Report

Report to:	**Community Resources**
Date of Meeting:	**17 January 2011**
Report by:	**Executive Director (Community Resources)**

Subject:	**Resource Risk Management**

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 Community Resources' current risk register

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

   (1) that the systems and controls in place to monitor risks within the Resource be noted.

3. Background
3.1. Community Resources follow the Council guidance in developing, monitoring and updating the risk control register on an ongoing basis.

3.2. The purpose of this register is to ensure that the Resource is fully aware of the main risks that it has, is able to prioritise these risks and can put controls in place to eliminate or minimise the impact of the risk.

3.3. The Resource scores their risks in accordance with the Council scoring mechanism which scores risks based on likelihood and impact of risk. This results in the risk 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. Development of the 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 Finance Manager who also acts as the Resource Risk Sponsor.

4.2. The Risk Register is developed and maintained on an ongoing basis to add new risks and to review the scores of existing risks in light of new information.

4.3. Risks can be a result of internal or external influences with examples being the impact of projected funding cuts, legislative changes which are outwith our control or the impact of internal service provision changes which would be within the control of the Resource.

4.4. The Risk Register is maintained within the Internal Audit's Figtree computer system and is updated by designated officers within Community Resources.

4.5. The development process for the Resource Plan and specific Service Plans has the main impact on the Resource Risk Register and all actions in the Resource/Service Plans should have a corresponding risk within the Risk Register. The approach for this year combines the process of identifying risks from the service plans together with identifying wider risks faced by the services.

4.6. The risk register is contained in Appendix 1 outlining the main risks to the Resource, the controls in place and the risk score. The top five risks identified in the risk register are:

1. Lack of key staff/personnel
2. Lack of specialist and suitably qualified staff
3. Loss of income from bulky uplifts
4. Loss of income from care of gardens
5. Failure of IT systems

4.7. The Resource will continue to monitor the risk register throughout the year and will implement further controls if considered necessary.

5. Employee Implications
5.1. None

6. Financial Implications
6.1. None

7. Other Implications
7.1. There are no implications for sustainability or risk in terms of the information contained in this report.

8. Equality Impact Assessment and Consultation Arrangements
8.1. This report does not introduce a new policy, function or strategy or recommend change to an existing policy, function or strategy, and therefore, no impact assessment is required.

8.2. There was no requirement to undertake any consultation in terms of the information contained in this report.

Norrie Anderson
Executive Director (Community Resources)

7 December 2011

Link(s) to Council Objectives/ Values/Improvement Themes
♦ Accountable, effective and efficient

Previous References

♦   Community Resources Committee 7 December 2010

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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Community Resources Risk Register

Appendix 1

Desc. of Risk(s)	Controls	Inherent Risk Score	Further Controls (if IR >6)	Residual Risk Score
Income target is not achieved due to poor take up of new bulky uplift service	1. Monthly monitoring of expenditure against targets	9	1. Reduction in overtime costs. 2. Reduction in disposal costs. 3. Seek alternative funding.	7
Increase in the rate of disposal costs	1. Monthly monitoring of expenditure against targets and take appropriate action to reduce costs elsewhere within the Service	8	1. Monthly monitoring of expenditure against targets and take appropriate action to reduce costs elsewhere within the Service	6
Landfill tax costs continue to increase.	1. Monthly monitoring of expenditure against targets.	8	Identification of funding gap and appropriate action to secure additional funding	6
Loss of income from care of Garden Scheme	1. Monthly monitoring of expenditure against targets	8	1. Seek alternative funding. 2. Reduce costs	6
Availability of specialist and suitably qualified staff due to lack of graduates coming through universities	1. Terms & Conditions 2. Council Policies (equal ops, exit interviews, etc.) 3. Recruitment Policy	7	1. Staff Training 2. Succession Planning	5
Failure of IT systems resulting in loss of data/information	1. Manual back up. 2. Support agreement with supplier.	7	1. Continuity Plan 2. Alternative Technologies	5
Lack of key staff/personnel as a result of staff leaving the Council and not being replaced	1. Staff development and training. 2. Re-align/prioritise resources 3. Service continuity plans and staff training 4. Trend analysis - exit interviews 5. Contingency arrangements 6. Written procedures for all jobs	7	1) Recruitment policy/staff training. 2. Partnership working with unions 3. Multi skilling/tasking	5
Vehicle replacement programme is not adhered to causing service disruption	1. Procurement framework in place for vehicles	7	1. Procurement framework in place for vehicles	4
Council does not communicate effectively to the public the change in policy/systems for collections	1.Creation & monitoring of communication action plan. 2.Effective Communication strategy	7	1. Use of Council intranet /web facilities. 2. Local media campaigns. 3. Promotion of general waste awareness.	2
Public fail to support Council's policy to develop mechanisms for the recycling and composting of municipal waste in order to achieve the Scottish Government's waste targets	1. Development of appropriate strategy (i.e. Waste management strategy). 2. Effective financial & service planning. 3. Work in partnership with internal/external partners. 4. Explore new areas of funding. 5. Develop a pilot scheme before a full roll out.	5	N/A	5
Failure to operate within Revenue budgets to provide quality front line services due to reduction in funding	1. Effective financial planning	5	N/A	5
Organisational failure of the Trust - Arms length external organisation (ALEO)	1. Preparation of performance reports. 2.Preparation of business and marketing plans. 3.Internal/External audit scrutiny. 4.Preparation of annual accounts 5.SLA with the Council. 6. Creation of reserve balance 7. Transfer and funding agreement 8. Committee approval for business plan	4	N/A	4
Poor customer relations resulting in failure to properly communicate corporate plans, performance and service standards.	1. Published strategies and performance measures	3	N/A	3
Loss of income from various services provided by Community Resources due to economic downturn	1. Effective marketing strategy.	3	N/A	3
Loss of contractor/supplier (e.g. used for the disposal of waste or food suppliers)	1.Back up provision for alternative suppliers. 2. Procurement strategy 3. Identification of alternative contractor	2	N/A	2
Failure to understand legislative requirements	1. Staff training & research 2. Publication of Council policies	2	N/A	2
Project does not come in on budget.	1. Budget Scrutiny 2. Financial training.	2	N/A	2