

Report

19

Report to:	Enterprise Resources Committee
Date of Meeting:	15 February 2012
Report by:	Executive Director (Community and Enterprise Resources)

Subject:	Annual Update on Resource Risk Register and Risk Control Plan
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide details of the system and controls in place within the Resource to control and minimise risks
- ◆ provide details of Enterprise Resources' current risk register

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. Enterprise Resources follows the 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).
- 3.5. The Audit and Improvement Service annually review Resource compliance with the Risk Management Strategy. The outcome report from the 2010/11 review identified that Enterprise Resources had performed well scoring 33 out of a possible 36.

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 or legislative changes which are out with the Resources control or the impact of internal service changes which are within the control of the Resource.
- 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. 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.

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 Planning/Building Standards income

Regeneration

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

- 4.5. It should be noted that the top risks for the Roads and Transportation Service and Planning and Building Standards Service remain the same as the previous year.
- 4.6. The Resource partnership register contains details of 18 partnership arrangements which have all been fully risk assessed in accordance with the guidance and have been included in the Resource Risk Register.

5. Risk Control Initiatives

- 5.1. An external review on insurance hotspots was carried out by Gallagher Basset, the Councils insurance provider to ensure Resources had made progress in the agreed actions to address identified hotspots. The hotspots identified during 2010/11 for Enterprise were:

- Public Liability Claims - damage or injury due to potholes or slip, trip, fall.
- Motor Claims - Multiple collisions, reversing collisions

The outcome of the review noted that considerable effort has been made by the Resource to reduce the risks and that all actions had been completed. The report recommended that adhoc checks continue to be 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.

- 5.2. In April 2011, Gallagher Bassett carried out a review of the procedures in place to inspect footpaths within the remit of the Council. The report detailing the findings noted that the Roads and Transportation Service have a structured and detailed approach to the inspection and repair of footpaths and recommended that many of the practices in place should be adopted by the other Resources. The report also highlighted that the Roads and Transportation Service is gradually increasing its ability to successfully defend claims submitted. Over the last 4 years the percentage of claims repudiated has increased from 62% to 82%.

6. Next Steps

- 6.1. The Resource Risk Group will continue to review and update the risk register and risk action log on an ongoing basis and will continue to work proactively to ensure hotspots are identified and addressed. An update report will continue to be provided to members on an annual basis.

7. Employee Implications

- 7.1. Time will be required by the Resource Risk Group in the management of the Resource risk register and control plan.

8. Financial Implications

- 8.1. Bids for funding from the central Risk Management fund associated with the implementation of risk initiatives are considered by central risk management. The Roads and Transportation Service was successful in obtaining £600 from the fund in May 2011 to purchase a training DVD on safety at road works to help prevent injury to Roads Operatives and members of the public.

9. Other Implications

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

10. Equality Impact Assessment and Consultation Arrangements

- 10.1. 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.
- 10.2. 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)

12 January 2012

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

❖ Value: Governance under effective and efficient use of Resources

Previous References

❖ Enterprise Resources Committee - 2 February 2011.

List of Background Papers

❖ None

Contact for Further Information

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

Risk Description	Inherent Risk Score	Control Measures	Residual Risk Score
Reduction in income from Planning and Building Standards applications (Council Top Risk)	9	Regular monitoring of planning income –v- budget projections. Ongoing review of filling of staff vacancies and control of general spending.	9
Climate change/adverse weather (Council Top Risk)	9	1)Dedicated flood prevention officer and team 2)Local weather forecast contract and 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 and ad hoc test exercises 6)24hr control centre 7)Increased salt stocks (30k tonnes) 8)Proactive pothole inspection/repairs	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
Failure to implement IT action plan	9	I.T service plan closely monitored and progress reports issued to the Resource's Management Team on a regular basis.	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
Reduced funding resulting in the removal / reduction in availability, range, and quality of business support, employability and training, infrastructure and physical regeneration programmes (Council Top Risk)	9	Monitor effects and outcomes of programmes to enable future prioritisation dependant on budget availability	7
Failure to manage the road network efficiently resulting in increasing costs for public liability claims for slip/trip/fall etc	9	Public liability claims hotspots monitored. Quarterly reports submitted to RandT Management detailing claims received and remedial works instructed. £126m Roads Investment Programme ongoing to improve road network	7

Risk Description	Inherent Risk Score	Control Measures	Residual Risk Score
Failure to adequately plan for Business Continuity/ Emergency Planning	8	Resource contingency plan and operational working practices in place. Business Continuity plans for priority 1 functions and EDRMS completed.	7
Information Security - Publication of documents to the Planning Portal containing information not for public consumption	8	Ongoing data quality checks of information published to the portal carried out	7
Inaccessibility to electronic data due to system failure	8	Pre prod environment now available. Weekly back ups of full live environment carried out by IT. Business Continuity plan developed.	7
Failure to achieve the economic development objectives of supporting the local economy, in particular, assisting and sustaining SME's in the procurement process	8	Promote and further develop the Supplier Development Programme in conjunction with the procurement service	7