Council guidance in developing, monitoring and updating the Risk Register on an ongoing basis.

3.2. The purpose of the Register is to ensure that the Resource is fully aware of the main risks that it has, prioritise these risks and have controls in place to eliminate or minimise the impact of the risk.

3.3. The Resource scores the risks in accordance with the Council scoring mechanism which scores risks based on likelihood and impact of risk. This results in risks being scored between 1 – 9 (low – high).

3.4. Risks are scored on their inherent risk (risk if we do nothing) and their residual risk (risk after applying controls).

4. Resource Risk Management Group

4.1. The Resource Risk Management Group meets twice per year. The group has responsibility for the promotion and management of risk and ensuring compliance with the Risk Management Strategy. The group is chaired by the Support Manager who acts as the Resource Risk Sponsor and each service is represented on the group by a senior manager.

4.2. On an annual basis Risk Sponsors are asked to assess their Resource's compliance with the Risk Management Strategy and provide supporting evidence to the Corporate Risk Management section for review. Twelve criteria are assessed and scored one, two or three. The top score is three and reflects evidence is up to date and in line with requirements. The outcome of the 2015/2016 review, identified that, consistent with last year's score, the Resource was fully compliant scoring a maximum of 36 points.

5. Risk Register

5.1. The risk register is maintained within the Corporate Risk Management system, Figtree and is monitored on an ongoing basis to allow new risks to be added and for the control measures and scores of the existing risks to be reviewed in light of new information.

5.2. Risks can result from internal or external influences, with examples being the impact of projected funding cuts, legislative changes or the impact of internal service changes.

5.3. A full review of the risk register was carried out during June 2016. The development process for the Resource Plan and specific Service Plans allows the impact on the Resource risk register to be considered and where appropriate actions in the Resource/Service plans have a corresponding risk within the risk register. These risks and control measures are updated following the information collated for the Service Plan quarterly monitoring exercise and where necessary, additional actions are identified and included in the risk control action log.

5.4. Risks scored seven to nine are considered high risks and these are monitored closely. The top risks identified for the Resource, ie; those with a residual high score, are attached at Appendix 1. Although not reaching the high score criteria City Deal has been identified as a resource top risk due to its high partnership score and is also included in Appendix 1. An extract of the existing controls is also summarised in the appendix to give context to the risks.

5.5. Each year the Council's top risks are reviewed and the 2016 exercise will be concluded by the end of October 2016. Community and Enterprise are currently the lead/joint lead Resource for five Council top risks:-

♦ climate change and adverse weather
♦ failure to fulfil emergency response commitments
♦ tough carbon reduction and sustainability targets
♦ failure to deliver City Deal projects and realise anticipated economic benefits
♦ reduction in funding; income generated by the Council and savings difficulties

Reduction in funding, adverse weather, carbon reduction/sustainability and City Deal have been identified as Resource top risks and are included in Appendix 1. Emergency response, however, is not considered high risk within the Resource, due to the current control measures in place.

The top risk identified for each of the operational services is as follows:

Roads and Transportation
♦ Climate change/adverse weather – storms, flood, severe cold weather.

<u>Planning and Economic Development (also the Resource top risk)</u>
- Reduction in income from Planning/Building Standards applications

<u>Facilities, Waste and Grounds</u>
- Increase in settled public liability claims resulting from defects on land/bridges within Grounds account

<u>Fleet and Environmental</u>
- Inability to maintain sufficient fuel stocks resulting in limited number of available vehicles

5.6. A review of claims was carried out by the Council's claims handlers Gallagher Bassett for the period 1 April 2013 to 31 March 2014 to identify insurance hotspots. The hotspot areas identified for Community and Enterprise Resources were:-

- facilities' slips, trips and falls
- slips, trips and falls on land within the Grounds account or land maintained by Grounds
- slips, trips and falls on footways
- structures (ie bridges) out-with the roads network
- theft of plant (depots and golf courses)
- at fault motor incidents

Good progress has been made, with actions included in the hotspot action plan. Updated procedures for the identification and reporting of defects have been issued to Grounds Services' employees. An exercise has been undertaken to identify bridge structures (remote from the roads network) on the Council's path network and record them on the Countryside Access Management System. A risk bid of £20k was recently approved to progress detailed surveys of the structures categorised as the highest risk.

6. Scope and appetite for risk

6.1. The Council aims to be risk embracing, meaning that it will accept a tolerable level of risk in seeking service efficiencies and in agreeing control measures.

6.2. The level of risk facing the Council is measured both before (inherent risk) and after (residual risk) consideration of controls. The Council should never carry a high residual risk exposure as this would indicate instability but a low residual risk exposure should also be avoided as this indicates lack of innovation.

6.3. The Council's ideal risk exposure should be consistent with an acceptable tolerance of:-

- no more than 20% of residual risks at a high level
- around 30% to 40% of residual risks at a low level

6.4. The table below demonstrates that, although slightly out with these parameters, Community and Enterprise Resources' risk exposure is at an acceptable level.

Residual risk score	Number of risks	Percentage of risks
High (7, 8 or 9)	7	11%
Medium (4, 5, or 6)	30	46%
Low (1, 2, or 3)	28	43%
	65	100%

7. Risk Control Actions

7.1. 9 out of 11 (82%) risk actions due in 2015/2016 were completed within timescale. The timescale for the remaining 2 actions were extended to 2016/2017.

7.2. There are currently 8 actions on the resource risk action log. 7 of these actions are due for completion before the end of 2016/2017. The remaining action is due for completion in 2017/2018.

7.3. Progress of the Resources risk control actions is monitored on a monthly basis by the Central Risk Management Team, this is also reviewed at the Resource Risk Group. The status of risk actions are reported monthly to the Senior Management Team.

8. Major Projects, Partnerships or Change

8.1 The Community and Enterprise Resources' partnership register contains details of 23 partnership arrangements and all have been assessed in accordance with the guidance. Four of the partnerships are considered to be high risk. These are the Community Regeneration Partnership, Clyde Gateway Partnership, SPT and City Deal. The remaining 19 partnerships have been assessed as being low risk.

9. Next Steps

9.1. The Resource Risk Management Group will continue to review and update the Risk Register and Risk Action Log on an ongoing basis.

9.2. Hotspot actions will continue to be progressed by responsible officers and progress with the hotspot action plan will be monitored on a monthly basis by the Central Risk Management Team.

9.3. An update report will be provided to members on an annual basis.

10. Employee Implications

10.1. Time will be required by the Resource Risk Sponsor and the Resource Risk Management Group for the management of the Resource Risk Register and Risk Control Plan.

11. Financial Implications

11.1. A fund is held within Corporate Risk Management to which Resources can make bids for new projects or innovations which will contribute to the mitigation of an identified risk. During 2015/2016, Grounds Services received funding of £7k for the installation of CCTV at Caldwellside Depot. Fleet Services also received funding of £4k from the risk fund to procure a Mobile Elevated Working Platform to facilitate the safe access and egress to high sided or large equipment and vehicles. The risk bid

of £20k for the survey of non roads bridge structures, referred to in section 5.6 above, was approved from the 2016/2017 risk bid fund.

12. Other Implications
12.1. Failure to demonstrate that risk is actively considered and managed can not only lead to avoidable financial loss but could also affect service delivery and could affect the Resources' reputation.

12.2. There are no implications for sustainability in terms of the information contained in this report.

13. Equality Impact Assessment and Consultation Arrangements
13.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.

13.2   There was no requirement to undertake any consultation in terms of the information contained within this report.

Michael McGlynn
Executive Director (Community and Enterprise Resources)

14 September 2016

Link(s) to Council Objectives/Values
♦   Accountable, effective and efficient.

Previous References
♦   Enterprise Resources Committee – 8 December 2015 - Annual update on Resource Risk Register and Risk Control Action Plan

List of Background Papers
•   Figtree extracts (risk register and risk control action plan)

Contact for Further Information
If you would like to inspect the background papers or want further information, please contact:-   Linda Burnett, Support Manager
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Community and Enterprise Resources – Top Risks   **Appendix 1**

Risk Description	Inherent Risk Score	Control Measures	Residual Risk Score	Service
Reduced number of Planning and Building Standards applications due to the economic factors resulting in reduced income and restriction in future spending.	9	Regular monitoring of income v budget projections Ongoing review of resources and control of general spending	9	Planning and Economic Development
Inefficient records management practices, inadequate system of checks/procedures could lead to data breaches resulting in damage to reputation, risk of litigation and legal censure for the Council.	9	Well defined data security plan in place. 1) Compliance with the Info Gov Strategy 2) Learn on Line module 3) IT systems have facility to report audit trail 4) relevant employees sign declaration of confidentiality 5) Info Gov self assessment audit plan 6) Retention schedules 7) EDRMS 8) Data protection policies reviewed on a regular basis	7	All Services
Global warming may increase the incidences of severe weather such as storms, flood, freezing. Adequacy of response plans and funding will influence ability to deliver services and to maintain council assets. Examples include national salt shortage supplies. Failure to react during severe weather could lead to increased insurance claims and also to an overspend in budget as the Council responds to emergencies and longer term erosion impacts eg roads.	9	1)Dedicated flood prevention officer and team 2)Local weather forecast contract and severe weather warning alerts 3)General Met Office alerts to Contingency Planning Officers 4)Annual reviews of winter/flooding procedures 5) SEPA flood warnings and ad hoc test exercises 6)24hr control centre	7	Roads and Transportation Services

Risk Description	Inherent Risk Score	Control Measures	Residual Risk Score	Service
		7)Increased salt stocks (35k tonnes) 8)Proactive pothole inspection/repairs		
Failure to manage effectively and comply with the requirements of Flood Risk Management (Scotland) Act 2009 could result in legal penalties as well as an increase in the volume/ value of property flooding claims resulting in financial loss.	9	1) Dedicated flood prevention officer and team 2) Flood Prevention Officer attends national Scots Flood Risk Management Group discusses ongoing progress and shares best practice. 3) Implementation Plan and Guidance issued by Scottish Govt used as reference. 4)Flood cameras/telemetry in high risk areas 5)Revised day time clean procedures in place	7	Roads and Transportation Services
Failure to deliver IT projects within timescale due to lack of resources/inefficient management of workload by IT Services could lead to a delay in or failure to deliver our service.	9	1) Resource accepts risk due to restricted IT resources. 2) IT service plan closely monitored and progress reports issued to the IT Strategy Group/ICT Board on a regular basis 3) Pre prod environment now available for EDRMS 4) Project group for CMT themes established 5)Weekly back ups of full live environment for EDRMS carried out by IT 6)EDRMS Business continuity plan developed 7) Project group established for replacement	7	All Services

Risk Description	Inherent Risk Score	Control Measures	Residual Risk Score	Service
		PandBS case management system.		
Failure to provide an effective winter maintenance service due to increasing cost of labour/fuel/supplies etc.	9	1) Effective management of existing budget resources through regular reporting and dialogue with Exec Dir Finance and Corporate. 2) Revenue schemes held towards year end to cover potential winter overspends. 3) Daily winter task force meetings held during periods of extreme weather to ensure service delivered in most efficient and effective way.	7	Roads and Transportation Services
Inability to maintain sufficient fuel stocks due to fuel shortages/tank bursts etc could result in limited number of available fleet vehicles and ultimately a failure to deliver core services.	9	Contingency plan developed.	7	Fleet and Environmental Services
Failure to deliver City Deal projects and realise anticipated economic benefits.	9	1) Formal partnership and City Deal Assurance Framework and project risk registers in place with	5	Planning and Economic Development

Risk Description	Inherent Risk Score	Control Measures	Residual Risk Score	Service
		individual risk owners identified 2) Business case submission process in place developing through strategic/outline/full continue to identify and mitigate risks 3) Strategic and infrastructure working groups in place, ongoing liaison with other partner agencies and external scrutiny in place		
Uncertainty about achievability of the Council's carbon reduction target due to required investment in Council buildings and the need to actively manage vehicular and building assets to deliver efficiencies. May be insufficient commitment at a time of financial constraint to embed sustainability investment into properties and operational service arrangements to achieve uncertain long term financial benefits.	8	1)Focus on energy management at Council and Resource level 2)Improved energy efficient design standards and renewable energy for new buildings 3)Central energy efficiency fund used. 4)Review of Council wide Carbon Management Plan 5)Financial strategy takes account of projected expenditure on Carbon Reduction Commitment allowances. 6)LED street lighting 7)Fleet efficiency measures eg;pool cars, electric vehicles.	5	All Services