

AUDIT AND SCRUTINY COMMITTEE29 September 2016Report by Chief ExecutiveREVIEW OF THE STRATEGIC RISK REGISTER**PURPOSE OF REPORT**

1. This report provides the Audit and Scrutiny Committee with the latest biannual update of the Council's strategic risk register. The previous update of the Council's strategic risk register was considered by the Audit and Scrutiny Committee on 3 March 2016.

RECOMMENDATIONS

2. The Audit and Scrutiny Committee is asked to note the development of the Council's strategic risk register.

BACKGROUND

3. The strategic risk register (Appendix 1) sets out the key strategic risks to be considered by East Renfrewshire Council and details the actions that management has put in place to manage these risks. Each service has an operational risk register to record day to day and service specific risks.

4. As well as additions to the strategic risk register, several risks have been amended to include additional control measures and the risks have been rescored for significance. There are now 32 risks of which 13 are evaluated as high, 16 medium and 3 low.

5. For the second time, relevant significant risks which may impact on the achievement of the Council's outcomes relating to the work of the Integrated Joint Board and the Culture and Leisure Trust have been considered as part of this update.

REPORT

6. The following remain as **high risks (additional wording added in bold- risk no in italics)**

- Reduced government funding (1).
- Failure to meet grant conditions on local government funding i.e. teacher target numbers or maintenance of living wage (2).
- Due to the increased demand for services to develop new and emerging opportunities (e.g. agile working, City Deal, HSCP integration, hub schemes and Leisure Trust etc) to deliver a Council which has modern processes and new ways of working there is a risk of reducing service levels damaging council reputation if staff do not adapt quickly to meet these challenges and resources are not appropriately deployed. (7).
- Economic difficulties and welfare reform leading to increased poverty (11).
- Increase in construction inflation costs may negatively impact on the planned capital plan (12).

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- Increase in older people leading to an over demand on certain council services. **Pressures from new national delayed discharge targets of 72 hours (13).**
 - Increase in the number of vulnerable adults and children with additional support requirements (14).
 - Ensuring sufficient catchment places for East Renfrewshire children and young people in light of new residential developments (19).
 - Inability to deliver sufficient pre 5 places including an element of flexibility for the proposed increase to 1,140 annual hours of flexible early learning and childcare (by 2020) (20).
8. The following risks **were added** to the register
- Ensuring the agreed ambition or vision for East Renfrewshire Culture and Leisure (ERCL) is developed (28).
 - Outcome of EU referendum leads to economic uncertainty and detrimental impact on the Council budget (29).
 - Impact of Living Wage on the council's salary scales with continuing pressure on the lower grades of the scale. Not maintaining differentials between grades (30).
 - Implementation of the Community Empowerment (Scotland) Act - failure to have statutory processes in place within required timeframes (such as Local Outcome Improvement Plan and Outcome Participation Requests process) and failure to meet community demands and expectations leading to negative impact on the reputation of the Council and the Community Planning Partnership (31).
9. The following risks **were removed** from the register
- Changes in European accounting rules (ESA10) requiring the Scottish Government to revise arrangement for hub DBFM schemes could impact upon timescale and funding of the replacement Barrhead High School.
Update: Financial close for Barrhead High School was achieved on 21 March 2016.
 - Lack of clarity or agreement on the respective roles, funding and responsibilities of the IJB (Integrated Joint Board) and the Council could lead to failure to maximise partnership working and maintain good working relationships.
Update: IJB fully established and roles agreed.
 - Failure to find alternative treatment processes to Land filling by 2020 will result in non compliance with the Waste (Scotland) Regulations and leave the Council without a disposal point for its residual waste.
Update: The 25-year deal worth £700m covers Renfrewshire, East Renfrewshire, North Lanarkshire, North Ayrshire and East Dunbartonshire. The contract with Viridor, which begins on 1 December 2019, was signed by lead authority North Lanarkshire after a competitive tendering process.
10. The following risk **was amended**
- Uncertainty over changes to ward boundaries leads to delay in preparations for 2017 elections (23).

11. The following risks **reduced in score**

- Failure to pay invoices within a specified timeframe (Local Government Benchmarking Framework indicator) which could lead to cessation of suppliers, risks to delivery of critical services; reputational damage to Council and possibly, in the extreme, legal action (25).
- Ongoing tribunal decisions on equal pay claims and receipt of second wave equal pay claims leads to substantial financial liability (5).
- Lack of appropriately skilled workforce due to the combination of loss of experience from redundancy / retirement, difficulties recruiting due to temporary contracts and shortage of skills in market place leads to a reduction in service levels damaging council reputation. (slight reduction)- (6).
- Failure to reduce absence levels which will affect the Council's ability to provide high quality services and lead to additional cost (10).

12. A **sample of control measures which have been implemented or are proposed** include:

Risk nos. in italics in brackets

- Budget for 2016/17 reflects teacher staffing budgets based on maintaining the pupil teacher ratio at census 2015 level taking account of projected pupil numbers for session 2016/17. Recruitment undertaken during school holiday period and permanent supply pool for primary sector further increased (2).
- Undertaking statutory consultation on proposed new arrangements for admissions and P7 to S1 transfer for all Roman Catholic and non-denominational primary and secondary schools. Results of consultation will be reported to Education Committee on 20 December 2016 (19).
- A scoping bid has been prepared for consideration through the capital plan to address additional places (pre-5) required (20).
- Develop admission policy for specialist provision (Education) (proposed measure) (14).
- Develop a Career Long Professional Learning (CLPL) strategy and a programme to support teacher leadership at all levels (in place). Full implementation of Leadership Competencies and Leaders of the Future Development programme (in place) (6).
- Approval from the Keeper of the Council's records management plan in compliance with the Public Records (Scotland) Act (in place) (22).
- Implemented complete review of all current back-up arrangements in the Barrhead Data Centre to optimise resilience (22).
- Achieve full PCI-DSS Compliance by meeting Merchant Bank requirements and delivering Cardholder Not Present compliance through the Core Corporate Project (proposed measure) (22).
- Revised maximising attendance policy introduced to enhance approach to absence (in place). New Occupational Health tender awarded (in place) (10).
- Permanent post for management of Creditors team appointed (in place). E-invoicing project commencing 2016/17 (proposed measure) (25).
- East Renfrewshire Culture and Leisure involvement in developing the Main Issues Report and contributing to the new Local Development Plan (proposed measure). The Chairman of the ERCL Board arranges regular meetings with key ERC elected members. Further training and support provided to ERCL Trustees including the introduction of Trustee appraisals. (proposed measures) (28).

- (Living Wage) A full review of the grading scheme could be required. There are two possible outcomes - maintain a supplement with low impact or a full salary grade review which could result in significant cost to the council (30).
- The establishment of a council working group to support the development of an action plan that will satisfy the requirements of the Duty under the Counter Terrorism and Security Act (2015) – (in place) (18).
- Presentations to Community Planning Partnership (CPP) Board and Performance and Accountability Review (PAR) to ensure partners aware of expectations (in place) (31).
- New Eastwood Health & Care Centre with Greater Glasgow NHS and East Renfrewshire Council HSCP delivered (12).
- Following the extension of MAPPA to include Category 3 violent offenders, Risk of Serious Harm training will be required for staff during 2016 (15).
- Partnership with various professional agencies and the community to support hospital admission avoidance and safe hospital discharge for older people has led to creation of various posts that refocus on preventions and early intervention. New fund now mainstreamed to support delayed discharge targets (in place) (13).
- All learning disability, mental health, physical disability and older people related payments are made on invoices which are matched to client service agreements held within the CareFinance system. Schedule payments (HSCP) ceased March 2016. Restructured HSCP finance team and implementation of audit recommendations ensuring robust controls (3).
- The caseload for Universal Credit is now known for the year ahead to March 2017 and the longer term roll out of UC is over 6 years to 2022. New changes to the benefit cap adversely affected 40 households in the East Renfrewshire area although we continue to offer financial support to these and other affected groups. through Crisis and Community Care grants and Discretionary Housing Payments where appropriate (11).

13. There are now 32 risks, in total, on the strategic risk register of which 13 are evaluated as high, 16 medium and 3 low.

14. The strategic risk register continues to align with the council's key outcomes and the current internal and external business environment. The risk register reflects the corporate risks associated with the current strategic change and reform agenda of the council.

POTENTIAL RISKS ASSOCIATED WITH BRITAIN LEAVING THE EUROPEAN UNION

15.1 Uncertainty in financial markets - could lead to volatility in investment markets which could affect the Council's management of funds such as in treasury, it could also affect projects where there is involvement of the private sector.

15.2 Uncertainty in financial markets - will lead to uncertainty in the funding of public sector services and in particular Local Government services. Particularly this has led to an announcement of a late settlement this year and the likelihood that this will be a 1 year settlement rather than the planned 3 year settlement which makes long term planning for the Council difficult.

15.3 Reduction in European funding - which is unlikely to be replaced by Government funding. The Council is expected to receive a total of EU funding in excess of £2m (some funding is shared with other Councils as part of the Leader Programme grant). The £2m EU funding is a cumulative total awarded up until December 2018 and is not an annual figure. There will also be levels of direct subsidy awarded to certain groups e.g. farmers which are not included in these figures. The Council intends to undertake further research to confirm the total level of EU subsidy awarded within the constituency area.

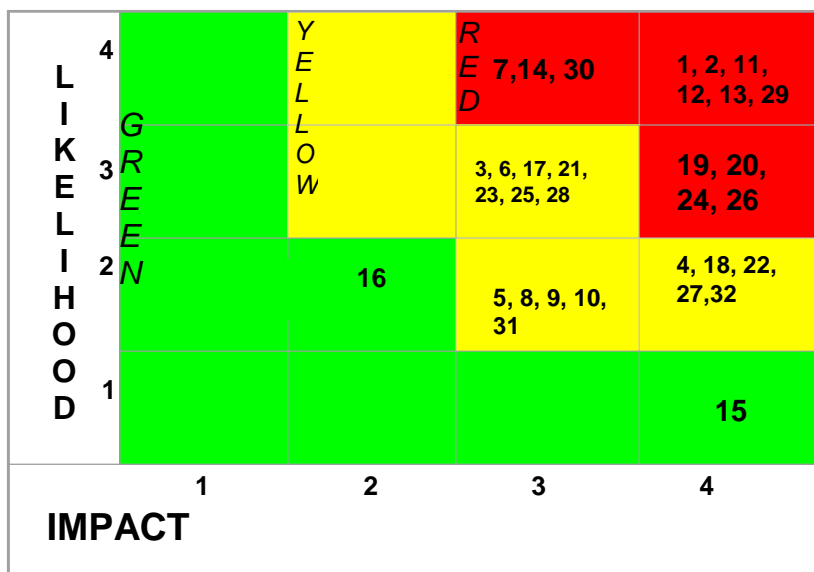
15.3 Reduction in EU Funding (cont.)

- The Leader Programme is grant funding so the consequences are that grant funding would no longer be available to apply for to support rural development.
- A critical risk for the Council relates to the £512K of European Social Funding which directly funds and supports employability activity within East Renfrewshire.

Current EU Grants (East Renfrewshire Council) NB: not annual this is the cumulative amount up until Dec 2018	Total amount agreed funding to Dec 2018
CPP Employability Programme – European Social Fund award	£512,305
Business Support Grants – European Regional Development Fund award -	£91,908
LEADER Programme grant *to be shared between East Renfrewshire, Renfrewshire and Inverclyde areas	£1.7m*
Programmes have only been approved until December 2018	

RISK TOLERANCE AND LINKS TO THE SINGLE OUTCOME AGREEMENT

16. Map of strategic risks in East Renfrewshire Council (risk nos. from 1-32)



Risk Score	Overall Rating
11-16	High RED
5-10	Medium YELLOW
1-4	Low GREEN

Count of risk	Category			
	Low GREEN	Medium YELLOW	High RED	Total
Local outcomes				
1. All children in East Renfrewshire experience a stable and secure start to their lives and are supported to succeed.	1	1	2	4
2. East Renfrewshire residents are fit and active and have the skills for learning, life and work	0	1	2	3
3. East Renfrewshire is a thriving, attractive and sustainable place for residents and businesses to grow.	0	2	3	5
4. East Renfrewshire residents are safe and supported in their communities and homes.	1	3	1	5
5. Older people in East Renfrewshire are valued; their voices are heard and they are supported to enjoy full and positive lives for longer.	0	0	1	1
Customer, Efficiency and People Outcomes	1	9	4	14
Total strategic risks	3	16	13	32

FINANCE AND EFFICIENCY

17. The review of the strategic risk register forms a fundamental role in ensuring that the Council meets the objectives detailed in the Single Outcome Agreement, Corporate Statement, Modern Ambitious Programme and the Outcome Delivery Plan.

CONSULTATION

18. The Corporate Management Team, Heads of Service and all Corporate Risk Representatives were invited to provide updates to the strategic risk register. In addition to this, all operational risk registers were scrutinised and high risks examined to determine if they should be escalated to the strategic risk register. Risks associated with East Renfrewshire Culture and Leisure (ERCL) and the Integrated Joint Board were also considered and escalated to the Council's strategic risk register where appropriate.

CONCLUSION

19. Staff from across the Council continually identify and record risks. On the strategic risk register, there are several proposed additional control measures which may help reduce the impact or likelihood of the risk. The risks associated with the delivery of the Single Outcome Agreement have been identified and linked to this updated strategic risk register.

20. There are now 32 risks on the strategic risk register of which 13 are evaluated as high, 16 medium and 3 low.

RECOMMENDATIONS

21. The Audit and Scrutiny Committee is asked to note the development of the Council's strategic risk register.

Lorraine McMillan, Chief Executive

20 September 2016

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Annex 1 Council's strategic risk register

KEY WORDS

This report provides the Audit and Scrutiny Committee with the latest biannual update of the Council's strategic risk register.

Strategic Risk Register
East Renfrewshire Council

Appendix 1

East Renfrewshire Council's Vision: A modern ambitious council, creating a fairer future with all

Risk Score	Overall Rating
11-16	High
5-10	Medium
1-4	Low

Completed by: Corporate Management Team/Heads of Service

Date reviewed: 14/09/2016

C= Changed
N=New
S=Same

Risk status S/C/N (same, change, new)	No.	Risk (Threat/Opportunity to achievement of business objective)	Risk Control Measures currently in place	Assessment of Risk [As it is now]			Proposed Risk Control Measures	Assessment of Residual Risk [proposed]		
				Likelihood (Probability)	Impact (Severity)	Risk Score [L x I]		Likelihood (Probability)	Impact (Severity)	Residual Risk Score
				[L]	[I]	[L x I]		[L]	[I]	[L x I]
S	1	Reduced central government funding leading to failure to support the current level of service provision and the requirement to draw down council reserves to an unacceptable level, leading to public discontent and negative effect on the Council's reputation and increased pressure on future years' budgets.	Budget strategy group Corporate ownership Treasury management strategy Increase in council's reserves (met target of maintaining reserves at 4% of net revenue budget) 3 Year budget arrangements Early communication of likely impacts and issues affecting the Council (budget) Change to financial planning timetable to allow earlier budget deliberations and a realignment of budget with council outcomes. Close monitoring of expenditure/income against budget throughout year. Prioritisation of Modern Ambitious Programme and continual review of projects to ensure effective progress and business cases.	4	4	16	Achievement of targets and outcomes outlined in Modern Ambitious Programme. Long term budget and scenario planning.	4	4	16
C	2	If the grant condition on local government funding i.e. pupil: teacher ratio is not met nationally in 2016/17 or the living wage is not maintained across all council services then the Council could face financial penalties.	COSLA still seeking way forward with Scottish Government to move from outcome rather than input measures. Budget for 2016/17 reflects teacher staffing budgets based on maintaining the pupil teacher ratio at census 2015 level taking account of projected pupil numbers for session 2016/17. Close monitoring of teaching vacancies in liaison with HR to ensure all action possible taken to meet pupil: teacher ratio required for Census 2016 Recruitment undertaken during school holiday period and permanent supply pool for primary sector further increased. Maximise the bid for newly qualified teachers.	4	4	16	Work with ADES (Association of Directors of Education in Scotland) colleagues to influence the proposed new national staffing standard.	3	4	12
C	3	Improvements to the reconciliation process for certain Health and Social Care Partnership client payments are not effective in preventing future overpayments to service providers.	All learning disability, mental health, physical disability and older people related payments are made on invoices which are matched to client service agreements held within the CareFinance system. Annual reconciliations completed for 2015/16. Schedule payments ceased March 2016. Restructured HSCP finance team and implementation of audit recommendations ensuring robust controls.	3	3	9	Children's services and addictions client service agreements data cleansed and migrated to CareFinance by October 2016. Periodic reconciliations during 2016/17 and ongoing thereafter. Routine reporting to JIB Performance and Audit committee for all internal and external audit recommendations ensuring robust governance. Continued development work during 2016/17 to maximise system benefits.	2	3	6
S	4	Projects included in the Glasgow and Clyde Valley City Deal programme do not proceed on schedule and/or do not produce the anticipated economic benefits resulting in a gap in funding provided by UK and Scottish Government.	Tri-partite agreement between UK and Scottish Governments and the Clyde Valley partners signed in August 2014.	2	4	8	Rigorous independent check of proposed project plans prior to implementation Strong governance regime Ongoing monitoring working groups plus ongoing review and implementation of agreed Assurance Framework.	1	4	4
C	5	Ongoing tribunal decisions on equal pay claims and receipt of second wave equal pay claims leads to substantial financial liability.	Acceptance with trade unions on pay and grading and terms and conditions. Engagement with legal representatives of equal pay claimants All first wave claims have been settled. Second wave settlements well under way. Communication Strategy. Effective Project Planning underway. National Agreement re: Salary protection. Robust contractual arrangements. Expert advice from external legal advisers. Regular financial monitoring of potential equal pay liability.	2	3	6	To continue negotiations and case management with a view to settling all claims.	1	3	3

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C	6	Lack of appropriately skilled workforce due to the combination of loss of experience from redundancy / retirement, difficulties recruiting due to temporary contracts and shortage of skills in market place leads to a reduction in service levels damaging council reputation.	New Leadership Competencies (which are linked to PRD) and the new Leaders of the Future Development Programme.	3	3	9	Further workforce planning and review	2	3	6
			Use of organisational and financial business case when considering redundancies/ early retirements.				Full implementation of Modern Ambitious Programme (MAP).			
			Workforce planning strategy approved with improved recruitment and selection procedures.							
			Succession planning toolkit available for managers.							
			Develop a Career Long Professional Learning (CLPL) strategy and a programme to support teacher leadership at all levels.							
			Actively support COSLA working groups to benchmark best practices in workforce planning.							
			Full implementation of Leadership Competencies and Leaders of the Future Development Programme.							
New Modern Ambitious Programme (MAP) launched with core workstreams on OD, Digital, Data and Modernising.										
C	7	Due to the increased demand for services to develop new and emerging opportunities (e.g. agile working, City Deal, HSCP integration, hub schemes and Leisure Trust etc) to deliver a Council which has modern processes and new ways of working there is a risk of reducing service levels damaging council reputation if staff do not adapt quickly to meet these challenges and resources are not appropriately deployed.	Future vision of what the Council should look like now in place and closely aligned to Organisational Development Strategy and 5 capabilities.	4	3	12	Use of capacity grid to transparently flag impact of new and ongoing projects for key corporate resources (e.g. ICT, HR, PMO)	3	3	9
			New Modern Ambitious Programme (MAP) launched with core workstreams on OD, Digital, Data and Modernising.				Transformation funding available to support change and transitional period of new ways of working.			
			Capacity grid concept developed to manage key resources. MAP governance in place to prioritise resource and ensure benefits are delivered.				Service Level Agreements for support services will be reviewed.			
			New Leadership Competencies (which are linked to PRD) and the new Leaders of the Future Development Programme.							
			Learning and Development strategy including e-learning. Improvements to Performance Review and Development Scheme.							
			Workforce planning strategy approved with improved recruitment and selection procedures.							
			Use of organisational and financial business case when considering redundancies/ early retirements.							
C	8	Failure to deliver planned benefits of the change agenda leading to shortfall in the efficiency and savings targets.	PSE programme closed after 5 years in reports to Cabinet in June/August 2015. New change programme launched (Cabinet June 2015 & August 2015) in form of Modern Ambitious Programme with core workstreams on OD, Digital, Data and Modernising.	2	3	6	Use of capacity grid to transparently flag impact of new and ongoing projects for key corporate resources (e.g. ICT, HR, PMO)	1	3	3
			Capacity grid concept developed to manage key resources. MAP governance in place to prioritise resource and ensure benefits are delivered.				Encouraging staff to develop project management and change management skills to support change in their departments.			
			Development of change management skills across the Council using accredited Project Management Courses, agile courses, management training and yellow belt training to assist with service redesign.				Consideration of flexible external capacity and capability when change projects require.			
			Closer working with ICT using HOS and posts of Enterprise Architect and IT Business Relationship Managers.				Utilisation of Transformation Fund to resource change projects.			
S	9	Any local/national incident or emergency impacting business continuity e.g. extreme weather, industrial action, system failure, pandemic illness.	Civil contingency procedures are in place and communicated.	2	3	6	Encourage staff to attend civil contingency training.	2	3	6
			Agreed process with Trade Unions to agree essential cover during industrial action.							
			Business continuity plans in place for all services.							
			Extreme weather guidance in place on intranet for employees.							

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										[L]	[I]	[L x I]
C	10	Failure to reduce absence levels which will affect the Council's ability to provide high quality services and lead to additional cost.	Two additional HR resource are coaching and mentoring managers on how best to tackle absence especially complex issues particularly in hot spot areas.	2	2	4		Continue to monitor the best practices and see which has the most impact.	2	2	4	
			Trigger reports are issued to managers. Increased accountability within departments for return to work and absence review meetings leading to increased adherence to policy and improved use of the capability policy. DMTs and CMT receiving regular absence reports and are reviewing absence levels closely.									
			Revised maximising attendance policy to be introduced to enhance approach to absence.									
			New Occupational Health tender awarded to improve the support and service received.									
			Absence management training improved with blended learning approach which allows more practical focus on case studies.									
C	11	Economic difficulties and future changes to welfare/benefits legislation leads to an increase in poverty or hardship, the creation of an over/under demand on certain council services and a reduction in council income to support services.	The welfare reform strategy group reviewed and realigned the strategic and practitioner working groups, which had been set up in advance of UC implementation in Feb 2016. Revenues staff work closely with MART's, Council Partners in the 3rd sector such as VA, the CAB, Foodbanks and East Renfrewshire Credit Union to support vulnerable client groups.	4	4	16		There remains a number of developing situations which may impact our customers ability to pay, such as increases in Council Tax 2017/18, further welfare reforms and the move to devolve more social security benefits in Scotland. Revenues staff will continue to work closely with MART's, Council Partners in the 3rd sector such as VA, the CAB, Foodbanks and East Renfrewshire Credit Union to support vulnerable client groups.	4	4	16	
			Welfare reform contingency budget.									
			Opening of Barrhead Foundry. Regeneration plan, health improvement plan and community learning and development strategy.									
			Anti-social behaviour policy and expanded community warden service providing front line enforcement services.									
			Development of business parks such as Greenlaw and Spiersbridge.									
			Regular budget monitoring of actual versus estimated income.									
			Creation of the early years collaborative to target children in deprived areas.									
			Relationship with CAB reviewed and collaborative approach to Welfare Reform and UC in particular continues. CAB attend the strategic and practitioner level workstreams and strong ties continue to ensure effective partnership arrangements.									
C	12	Increase in construction inflation costs may negatively impact on the planned capital plan.	Management of borrowing portfolio.	4	4	16		Achievement of outcomes from corporate asset management plan including consultation on future service delivery.	4	3	12	
			Major capital projects have been reviewed for inflationary impact in preparing the 2016/17 Capital Plan.									
			Reassessment of capital plan to ensure budget can be met.									
			Improved CPA process and a more corporate approach to service delivery through the Corporate Asset Management Group.									
			Prudent budgeting with an increase in reserves.									
			Specialist treasury advice.									
			Funding bids e.g. heritage lottery fund									
			Close monitoring of capital expenditure/income against budget throughout year.									
			Participation in West Territory hub to permit joint development of capital projects									
			New Eastwood Health & Care Centre with Greater Glasgow NHS and East Renfrewshire Council HSCP delivered..									
Maximise developer contributions												

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C	13	Increase in older people due to demographic changes leads to an under/over demand on certain services and failure to meet legislation, overspend and negative publicity. Pressures from new national delayed discharge targets of 72 hours.	Implementation of the rehabilitation and enablement service redesign	4	4	16	Redesign services to free up capacity in other areas (home care). Partnership with various professional agencies and community/public to support hospital admission avoidance and safe hospital discharge for older people. has led to creation of various posts that refocus on preventions and early intervention. Community Led Support programme diverting people to community resources and building on own assets.	4	2	8
			Scottish Government spending review and 3 year financial planning cycle providing additional resources for elderly client group.							
			Community care plan.							
			Initiatives implemented through reshaping care fund.							
			Older peoples' strategy.							
			New fund now mainstreamed to support delayed discharge targets.							
			Day Service Review Implemented							
			Raise awareness of eligibility and of pressures.							
Agile working for HSCP staff improves efficiency.										
Fees and charges policy (concessions).										
C	14	Increase in the number of vulnerable adults and children with additional support requirements leading to a rise in demand in Education and CHCP services.	Analysis of demographic changes. Increased financial forecasting.	4	3	12	Learning Disability Support Living Redesign Develop admission policy for specialist provision.	4	2	8
			Foster carer campaign launched							
			Atholl service review, foster care service review							
C	15	Inconsistent assessment and application of the public protection agenda (Child Protection, Adult protection and Multi-Agency Public Protection Arrangements-MAPPA) may result in risk of children or vulnerable adults being harmed and lead to non-compliance with legislative standards.	The operation of CP, AP committees and MAPPA's meetings to deal with the strategic and practice issues.	1	4	4	Following the extension of MAPPA to include Category 3 violent offenders, Risk of Serious Harm training will be required for staff during 2016. Negotiate with SG on the whole protection agenda for uniformity . Ensure the links are made for learning opportunity within the protection agenda. Develop a framework for reporting to the community planning partnership.	1	4	4
			MAPPA extended on 1 April 2016 to include violent offenders who present a serious risk of harm. Audit process for MAPPA cases implemented across Community Justice Authority area.							
			Development of protection of vulnerable groups scheme (new staff then existing staff) with replacement of enhanced disclosures.							
			Training and awareness in place. More training scheduled in 2016.							
			Partnership working is at an advance stage.							
			The requirement to produce and publish reports of activities.							
			The availability of data with varying limitation for analysis and evaluation.							
S	16	Equality and Human Rights Commission (EHRC) intention to legally challenge kinship care allowance rates paid by local authorities may lead to significant financial liability for the council.	SG Funding contribution received 2015/16 for equitable allowance for Kinship carers.	2	2	4	Kinship Panel to consider and review kinship payments. Income maximisation processes are supporting Kinship Carers Budget pressures identified.	2	2	4
			Shortfall identified as budget pressure.							
			All Kinship carer have received financial assessment and income maximisation in place.							
S	17	National redesign of community justice and review of criminal justice social work funding could lead to removal of ring fenced funding and additional pressures on limited resources to manage risk and protect local communities.	Submission to Consultation on proposed new model	3	3	9	Partners identified in proposed model to submit community transition plan to Scottish Government. Local governance, accountability and reporting arrangements to be agreed. Transition Plan submitted to Scottish Government for approval. Establish clear financial frameworks through national funding review. Ensure links are made with partners for effective offender management.	2	3	6
			Work commenced with community planning partners to agree reporting mechanism with Community Planning Board.							
			Contribute to national funding review research.							
			Work with CJA partners to plan for implementation of new national body.							

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Risk status S/C/N (same, change, new)	No.	Risk (Threat/Opportunity to achievement of business objective)	Risk Control Measures currently in place	Assessment of Risk [As it is now]			Proposed Risk Control Measures	Assessment of Residual Risk [proposed]		
				Likelihood (Probability)	Impact (Severity)	Risk Score [L x I]		Likelihood (Probability)	Impact (Severity)	Residual Risk Score
				[L]	[I]	[L x I]		[L]	[I]	[L x I]
C	18	Recent increases in acts of violence and intimidation, directed at some religious groups abroad, migrate to the Council area, thereby undermining the Council's Equality Outcome 6, "Members of equality groups live their lives, safe from discrimination, harassment, victimisation and violence".	<p>A new Duty on public authorities under the Counter Terrorism and Security Act (2015) to have "due regard to the need to prevent people from being drawn into terrorism", in the exercise of their functions.</p> <p>The establishment of a working group represented by appropriate departments of the Council to support the development of an action plan that will satisfy the requirements of the Duty under the Counter Terrorism and Security Act (2015).</p> <p>The development of links with the appropriate Services within Police Scotland to enable and facilitate training to support those officers of the Council who work with vulnerable people, including young people and to raise awareness of the Duty and its requirements amongst appropriate staff groups</p> <p>Joint monitoring of incidents between the Council, Police and relevant religious/community leaders. Liaising, as appropriate, with relevant national intelligence services.</p> <p>Ensuring that our emergency procedures are in line with good practice.</p>	2	4	8	<p>Continuing to liaise, as appropriate, with relevant national intelligence services.</p> <p>Presentations to Head Teachers and East Renfrewshire's Child Protection Committee to raise awareness.</p>	2	4	8
C	19	Ensuring sufficient catchment places for East Renfrewshire children and young people in light of new residential developments- in particular the Local Development Plan.	<p>Regular review of places and demand.</p> <p>Current capital plan reflects new build educational estate supplemented as appropriate by developer contributions, according to timescales and extent of provision noted in LDP (approved June 2015)</p> <p>New facilities are progressing according to need/resources and necessary consultations/ approvals.</p> <p>Undertaking statutory consultation on proposed new arrangements for admissions and P7 to S1 transfer for all Roman Catholic and non-denominational primary and secondary schools. Results of consultation will be reported to Education Committee on 20 December 2016.</p>	3	4	12	<p>Capital Plan regularly reviewed and updated to align with developments as they occur and reflect operational requirements. Education statutory consultation to be undertaken in advance.</p> <p>Subject to the outcome of the current consultation, new arrangements will be implemented from January 2017 onwards.</p>	2	3	6
C	20	Inability to deliver sufficient pre 5 places including an element of flexibility for the proposed increase to 1,140 annual hours of flexible early learning and childcare (by 2020) or further changes in entitlement.	<p>Scottish Government is consulting with local authorities to assess capacity, population and workforce requirements for the 1140 hours. Additional revenue and some capital funding is anticipated to support the implementation of this policy.</p> <p>Progress new facilities in the capital plan which have if required undergone education statutory consultation and have Education committee approval. Where necessary, interim arrangements adopted until permanent facilities established.</p> <p>New build primary schools noted in capital plan include some pre5 provision. Current capital plan also includes provision for non denominational nursery from re-modelling accommodation at St Cadoc's PS - subject to education statutory consultation.</p> <p>Prepare Childcare Strategy to plan longer term for expected extension to entitlement for preschool children.</p> <p>A scoping bid has been prepared for consideration through the capital plan to address additional places required.</p>	3	4	12	<p>Detailed Capital Project Appraisals (CPAs) prepared for consideration through the capital plan to address additional places required. Establish new provision in accordance with approvals granted.</p> <p>Continue to monitor provision in light of any policy changes/legislation and make appropriate bids for funding to take forward any required projects.</p> <p>Support new partner providers to establish high quality nurseries in areas where places are at a premium.</p>	3	4	12
C	21	Potential new duties from the Children and Young People (Scotland) Act in relation to extending the age to which care leavers can receive support from their local authority and supporting kinship carers and families will have a significant financial impact and may lead to over demand on CHCP services.	<p>COSLA negotiations on schedule of financial support</p> <p>The Chief Social Worker attends Scottish Government Working Groups</p>	3	3	9	<p>Resource alignment to support additional duties to comply from 2016 regarding named person, child's plans and additional corporate parenting responsibilities for young people up to 26 years old.</p>	3	3	9

Strategic Risk Register
East Renfrewshire Council

Appendix 1

East Renfrewshire Council's Vision: A modern ambitious council, creating a fairer future with all

Risk Score	Overall Rating
11-16	High
5-10	Medium
1-4	Low

Completed by: Corporate Management Team/Heads of Service

Date reviewed: 14/09/2016

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C	22	Failure to effectively manage the Council's information assets to comply with Information legislation, in particular the Public Records (Scotland) Act, the Freedom of Information (Scotland) Act, the Data Protection Act and the Public Service Network standard (PSN). This could result in legal action, financial penalty, damage to council reputation and/or inability to provide council services.	ISO27001 range of technology, policy, procedures, standards and training exists across the council which is reviewed regularly to ensure it remains consistent with changes in technology, working practices and emerging threats IT Health Check and Information Security audit carried out annually to check compliance with recognised information security standards including PSN and PCI (see proposed measures on PCI). Security standards are reviewed and revised using a risk management approach. The Council is a member of several Information / Cyber Security groups to monitor emerging threats and risk and share security alerts. The CMT agreed that Information Security training should be mandatory to raise staff awareness of cyber threats and handling information securely. A policy and awareness of this is being developed. Development of the corporate electronic document & records management system. Approval from the Keeper of the Council's records management plan in compliance with the Public Records (Scotland) Act.	2	4	8	Information Classification Software to be deployed across Council's networks. Achieve full PCI-DSS Compliance by meeting Merchant Bank requirements and delivering Cardholder Not Present compliance through the Core Corporate Project	1	3	3		
C	23	Uncertainty over changes to ward boundaries leads to delay in preparations for 2017 elections.	Obtained FOI response from the Local Government Boundary Commission but this did not provide evidence of why the inclusion of deprivation was deemed to be a relevant determining factor in the setting of councillors numbers and subsequent ward redesign. Liaise with other COSLA/ SOLACE to discuss collective concerns about the sudden change in methodology and to determine a way forward.	3	3	9	Sub group of Council appointed to make a decision on whether to begin a Judicial Review.	2	3	6		
C	24	Interruption to service or total inability to provide ICT Services due to the loss of the Barrhead Data Centre due to fire, vandalism, equipment malfunction (including environmental controls).	Ensure that a robust data back-up and protection schedule for data is in place. Perform complete review of all current back-up arrangements to optimise resilience. Ensure that the Council has up to date Business Continuity Plans. Ensure that equipment is regularly maintained and replaced as required. Ensure supplier(s) contracts support recovery activities.	3	4	12	Secure a co-located Data Centre or equivalent geographically different Disaster Recovery capability at a commercial or partner location to increase resilience and provide necessary service continuity. Undertake Critical Impact Assessments across all ICT delivered services to define priority for availability/recovery. Perform regular audited disaster recovery tests and rehearsals. Improve monitoring and alerting of hardware and environmental systems to provide a proactive response. Improve fire protection and monitoring systems in current Barrhead Data Centre.	2	2	4		
C	25	Failure to pay invoices within a specified timeframe (Local Government Benchmarking Framework indicator) which could lead to cessation of suppliers, risks to delivery of critical services; reputational damage to Council and possibly, in the extreme, legal action.	Successful implementation programme for EDM system for invoice scanning, storage and retrieval to improve management of creditor payments underway. Overtime and temporary staff being used to manage workloads and provide additional capacity for processing and evidence of performance improvements. New management of the service through Business Change & Revenues Service to enhance resilience for staff and fast-track the change programme. Permanent post for management of Creditors team appointed.	3	3	9	E-invoicing project commencing 2016/17. Full implementation of EDMS system for invoice scanning, storage and retrieval to improve management of creditor payments due by March 2017. Departments reminded of their obligations to pass invoices, correctly and timeously for processing and follow-up stakeholder engagement planned and regular department information passed back to ensure improved processes in departments.	2	3	6		

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C	26	Closure of facilities (related to Trust) as a result of unforeseen failure resulting in loss of attendance, revenue, damage to reputation and increased management fee.	ERC's Asset Management Plan.	3	4	12	Quarterly meetings will take place between the Trust and Property and Technical Services to monitor performance. Capital Project Appraisals (CPAs) prepared for consideration through the capital plan to address operational requirements.	2	3	6
			Liaison between ERCL and ERC's Property and Technical Services team. Business Continuity Plans in place for services.							
S	27	Potential breaches of State Aid compliance leads to lengthy investigations, suspension of works leading to costly delays and financial penalties.	State Aid reference is made within appropriate Cabinet/Council reports.	2	3	6	Develop a Communications Plan with Communications for the dissemination of State Aid information including a link on the council's Intranet. Clearly defined departmental roles on the various aspects of State Aid.	1	3	3
			A annual State Aid return is submitted to the Scottish Government's State Aid Unit.				Develop a Council-wide grant aid register and process for addressing State Aid with clear governance.			
			A member of the Council's Economic Development and Regeneration Team now attends 3 meetings per year at the Scottish State Aid Local Authority Network.				Consideration of the explicit inclusion of State Aid in East Renfrewshire Council's Financial Regulations and/or Standing Orders.			
			The Scottish Government's State Aid Unit recently delivered a training session to staff from Economic Development and Regeneration, Legal Services, Finance and Procurement.				Arrange further State Aid training for relevant staff as necessary from the Scottish Government's State Aid Unit.			
N	28	Ensuring the agreed ambition or vision for East Renfrewshire Culture and Leisure (ERCL) is developed.	ERCL key partner within the Community Planning Partnership and contributes to the on-going delivery of the single outcome agreement.	3	3	9	ERCL involvement in developing the Main Issues Report and contributing to the new Local Development Plan.	2	3	6
			Regular meetings take place between senior staff of ERCL and ERC.				The Chairman of the ERCL Board arranges regular meetings with key ERC elected members.			
			Role of those ERC elected members who are also ERCL Trustees including explaining and communicating ERCL strategies, policies, decision etc. to the Council.				Further training and support provided to ERCL Trustees including the introduction of Trustee appraisals.			
N	29	Outcome of EU referendum leads to economic uncertainty and detrimental impact on the Council budget.	Economic situation monitored via Directors of Finance network/ Liaison with Scottish Government via COSLA to keep up to date with likely developments on UK/Scottish settlements.	4	4	16	Budget Strategy Group to plan for range of financial scenarios.	4	3	12
N	30	Impact of Living Wage on the council's salary scales with continuing pressure on the lower grades of the scale. Not maintaining differentials between grades.	Supplement currently paid on Grade 1,2 and 3. COSLA paper has been prepared to share with Elected Members on the impact of living wage	4	3	12	A full review of the grading scheme could be required. There are two possible outcomes - maintain a supplement with low impact or a full salary grade review which could result in significant cost to the council.	4	3	12
N	31	Implementation of the Community Empowerment (Scotland) Act - failure to have statutory processes in place within required timeframes (such as Local Outcome Improvement Plan and Outcome Participation Requests process) and failure to meet community demands and expectations leading to negative impact on the reputation of the Council and the Community Planning Partnership.	Presentations to Community Planning Partnership (CPP) Board and Performance and Accountability Review (PAR) to ensure partners aware of expectations.	2	3	6	PAR has established a Strategic Working Group to focus on implementation of 2 key elements of the Act (Local Outcome Improvement Plan and Outcome Participation Requests).	1	3	3
			CPP Board has overall responsibility for ensuring CPP meets statutory duties through scrutiny and oversight at annual meetings.				CPP has programme for the development of leadership and capacity building for staff across the Partnership to be able to respond to the requirements of the Act			
			PAR has responsibility for monitoring CPP performance in relation to outcomes.				Programme of community participation around the development of the Local Outcome Improvement Plan will be developed and carried out.			
S	32	Inappropriate use of social media leads to unintentional information breaches compromising customer relationships leading to reputational damage, substantial fines or prosecution.	Social media policy and guidelines for employees.	2	4	8	Additional training/ reminders for staff, development of better digital skills for staff.	2	2	4
			Handbook for social media business users							
			Approval required from Communications Team prior to setting up any new social media accounts Social media training and resources							

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