

Report

Report to:	Education Resources Committee
Date of Meeting:	6 February 2018
Report by:	Executive Director (Education Resources)

Subject:	Update of Education Resources' Risk Register and Risk Control Plan
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide an update on the Risk Register and Risk Control actions for Education Resources

2. Recommendation(s)

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

- (1) that the contents of the Resource Risk Register be noted;
- (2) that it be noted that the outstanding Risk Control Actions will be progressed by relevant officers.

3. Background

- 3.1. The Council's Risk Management Strategy 2016 to 2019 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. Education Resources follows this guidance in developing, monitoring and updating the Resource Risk Register on an ongoing basis.
- 3.2. The purpose of the Register is to ensure that the Resource is fully aware of its top risks, that these risks are prioritised and that controls are in place to eliminate or minimise the impact of these risks.
- 3.3. The Resource scores these risks in accordance with the Council scoring mechanism based on likelihood and impact. This results in risks being scored between one and nine (low – high).
- 3.4. All risks will have an inherent score (risk if we do nothing) and a residual score (risk after applying controls).
- 3.5. The last update of the Education Resources' Risk Register was reported to the Education Resources Committee on 22 November 2016.
- 3.6. The Council's top Risk Register and Risk Control Plan has been reviewed.

- 3.7. The Central Risk Management Team review annually Resource compliance with the Council's Risk Management Strategy. The outcome of the 2016/2017 review identified that Education Resources achieved 100 % compliance, with a score of 42 out of a possible 42 areas.
- 4. Resource Risk Management Group**
- 4.1. Each Resource has a Resource Risk Management Group which has responsibility for the promotion and management of risk.
- 4.2. The Education Resources' Risk Management Group meets on a quarterly basis as part of the Education Resources' Health and Safety Joint Strategy Group.
- 4.3. The work of the group over the last year has focused on the review and update of the Resource Risk Register, and ensuring that the Register reflects the improvement planning process.
- 5. Risk Register**
- 5.1. The Resource Risk Register has now been reviewed and updated. The update takes account of risks at a Service level as well as strategic Council risks.
- 5.2. The Resource Risk Register is monitored on an ongoing basis to allow any new risks to be added and for the control measures and scores of the existing risks to be reviewed in light of any new information or developments.
- 5.3. Risks can result from internal or external influences including, for example, the impact of projected funding cuts, legislative changes or the impact of internal Service changes.
- 5.4. The development process for the Resource Plan requires a risk assessment process to be undertaken, as appropriate, resulting in some actions within the Resource Plan having a corresponding risk identified within the risk register.
- 5.5. The main changes to the risk register are summarised below:
- New risks added in respect of:
 - Potential Governance gaps in relation to Pupil Equity Funding (PEF)
 - Failure to adequately prepare for early years' expansion
 - Procurement practice fails to meet statutory requirements
 - Failure to work with key partners to achieve the outcomes of the Local Outcome Improvement Plan (LOIP)
 - Promote Positive Behaviour – in terms of increased reporting of 'violence at work' incidents ensure supports are in place to support employees and look at preventative strategies.
- 5.6. Risks scored seven to nine are considered to be high risks and these are monitored closely. Top risks identified for the Resource, i.e. those that are residually scored as being high, are attached at Appendix One.
- 5.7. A clear link has now been made to the Council's top risks. Top risk rankings and Resource specific risk implications are noted within the appendix.
- 5.8. Risks evaluated residually as being medium or low risk will be monitored to ensure that they continue to be adequately managed.

6. Insurance Hotspots

6.1. A review of claims carried out for the period 1 April 2014 to 31 September 2016 identified the following insurance hotspot areas for Education Resources:

- Claims recovery for property damage by third parties
- Water damage
- Falls from height
- Defective playground equipment

6.2. The following progress has been made with actions included in the action plan:

- Procedure in place for property damage reclaim
- Audit of water expansion valves in new schools
- Safe System of Work on working at height issued to all employees
- Procedure in place for regular playground inspection

6.3 A separate action plan has been agreed and actions to mitigate hotspot areas will be progressed over the forthcoming year.

7. **Scope and appetite for risk**

7.1. South Lanarkshire Council aims to be risk embracing, that is it will accept a tolerable level of risk in seeking service efficiencies and in agreeing control measures.

7.2. 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.

7.3. South Lanarkshire Council's ideal risk exposure should be consistent with an acceptable tolerance of:

- No more than 20 per cent of residual risks at a high level
- Around 40 per cent to 50 per cent of residual risks at a medium level
- Around 30 per cent to 40 per cent of residual risks at a low level

7.4. Education Resources risk exposure is detailed in Table 1 below:

Table 1 – Education Resources' Risk Exposure

Residual risk score	Number of risks	Percentage of risks
High (7, 8 or 9)	4	22%
Medium (4, 5, or 6)	6	33%
Low (1, 2, or 3)	8	45%
	18	100%

7.5. Table 1 shows that Education Resources' risk exposure is broadly in line with the ideal profile outlined in para 7.3 above.

7.6. Education Resources has ensured that all inherent risks scored at a high level have cost effective control measures in place. Where further control measures are required, these are included within the Resource risk control plan.

8. Risk Control Actions

- 8.1. All risk control actions due for delivery between April and September 2017 have been completed on time.
- 8.2. Progress with completion of Resource Risk Control Actions is monitored on a monthly basis by the Central Risk Management team. This is also reviewed by the Resource Risk Group.
- 8.3. Any outstanding actions to mitigate risks within the Risk Control Plan will be progressed by the relevant officers.

9. Major projects, partnerships or change

- 9.1. Within Education Resources, five major partnerships have been identified (schools' modernisation primary programme, schools' modernisation secondary programme, Strathclyde Partnership for Transport, RM provision of managed ICT services and Early Years' Partner Provider framework). Mainly due to the high level of finance, all are considered to have a high inherent risk but robust control measures mean all have been assessed as having a low residual risk.
- 9.2. Appropriate risk management arrangements are in place for the high level partnerships.

10. Next steps

- 10.1. The Resource Risk Management Group will continue to meet on a quarterly basis. The risk register will be reviewed on an ongoing basis by the group to ensure that risks remain valid for the appropriate Service areas and to identify new areas of risk that affect the Resource. An update report will be provided to Committee on an annual basis.

11. Employee Implications

- 11.1. Time will be required by the Resource Risk Management Group in the management of the Resource Risk Register and Risk Control Plan.

12. Financial Implications

- 12.1. During the year, if any new initiatives are identified which would help mitigate any particular risk faced by the Resource, some financial assistance may be sought from the Risk Management Fund. This is managed through a bid being submitted and assessed against set criteria.

13. Other Implications

- 13.1. Failure to demonstrate that risk is actively considered and managed may lead to avoidable financial loss, but could also affect the delivery of services and affect the public reputation and credibility of the Resource.
- 13.2. There are no implications for sustainability in terms of the information contained in this report.

14. Equality Impact Assessment and Consultation Arrangements

- 14.1. This report does not introduce a new policy, function or strategy or recommend a change to existing policy, function or strategy and therefore, no impact assessment is required.

14.2. Consultation on the content of this report has been undertaken with members of the Education Resources Risk Management Group.

Tony McDaid
Executive Director (Education Resources)

15 January 2018

Link(s) to Council Values/Ambitions/Objectives

- Accountable, effective, efficient and transparent
- Ensure schools and other places of learning are inspirational

Previous Reference

- Education Resources Committee – 22 November 2016

List of Background Papers

- Risk Register

Contact for Further Information

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

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Appendix One

Education Resources Risk Register (as at September 2017) Extract of risks with residual score seven, eight and nine

Risk	Inherent score	Sample of controls	Residual score
<p>Reduction in Council funding, resulting in difficulties maintaining front line services (Council Top Risk)</p> <ul style="list-style-type: none"> • Reduced scope for efficiency savings • Increased risk to the delivery of core functions • Restricted ability to manage necessary change 	9	<ul style="list-style-type: none"> • Embedded structure and systematic approach to savings identification • Robust processes in place to ensure effective partnership working with Finance Services • Comprehensive Asset Management Planning procedures • Impact of rising inflationary pressures mitigated within PPP contracts 	8
<p>Failure to maintain the required pupil/teacher ratio (Council Top Risk)</p> <ul style="list-style-type: none"> • Potentially inadequate numbers of teachers recruited to meet increased pupil numbers. • Increased difficulty providing absence cover • Possible financial penalty and risk to the Council's reputation 	9	<ul style="list-style-type: none"> • Embedded structure and systematic approach to planning for increases in pupil numbers • Robust processes in place to ensure effective partnership working with Headteachers, Support Services, Quality Improvement Officers and Personnel Services • Good governance arrangements around class configuration to ensure the effective and efficient deployment of teachers • Ongoing review of recruitment procedures for class teachers taking account of national initiatives including Governance Review 	8
<p>Lack of capacity and skills to meet increased service demands (Council Top Risk)</p> <ul style="list-style-type: none"> • Reduced levels of staffing and employee development • Reductions in appropriately trained employees leading to poor performance, ineffective change management, reduced levels of provision, establishment closures, unsafe working 	9	<ul style="list-style-type: none"> • Resource Learning and Development Board adopts an extensive and consistent framework for employee development across all sectors via a comprehensive Learning and Development Plan • Workforce and succession planning takes account of the need to promote leadership 	7

Risk	Inherent score	Sample of controls	Residual score
practices, low morale and stress.		at all levels <ul style="list-style-type: none"> • An embedded and well established programme of self-evaluation is in place across all establishments • Extensive and effective partnership working with trade union colleagues through a range of formal and informal mechanisms. • The Resource works closely with corporate lead officers in relation to Health, Safety and Wellbeing • A Resource Stress Action Plan 	
Failure to work with key partners to achieve the outcomes of the Local Outcome Improvement Plan (Council Top Risk) <ul style="list-style-type: none"> • Residents in identified data zones and rural communities not receiving any improvements including education. • Lack of positive outcomes results in increased pressure on existing services and Partner services. • Damage to the Council's reputation 	9	<ul style="list-style-type: none"> • Educational outcomes are monitored continuously at primary and secondary levels and actions are taken by Curriculum and Quality Improvement Service to address any emerging issue within individual establishments. Attainment levels are progressing across both the primary and secondary sectors. • Schools and establishments are working to take forward priorities within the National Improvement Framework to raise attainment in literacy and numeracy, close the equity gap and provide more positive destinations. The HGIOS4 toolkit has been provided to all establishments to support self-evaluation and improve outcomes for learners. • A range of partnership arrangements with parents/carers and other stakeholders. • A Parental Involvement Strategy and Communication and Consultation Policy providing opportunities for parents/carers to become more involved in their child's learning. 	7

Risk	Inherent score	Sample of controls	Residual score
		<ul style="list-style-type: none"> Strong engagement with the LOIP process (Community Planning / SOA). Links to Neighbourhood/Locality Plans / Rural Taskforce. 	