SOUTH LANARKSHIRE COUNCIL

Report

Report to:	**Education Resources Committee**
Date of Meeting:	**10 December 2019**
Report by:	**Executive Director (Education Resources)**

Subject:	**Education Resources - Risk Register and Risk Control Plan**

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; and

(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 promotes consideration of risk in service delivery, planning and decision making processes. The strategy requires Resources to record and review risks and control actions. Education Resources follows this guidance in developing, monitoring and updating a 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 their impacts.

3.3. The Resource scores these risks in accordance with the Council approach 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 19 February 2019.

3.6. The Council's top Risk Register and Risk Control plan has been reviewed. This work was completed in October 2019.

3.7. The Central Risk Management Team reviews Resource compliance annually in accordance with the Council's Risk Management Strategy. The 2018/2019 review concluded 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 on ensuring that the Register reflects the improvement planning process.

5.   Risk Register

5.1.   The Resource Risk Register has now been reviewed and updated for 2019/2020. The update takes account of risks at a Service level as well as strategic Council risks.

5.2.   The Resource Risk Register will be 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, legislative changes, outcomes from internal Service changes and funding cuts, as well as assessing the impact of delivery of national and local priorities.

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.   Whilst risk content remains consistent with 2018/2019, some important changes to the Risk Register have been made:

- ♦   risk scoring has been increased in relation to the impacts of a 'no deal Brexit' within Education
- ♦   consideration has been given to the risks associated with decommissioning of a range of SEEMiS supported IT functions by 2021
- ♦   consideration has been given to the risks associated with progressing the national agenda on Empowerment
- ♦   the continuation of potential risks associated with delivery on early learning and childcare (1,140hrs)

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 1.

5.7.   A clear link has 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 from the previous year identified the following insurance hotspot areas for Education Resources:-

- ♦ slips, trips and falls
- ♦ falls from height

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

- ♦ Safe System of Work on working at height issued to all employees
- ♦ mandatory training on step stools and step ladders
- ♦ mandatory training on manual handling
- ♦ the development of Health and Safety and Mandatory training matrices for all employees

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 the table below:-

Education Resources Risk Exposure

Residual risk score	Number of risks	Percentage of risks
High (7, 8 or 9)	4	21
Medium (4, 5, or 6)	9	47
Low (1, 2, or 3)	6	32
	19	100

7.5. The table above shows that Education Resources' risk exposure is in line with the ideal profile outlined 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 in 2019/2020 are on target for completion.

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/early years' expansion 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 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 available from the Risk Management Fund. This is managed through a bid being submitted and assessed against set criteria.

13.   Other Implications (Including Environmental and Risk Issues)
13.1. Failure to demonstrate that risk is actively considered and managed can not only lead to avoidable financial loss but could also affect delivery of services and could affect the Resource reputation.

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)

19 November 2019

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

List of Background Papers
♦   Education Resources Committee – 19 February 2019

Contact for Further Information
If you would like to inspect the background papers or want further information, please contact:-
Lynn Sherry, Head of Education (Support Services and School Estate)
Ext: 5620 (Tel: 01698 455620)
E-mail: lynn.sherry@southlanarkshire.gov.uk

Appendix One

Education Resources Risk Register 2019/2020
Extract of risks with residual score seven, eight and nine

Risk Description	Inherent Risk Score	Sample Controls	Residual Risk Score	Service
Reduction in available funding and income. The financial pressures placed on budgets and the impact of efficiency measures places a risk on the delivery of core services. **(Council Top Risk)**	9	Continuous financial monitoring will take place in line with good governance arrangements. Planned regular meetings with Corporate Finance will assist in reviewing, monitoring and identifying further solutions and help ensure a balanced budget. Senior Officers have contributed to Corporate Services efficiency groups and the Resource is represented on the Corporate Procurement Group. A number of review groups have been established within the Resource to look at more effective service delivery models in light of budget reductions. Estimated inflationary levels for employee pay award and PPP contracts, the two largest areas of spend, are built into the Council's annual budget.	8	All

Risk Description	Inherent Risk Score	Sample Controls	Residual Risk Score	Service
Failure to adequately prepare for national expansion in early years education and childcare provision The Scottish Government is committed to increasing the Early Learning and Childcare (ELC) entitlement to 1140 hours for all 3 and 4 year olds in addition to eligible 2 year olds (based on FME) by August 2020. This represents a significant expansion of services within the Council requiring considerable capital and revenue resources. The Council is likely to face challenges in acquiring the necessary physical assets and staffing levels. A failure to meet these levels could affect both quality and availability of services for service users in South Lanarkshire. **(Council Top Risk)**	9	Consultations with parents under 'Together we can, and we will' completed. Review of estimate numbers of children and existing accommodation undertaken. Requirements of major extensions and new builds identified and approved at Executive Committee. Likely additional funding levels identified. Workforce planning underway including apprenticeships and on-going recruitment campaigns under the staged phases of rollout of 1140 hours nursery provision. 350 FTE additional staff employed to date. Discussions ongoing with partner providers including those in relation the availability of places within their establishments, confirmation on the rate of pay per nursery place, introduction of new procurement procedures and quality standards required. Discussions with the Scottish Government and COSLA continue on the level of funding provided.	8	Early Years, School Estate

Risk Description	Inherent Risk Score	Sample Controls	Residual Risk Score	Service
The Council is significantly affected by the impact of the UK leaving the European Union Failure to agree a deal could have significant impacts on: • Funding and Finance • Workforce and employment • Procurement • Legislation A "no-deal Brexit" could place additional demand on services due to reduced growth, higher unemployment, inflationary and other budget pressures, supply chain interruption, customs and regulatory issues. **(Council Top Risk)**	9	Education Resources works closely with Finance and Corporate Resources on an ongoing basis to assess the impacts of Brexit on the council's financial and workforce planning strategies including those in relation to procurement and recruitment. The Resource works closely with Heads of Establishment to maximise the additional funding made available from the Scottish Government to tackle the poverty related attainment gap.	8	All
Failure to meet commitments to meet teacher numbers and pupil/teacher ratios The Scottish Government and the Council has made a commitment to protect teacher numbers and the pupil: teacher ratio. An estimated increase in pupil numbers for session 2019 and potentially inadequate numbers of teachers across the national education system may pose a threat in meeting the numbers required and maintaining the existing ratio. This could result in possible financial penalty and increasing reputational risk, as well as disruption to service delivery. **(Council Top Risk)**	9	Planning for projected increases in pupil numbers is ongoing. Regular workforce monitoring meetings take place, chaired by the Executive Director, to give early consideration to teacher staffing requirements and effective recruitment methods. An evaluation of staff absence and impending cover requirements are also considered.	7	Education/ Finance/ Personnel