

Report

Report to:	Community Wealth Building Commission
Date of Meeting:	6 September 2022
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Community Wealth Building - Risk Register
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1. Purpose of Report

1.1. The purpose of the report is to: -

- ◆ present an update on the risk register for Community Wealth Building

2. Recommendation(s)

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

- (1) that the content of the Community Wealth Building risk register is noted; and
- (2) that progress in the delivery of the risk control plan is noted

3. Background

3.1. Recognising that Community Wealth Building (CWB) would signal a fundamental shift in the council's approach across a number of services, a risk register was developed and approved by the Community Wealth Building Commission on 27 October 2021.

3.2. Risks were recorded against each the five pillars noted within the strategy. Those being building the generative economy; finance; land and property; spending; and workforce.

3.3. The purpose of the register is to ensure that the Community Wealth Building Commission is fully aware of its strategic risks; that these risks are prioritised; and controls are in place to eliminate or minimise the impact of the risks.

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

4. The CWB Risk Register Update

4.1. The Community Wealth Building risk register, and risk control plan has been reviewed, following consultation with the council's CWB lead officers. This work was completed in July 2022.

4.2. The updated risk register, including the recorded control is attached at Appendix One to the report. A new overarching risk has been added with a residual score of 20, making it the highest scoring risk:

'The impact of rising energy prices, inflation and interest rates adversely impacts the delivery of the objectives of the Community Wealth Building strategy. This impact may be exacerbated by a recession.'

Five control measures have been identified including business support for local businesses and cost of living support to residents. A new control action has also been added to the action plan to monitor the availability of support from government.

- 4.3. There has also been a number of amendments to control measures.
- 4.4. Some of the other key risks on the register are summarised below:
- ◆ Scope to increase spend with local business and social enterprises is limited due to a lack of capacity / ability 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
- 4.5. The CWB Commission is asked to note the content of the updated register and note that this will remain a live document as CWB work progresses over the forthcoming years.

5. Risk Control actions

- 5.1. A summary of progress in the delivery of the Risk Control Plan, which contains 22 actions is noted below and additional information can be found in Appendix Two.

Status	Summary
Complete	There are three actions that have been completed.
On target/ Ongoing	Nineteen actions are currently deemed to be on target to deliver within the timescale set or are ongoing with no issues identified.
Minor slippage	There has been minor slippage for no actions .
Major slippage	There has been major slippage for no actions .

- 5.2. Progress with completion of Resource Risk Control Actions is monitored by the CWB Group.
- 5.3. The Commission is asked to note that the outstanding actions to mitigate risks within Appendix Two will be progressed by the relevant lead officers.

6. Monitoring and reporting arrangements

- 6.1. As previously agreed by the Commission, the CWB Group will continue to review and update the risk register as required, progress actions and provide an annual risk report to the CWB Commission.

7. Employee Implications

- 7.1. There are no employee implications associated with this report.

8. Financial Implications

- 8.1. There are no financial implications associated with this report.

9. Climate Change, Sustainability and Environmental Implications

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

10. Other Implications

- 10.1. 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.

11. Equality Impact Assessment and Consultation Arrangements

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

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Executive Director (Finance and Corporate Resources)
South Lanarkshire Council

12 August 2022

Link(s) to Council Values/Priorities/Outcomes

- Accountable, efficient, effective and Transparent

Previous References

- None

List of Background Papers

- None

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)		
			Impact	Likelihood	Overall score		Impact	Likelihood	Overall score
Spend	<ul style="list-style-type: none"> Expand the capability of local business and social enterprises to bid for public sector contracts with support from economic development and procurement teams Increase promotion of tender opportunities to local sectors Increase the levels of pre-market engagement before commissioning to shape the preparation of tender requirement and prepare potential local bidders 	<p>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</p> <p>SLC services unable to resource a sufficiently robust programme of engagement</p>	4	5	20	<ul style="list-style-type: none"> Ongoing training businesses to bid for contracts via initiatives such as the Supplier Development Programme (SDP). Increase promotion of registration with PCS among SLC businesses Ongoing promotion of tender opportunities across a wide range of platforms. 	3	5	15
Spend	<ul style="list-style-type: none"> Review procurement practices to deliver more local spend where possible 	Scope to significantly increase local spend through contract awards is limited by the procurement regulations	4	5	20	<ul style="list-style-type: none"> Promotion of tender opportunities locally Meet the Buyer events 	3	5	15
Spend	<ul style="list-style-type: none"> Review procurement practices to deliver more local spend where possible 	Increased local spend results in an increase in costs for council budgets	3	5	15	<ul style="list-style-type: none"> Sourcing strategies confirm available budget before commencing a tendering exercise Reports on tender highlight potential budget pressures. 	3	5	15
Spend	<ul style="list-style-type: none"> Increase promotion of tender opportunities to local sectors 	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"> Ongoing training businesses to bid for contracts via initiatives such as the Supplier Development Programme (SDP). Ongoing promotion of tender opportunities across a wide range of platforms 	4	3	12
Spend	<ul style="list-style-type: none"> Work with anchor institutions to explore further opportunities for local spend 	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"> None, as new activity 	3	5	15
Building the generative economy	<ul style="list-style-type: none"> Continue to develop how business grants can help grow communities 	Low take up of business grants will limit their impact on helping to grow communities	3	2	6	<ul style="list-style-type: none"> Sector specific programmes, new micro-grants scheme for small and start-up businesses, and 	3	1	3

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		<p>Cuts to grant support funding as consequence of budget cuts</p> <p>Reduction in grant support funding as consequence of budget cuts</p>				<p>offering larger recovery and growth grants should widen the appeal of our grants' programmes</p> <ul style="list-style-type: none"> Businesses are also signposted to other sources of help and advice 			
Building the generative economy	<ul style="list-style-type: none"> Promote investment opportunities to regional and national institutions 	Regional and national organisations are not convinced to invest in Lanarkshire	3	3	9	<ul style="list-style-type: none"> We work with Scottish Enterprise, Scottish Development International and Glasgow City Region partners to raise the profile of investment opportunities in South Lanarkshire 	3	2	6
Building the generative economy	<ul style="list-style-type: none"> Develop actions to increase the number and improve the sustainability of social enterprises in South Lanarkshire Develop a new Social Enterprise Strategy and action plan and, in conjunction with the Social Enterprise sector, establish a Social Enterprise Steering Group 	Declining numbers and higher failure rates of social enterprises are recorded in South Lanarkshire	4	2	8	<ul style="list-style-type: none"> Support is provided to all businesses, including social enterprises through the council's Business Support Team and through the Business Gateway Lanarkshire service 	4	1	4
Workforce	<ul style="list-style-type: none"> Promote living wage and fair work practices locally demonstrating this within our own working practices 	Organisations do not adopt fair work practices/Living Wage	3	1	3	<ul style="list-style-type: none"> Living wage campaign group promoting the benefits is attended by partner organisations 	3	1	3
Workforce	<ul style="list-style-type: none"> Identify employability support staff to provide local employability support to applicants 	Employability funding reduces	3	2	6	<ul style="list-style-type: none"> Funding opportunities are maximised via contact with SG, Cosla and relevant professional groups 	3	2	6
Workforce	<ul style="list-style-type: none"> 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 	SDS do not fund suitable MAs	2	3	6	<ul style="list-style-type: none"> Contact via professional groups to highlight areas of need and secure correct contract level 	2	2	4
Workforce	<ul style="list-style-type: none"> Screen vacancies for suitability to local labour market 	Suitable vacancies are not identified	2	3	6	<ul style="list-style-type: none"> Workforce planning activity to project future needs 	2	2	4

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Land and Property	<ul style="list-style-type: none"> Continue to deliver an affordable housing supply programme 	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"> Range of management structures and groups in place to ensure progress is made on statutory functions Reporting schedule in place to relevant regulatory authorities and to HTR Committee, Executive Committee and the Scottish Government 	2	2	4
Land and Property	<ul style="list-style-type: none"> Deliver improvements to support the Energy Efficient Scotland programme and encourage homeowners to do the same 	Failure to meet energy efficiency requirements and national targets for domestic and non-domestic properties	4	4	8	<ul style="list-style-type: none"> Annual Housing Investment Programme agreed with funds identified to improve number of properties that meet required standards Reporting schedule in place to monitor progress, through Local Housing Strategy and Sustainable Development and Climate Change Strategy 	2	2	4
Land and Property	<ul style="list-style-type: none"> Repurpose town centre assets to encourage footfall and spend in the local economy Encourage investment and create thriving places where people can access goods and services on foot or via public transport 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 	Town centres decline with increased numbers assets requiring investment and repurposing, decreased footfall and reduced spend in the local economy	3	4	12	<ul style="list-style-type: none"> Using the “20-minute neighbourhoods” as one of the key scoring criteria when assessing funded capital scheme bids. Initiatives by Business The council monitors funding opportunities and pursues town centre funding whenever possible We support the Business Improvement Districts (BIDs) to carry out town centre promotional activity Support the rollout of the InsideOut app through increased promotion to stimulate footfall in town centres 	3	3	9
Finance	<ul style="list-style-type: none"> 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 	Pensions – lack of interest from other councils	1	3	3	<ul style="list-style-type: none"> Good relationship with other councils and awareness that other councils are also pursuing Community Wealth Building 	1	2	2
Finance	<ul style="list-style-type: none"> 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 	Pensions – SPF failure to engage or support request to develop options for community / local investment	2	3	6	<ul style="list-style-type: none"> Relationship with Pension fund through officers 	2	2	4
Finance	<ul style="list-style-type: none"> Building on the relationship we already have with local credit unions, we will work locally 	Credit unions - Lack of cooperation from Credit Unions	2	3	6	<ul style="list-style-type: none"> Good relationships with credit unions 	1	2	2

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	with the credit unions and other community partners to explore ways to encourage use of the saving and affordable credit facilities which they offer								
Finance	<ul style="list-style-type: none"> 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 	Credit Unions - Lack of uptake for services offered	2	3	6	<ul style="list-style-type: none"> CUs promote their services- current use of CUs is encouraging 	1	2	2
Finance	<ul style="list-style-type: none"> 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 	Spend local – local companies fail to promote themselves effectively	1	3	3	<ul style="list-style-type: none"> Our contractor Business Gateway Lanarkshire runs a wide range of free marketing and social media training programmes for varying levels of technical ability 	1	2	2
Finance	<ul style="list-style-type: none"> 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 	Spend Local – no support from local trading networks.	2	3	6	<ul style="list-style-type: none"> A shop local message is promoted by many existing local business groups in South Lanarkshire 	2	2	4
Finance	<ul style="list-style-type: none"> 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 	Events calendar – attendance at events is low.	2	3	6	<ul style="list-style-type: none"> Events are promoted through the council's website and social channels and via South Lanarkshire Leisure & Culture, Visit Lanarkshire and VisitScotland websites and social media channels 	2	2	4
Overarching	N/A	Failure to demonstrate improved outcomes as a result of the CWB strategy	2	3	6	<ul style="list-style-type: none"> CWB Commission in place to oversee progress Monitoring and reporting framework has been developed and delivered – Q2 and Q4 reporting of action plan to CWB Commission 	2	2	4
Overarching	N/A	Failure to integrate CWB with strategic and operational plans	3	3	9	<ul style="list-style-type: none"> Annual review of Resource Plans reflects CWB aspirations Council Plan and Community Plan have been renewed and are designed to ensure CWB integrates strategically 	3	1	3
Overarching	N/A	Ineffective engagement with communities as part of the CWB strategy	3	3	9	<ul style="list-style-type: none"> Action Plan includes engagement with VASLAN and community groups 	3	1	3
Overarching	N/A	The impact of rising energy prices, inflation and interest rates adversely impacts the delivery of the objectives of the Community Wealth Building strategy. This impact may be exacerbated by a recession.	5	5	25	<ul style="list-style-type: none"> Business support for local businesses Provide more opportunities for local businesses to win contracts from the council and anchor institutions 	5	4	20

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						<ul style="list-style-type: none">• Cost of living support to residents• The council monitors funding opportunities and pursues town centre funding whenever possible• We support the Business Improvement Districts (BIDs) to carry out town centre promotional activity			

Appendix 2

Community Wealth Building Risk Control Plan

Pillar	Risk Description	Further actions required to control risk	Action target date	Risk Lead Officer	Status Update
Spend	Scope to increase spend with local business and social enterprises is limited due to a lack of capacity and / or ability to meet council requirements	<ul style="list-style-type: none"> Do further work with partners such as SDP to improve the capacity of social enterprises to bid for public sector contracts. Increase levels of pre-market engagement. Increase promotion of tender opportunities across a wide range of platforms 	Year 1 (March 2022) then annual reviews.	Head of Planning and Economic Development	On target/ Ongoing
		<ul style="list-style-type: none"> Completion of gap analysis 	Year 2 (December 2022)		On target/ Ongoing
Spend	Scope to significantly increase local spend through contract awards is limited by the procurement regulations	<ul style="list-style-type: none"> Greater focus on low value spend requirements, sub-contracting opportunities and community benefits. 	(March 2023) then annual reviews.	Head of Finance (Transactions)	On target/ Ongoing
		<ul style="list-style-type: none"> Manage pipeline of projects for Quick Quote for Works under £2m process 	Ongoing		On target/ Ongoing
Spend	Increased local spend results in an increase in costs for council budgets	<ul style="list-style-type: none"> Monitor contract award values against budgets with operational managers 	Ongoing	Head of Finance (Strategy)	On target/ Ongoing
Spend	Falling rates of local business and social enterprises successfully bidding for contracts because of wider economic changes that affect capability.	<ul style="list-style-type: none"> Increase promotion of tender opportunities across a wide range of platforms Completion of gap analysis 	Year 1 (March 2022) then annual reviews. Year 2 (December 2022)	Head of Enterprise and Sustainable Development	On target/ Ongoing
Spend	Limited scope to collaborate with anchor institutions due to existing contractual commitments or lack of overlap in opportunities	<ul style="list-style-type: none"> Assess collaborative opportunities over a longer period Continue engagement with anchor institutions, including NHS 	Ongoing	Head of Finance (Transactions)	On target/ Ongoing
Building the generative economy	Low take up of business grants will limit their impact on helping to grow communities Cuts to grant support funding as consequence of budget cuts	<ul style="list-style-type: none"> Review annually. Adjust business support programmes if take-up levels are lower than anticipated 	Year 1 (March 22) then annual reviews.	Head of Enterprise and Sustainable Development	On target/ Ongoing
Building the generative economy	Regional and national organisations are not convinced to invest in Lanarkshire.	<ul style="list-style-type: none"> New inward investment officer and improved marketing materials should result in more demand and secure investment Monitor and review indicators. Take additional action if necessary. Increase investment in property and infrastructure to provide range of modern business accommodation 	Year 1 (March 2022) then annual reviews	Head of Enterprise and Sustainable Development	On target/ Ongoing
Building the generative economy	Declining numbers and higher failure rates of social enterprises are recorded in South Lanarkshire.	<ul style="list-style-type: none"> The development of a social enterprise strategy and action plan. Monitor and review indicators. Take additional action if necessary 	Year 1 (March 2022) Then annual reviews.	Head of Enterprise and Sustainable Development	On target/ Ongoing
		<ul style="list-style-type: none"> Formation of a steering group 	Year 2		On target/ Ongoing
		<ul style="list-style-type: none"> 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 	Year 1 (September 2021)		Complete
Land and Property	Town centres decline with increased numbers of neglected town centre assets, decreased footfall and reduced spend in the local economy.	<ul style="list-style-type: none"> Monitor and review indicators. Take additional action if necessary 	Year 1 (October 21) then annual reviews.	Head of Enterprise and Sustainable Development and Head of Planning and Regulatory Services	On target/ Ongoing

Pillar	Risk Description	Further actions required to control risk	Action target date	Risk Lead Officer	Status Update
Finance	Pensions – lack of interest from other councils.	<ul style="list-style-type: none"> Early engagement with neighbouring councils 	Ongoing	Head of Finance (Strategy)	On target/ Ongoing
Finance	Credit unions - Lack of cooperation from Credit Unions.	<ul style="list-style-type: none"> Named link person identified to develop Credit Union network and be first point of contact for CUs 	Year 2	Community Engagement Manager	On target/ Ongoing
Finance	Credit Unions - Lack of uptake for services offered.	<ul style="list-style-type: none"> CPP Communications Group actively promotes Credit Unions as part of their activity 	By October 2022	Community Engagement Manager	On target/ Ongoing
Finance	Spend Local – no support from local trading networks.	<ul style="list-style-type: none"> Monitor and take additional action if necessary 	Year 1 (March 2022) Then annual reviews.	Head of Planning and Economic Development	On target/ Ongoing
Finance	Events calendar – attendance at events is low.	<ul style="list-style-type: none"> Monitor and take additional action if necessary 	Year 1 (March 2022) Then annual reviews.	Head of Planning and Economic Development	On target/ Ongoing
Overarching	Failure to demonstrate improved outcomes as a result of the CWB strategy	<ul style="list-style-type: none"> Monitoring and reporting framework to be developed and delivered – quarterly reporting of action plan to CWB Commission 	n/a	Head of Communications and Strategy	Complete
Overarching	Failure to integrate CWB with strategic and operational plans	<ul style="list-style-type: none"> Complete Review of Council Plan and Community Plan which will ensure CWB integrates strategically 	n/a	Head of Communications and Strategy	Complete
Overarching	Ineffective engagement with communities as part of the CWB strategy	<ul style="list-style-type: none"> Ensure Progress Group considers engagement with communities and exploits existing links with communities to support CWB 	Year 2 (March 2023)	Head of Communications and Strategy	On target/ Ongoing
Overarching	The impact of rising energy prices, inflation and interest rates adversely impacts the delivery of the objectives of the Community Wealth Building strategy. This impact may be exacerbated by a recession.	<ul style="list-style-type: none"> To monitor the availability of support from government 	Ongoing	Head of Finance (Transactions)	On target/ Ongoing