

# Report

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Report to:	<b>Enterprise Services Committee</b>
Date of Meeting:	<b>30 October 2012</b>
Report by:	<b>Executive Director (Community and Enterprise Resources)</b>

Subject:	<b>Annual Update on Resource Risk Register and Risk Control Plan</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ provide an update on risk Management activity for the Resource following the merger in January 2012
- ♦ provide details of the system and controls in place within the Resource to control and minimise risks
- ♦ provide details of Community and Enterprise Resources top risks

## 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 follows 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 Register

- 4.1. The Resource Risk Management Group has responsibility for the promotion and management of risk and each service is represented on the group by a senior manager. The group is chaired by the Support Manager who acts as the Resource Risk Sponsor. The Resource Risk Register is monitored on an ongoing basis by the

group 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. The Risk Register is maintained within the Corporate Risk Management system, Figtree.

- 4.2. 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.
- 4.3. 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.
- 4.4. The central Risk Management section provides regular reports on the number and cost of insurance claims made to the council. This information is analysed and insurance hotspots are reported to Resource Risk Sponsors.

A recent external review of hotspots carried out by the Councils insurers Gallagher Bassett identified the following areas as hotspots for Community and Enterprise:

- Motor Claims - Multiple collisions, reversing collisions
- Property claims – break ins/thefts
- Employer liability claims

It should be noted that public liability claims have been removed as an insurance hotspot for the Resource. This is a result of independent checks now being carried out on public liability claims to ensure that repairs have been undertaken or that the area of road or footpath has been included in future programmes of work.

Various actions, control measures/initiatives for each of the hotspots are included within the risk register.

- 4.5. The Resource partnership register contains details of 22 partnership arrangements and all 22 partnerships have been assessed in accordance with the guidance and have been included in the Resource Risk Register. The following 3 partnerships scored high –
  - Clyde Gateway Partnership
  - Community Regeneration Partnership
  - Strathclyde Partnership Transport (SPT)

A full risk assessment is required for the partnerships that scored high where the Council is the lead partner and of the three listed above only one falls into this category, namely the Community Regeneration Partnership. It should be noted that this partnership is a sub-partnerships of the overarching Community Planning Partnership for which a full risk assessment was completed. The Council is not the lead partner for the Clyde Gateway Partnership, or SPT however, assurance has been sought that rigorous risk assessments have been carried out. The remaining 19 Resource partnerships all scored low and the risk registers for these projects will continue to be monitored by service lead officers.

- 4.6. Risks scored 7 – 9 are considered high risks and these are monitored closely. Appendix 1 lists the top risks detailed on the Resource Risk Register with a residual score of 7 – 9.
- 4.7. Additionally the Council holds a register of 27 Council wide top risks, currently Community and Enterprise are the lead Resource for three of these top risks ie;
- Climate change and adverse weather
  - Business continuity not complete or robust
  - Tough carbon reduction and sustainability targets.

Climate change has been identified as a Resource top risk and is included in appendix 1. Business continuity and carbon reduction/sustainability however are not considered high risk within the Resource due to the current control measures in place and are not included in the list of Resource top risks.

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. This risk has been identified as one of the Councils top risks and the Resource has joint responsibility with Finance and Corporate Resources for the management of this risk.

#### Planning and Building Standards

- Reduction in income from Planning/Building Standards applications.

#### Regeneration

- Reduced funding resulting in the removal/reduction in availability, range and quality of business support, employability and training infrastructure and physical regeneration programmes.

#### Facilities, Fleet and Grounds

- Unavailability of fuel due to failure to maintain sufficient stocks/tank burst etc

#### Waste and Environmental

- Failure to achieve income targets for refuse collection/bulky uplifts etc.

### **5. Next Steps**

- 5.1. The Resource Risk Group will continue to review and update the Risk Register and Risk Action Log on an ongoing basis. An update report will be provided to members on an annual basis.

### **6. Employee Implications**

- 6.1. None.

### **7. Financial Implications**

- 7.1. The Resource has secured £40k from the Central Risk Management Fund following four successful risk initiative bids.

- 7.2. There are no other financial implications related to the management of Resource risks other than employee time.

**8. Other Implications**

- 8.1. There are no implications for sustainability in terms of the information contained in this report.
- 8.2. Failure to properly manage and raise awareness of the key risks could have a negative impact on future service delivery.
- 8.3. Failure to adequately control some risks could result in financial loss.

**9. Equality Impact Assessment and Consultation Arrangements**

- 9.1. 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.
- 9.2. There was no requirement to undertake any consultation in terms of the information contained within this report

**Colin McDowall**

**Executive Director (Community and Enterprise Resources)**

5 October 2012

**Link(s) to Council Objectives/Values/Improvement Themes**

- Value: Governance under effective and efficient use of resources.

**Previous References**

- Enterprise Resources Committee – February 2012

**List of Background Papers**

- Resource risk register

**Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:- Linda Burnett, Support Services Manager

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## Appendix 1

### Community and Enterprise Resources – Top Risks

Risk Description	Inherent Risk Score	Control Measures	Residual Risk Score
Reduction in income from Planning & Building Standards applications	9	Regular monitoring of income v budget projections Ongoing review of filling of staff vacancies and control of general spending	9
Failure to achieve income target for refuse collections/ bulky uplifts etc	9	1) Council targets for net cost of refuse collection/disposal per premise set and closely monitored at regular finance meetings 2) Service changes to reflect reduced demand for uplift service implemented.	8
Failure to maintain sufficient fuel stocks due to fuel shortages/tank bursts etc	9	Contingency plan developed	8
Climate change/adverse weather	9	1)Dedicated flood prevention officer & team 2)Local weather forecast contract & severe weather warning alerts extended to May 2014 3)General Met Office alerts to Contingency Planning Officers 4)Annual reviews of winter/flooding procedures 5) SEPA flood warnings & ad hoc test exercises 6)24hr control centre 7)Increased salt stocks (35k tonnes) 8)Proactive pothole inspection/repairs	7
Reduced funding resulting in the removal / reduction in availability, range, and quality of business support, employability and training, infrastructure and physical regeneration programmes	9	Monitor effects and outcomes of programmes to enable future prioritisation dependant on budget availability	7
Increase in Employer Liability Claims	9	Central register of all accidents maintained and closely monitored, remedial actions identified and closely monitored. Safe systems of work reviewed following accidents.	7
Increasing cost of motor claims as a result of driving collisions by C&E employees	9	Occupational Road Risk Policy implemented. Procedures in place to monitor all accidents. Formal investigatory meetings held with Operatives, disciplinary action taken where necessary including allocation of points for “at fault” accidents. Where appropriate additional driver training considered.	7
Detrimental impact on service delivery due to failure to	9	Resource accepts risk due to restricted IT resources. IT service plan closely	7

<b>Risk Description</b>	<b>Inherent Risk Score</b>	<b>Control Measures</b>	<b>Residual Risk Score</b>
deliver IT projects as a result of insufficient IT resources.		monitored and progress reports issued to the IT Strategy Group/ICT Board on a regular basis	
Failure to agree and implement derelict/contaminated land programme	9	Increased in house expertise gained when addressing contaminated land problems. Work ongoing on a Council contaminated land strategy	7
Detrimental impact on service delivery due to failure to comply with Operators license. (Fleet compliance)	9	Drivers daily vehicle checks carried out. Safety flash and tool box talks given by all depot managers/ supervisors supported by TU safety reps highlighting implications for individuals of non-compliance with fleet procedures. Spot checks on fleet are undertaken by depot managers/supervisors and TU safety rep. Regular Weighbridge checks are carried out.	7
Damage to plant and equipment by Operatives resulting in increased repair costs.	9	Operatives causing damage to plant and equipment will be subject to disciplinary proceedings.	7
Increasing cost of property claims arising from damage or loss property as a result of break in/theft	8	1) Actions highlighted by Security Manager following survey of properties implemented eg: CCTV. 2) Incidences of plant theft reviewed to identify lessons learned.	8
Failure to achieve economic development objectives in supporting the local economy in particular SME's in the procurement process	8	Promote and further develop the Supplier Development Programme in conjunction with the Procurement service	7
Inaccessibility to electronic data due to system failure resulting in service delays due to officer downtime.	8	1)Pre prod environment now available 2)weekly back ups of full live environment carried out by IT 3)Business continuity plan developed.	7