Report

Report to:	**Executive Committee**
Date of Meeting:	**8 June 2011**
Report by:	**Chief Executive**

Subject:	**Review of Council's Top Risks**

1. Purpose of Report

1.1. The purpose of the report is to:-

♦ report the current position for existing top risk control measures
♦ request approval of the proposed corporate risk register
♦ advise on the next steps to be taken in order to mitigate the Council's top risks

2. Recommendation(s)

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

(1) that the performance level of 75 per cent in delivering control over the existing Council's top risks be noted;
(2) that adoption of the Corporate Risk Register in Appendix One be approved
(3) that the future steps proposed for monitoring the Council's top risks be noted.

3. Background

3.1. Managing risk is an important governance activity and one of the key requirements of Best Value 2 is that the Council can demonstrate that risk is being actively considered and managed.

3.2. The Council's top risk register was last updated and approved in June 2009. Further progress reports have been presented on mitigating actions agreed for the management of top risks.

3.3. The Council's top risks require to be updated on a regular basis. The top risk register has recently been updated to take account of the views of Executive Directors and elected members, using online surveys and awareness seminars.

4. Current position – existing risk control measures

4.1. Lead officers have been progressing mitigating actions which were identified for the risks in the Council - wide risk register approved in 2009. The Committee is asked to note that more than 75 per cent of planned actions are now complete. This compares favourably against a target of 60 per cent.

4.2. The following significant areas of risk control work have been completed:
▪ Energy and Carbon Management Strategies completed by Housing and Technical Resources.
▪ Social Work Resources have prepared a detailed service profile based on demographic projections.

- Work undertaken with SEPA over the past year to agree those areas within South Lanarkshire which will be able to receive flood warnings directly. Procedures revised to take account of this new facility.
- Inclusion of risk analysis within savings exercise.

4.3.   A little slippage has occurred in preparing a flood response plan for the River Clyde and in defining a Contracts Management Strategy. Both have been affected by reviews being undertaken in both service areas. Actions will be carried forward.

5.   Updated Risk Register
5.1.   A copy of the proposed Risk Register is attached at Appendix One. The Committee is asked to adopt the Register as an accurate reflection of the top risks currently facing the Council.

5.2.   Five risks from the previous top 10 remain in this year's register. These are mainly the financial and efficiency related risks and "reduced funding and savings difficulty" remains the top risk.

5.3.   The main changes from the last top Risk Register include:
- Shortage of social housing is now the second top Council risk (previously ranked 23)
- An increase in anti social behaviour (previously ranked 28, now 7)
- Effects of new legislation including health and safety (previously ranked 18, now 8)
- Business continuity not complete or robust (previously ranked 19, now 10)
- One notable risk that has fallen out of the last top 10 is death, neglect or injury to vulnerable clients (previously ranked 7, now 17)
- The new risk of slow procurement compliance is ranked 5.

6.   Next steps
6.1.   The central Risk Management team will work with lead officers for all top risks to ensure that controls are identified and that adequate mitigating actions are put in place. Overall monitoring will be incorporated into the risk management work plan for 2011/12 to ensure that work in these areas continues to be progressed.

7.   Employee Implications
7.1.   Mitigation of top risks is the responsibility of nominated lead officers. It is anticipated, however, that much of this type of work will already be underway.

8.   Financial Implications
8.1.   If any new initiatives need to be put in place to mitigate any particular risk, some financial help may be available from the risk management allocation within the self insurance fund. A bidding process is in place.

9.   Other Implications
9.1.   Failure to continue to raise the profile of risk management could be identified in the follow-up work related to BV2 and could affect the Council's reputation.

9.2.   Failure to demonstrate that risk is actively considered and managed can not only lead to avoidable financial loss but could adversely affect delivery of services.

9.3.   If risk management is not embedded within the organisation, this could lead to compliance issues being flagged up by external auditors.

9.4.	There are no significant implications in relation to sustainability associated with the recommendations contained in this report.

**10.	Equality Impact Assessment and Consultation Arrangements**
10.1.	The Risk Management Strategy has been subject to an equalities impact assessment with no issues arising. Full consultation has taken place with Executive Directors, and Elected Members who attended the recent risk management training seminar. All Committee Chairs were also afforded the opportunity to input to the above review.

10.2.	The approved Corporate Risk Register is also being shared with the Joint Trades Union Council.

Archibald Strang
Chief Executive

3 May 2011

Link(s) to Council Values/Improvement Themes/Objectives
♦ High standards of Risk Management

Previous References
♦ Report to Executive Committee – Control of top Council wide risks 2009/10 10 February 2010

List of Background Papers
♦ Spreadsheet showing analysis of survey results
♦ SLC Top Risks – Risk Control Plan

Contact for Further Information
If you would like to inspect the background papers or want further information, please contact:-
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SLC Corporate Risk Register April 2011

Risk	Link to Connect	Final ranking
Reduced funding and savings difficulty	Effective and efficient use of resources (Priority)	**1**
Shortage of social housing	improve quality access and availability of housing (Priority)	**2**
Damage to reputation caused by change/efficiencies	Effective and efficient use of resources (Priority)	**3**
Reduction in income generated by the Council	Effective and efficient use of resources (Priority)	**4**
Slow procurement compliance	Performance management and improvement (Priority)	**5**
Equal pay claims	Excellent employer (Value)	**6**
Increase in anti social behaviour	Improve community safety (Objective)	**7**
Effects of new legislation including Health and Safety and Benefits	Governance and accountability (Improvement theme)	**8**
Employee relations affected by budget cuts	Partnership working, community leadership and engagement (Priority)	**9**
Business continuity not complete or robust	Performance management and improvement (Priority)	**10**
Climate change and adverse weather	Sustainable development (Priority)	**11**
Tough carbon reduction and sustainability targets	Sustainable development (Priority)	**12**
Fraud, theft and organised crime	Governance and Accountability (Improvement theme)	**13**
IT failures due to lack of development investment and support funding	Effective and efficient use of resources (Priority)	**14**
Poor contracts management	Working with and respecting others (Value)	**15**
Supplier stability (supply chain risk on contracts)	Performance management and improvement (Priority)	**16**
Death, neglect, or injury to vulnerable client	Improve lives of vulnerable children, young people and adults (Objective)	**17**
Long term planning doesn't inform financial strategy	Performance management and improvement (Priority)	**18**
Reduction in political consensus	Partnership working, community leadership and engagement (Priority)	**19**
Governance gaps	Governance and accountability (Improvement theme)	**20**
Under developed techniques for costing of services and projects	Performance management and improvement (Priority)	**21**
Lack of capacity and skills to meet increased service demands	Effective and efficient use of resources (Priority)	**22**
Poor partnership/joint working arrangements	Partnership working, community leadership and engagement (Priority)	**23**
Delays or changes to primary school programme	Schools modernisation (Priority)	**24**