
Report to **Scrutiny Committee**

Date of Meeting: 02 December 2010

Subject: **2010-11 Half Year Risk Management Progress Report**

Report by: **Head of Strategy & Customer Services**

1.0 Purpose

- 1.1. This report provides Scrutiny Committee with an update on significant risks facing the Council, together with actions being taken to mitigate their potential impact, or the likelihood of them occurring.

2.0 Recommendations

- 2.1. It is recommended that Scrutiny Committee note:
- Significant risks and actions being taken to mitigate them; and,
 - Risks that have been downgraded during the last six months.

3.0 Considerations

- 3.1. The Council needs to consider the risks that might inhibit the delivery of corporate objectives and ensure that controls are in place to monitor and mitigate each identified risk through the application of a systematic risk management process.
- 3.2. The Council has had risk management arrangements in place for a number of years, with progress reports on Council-wide risks being reported to Scrutiny Committee on a regular basis. Each Council risk is 'owned' and reviewed by an appropriate senior officer.
- 3.3. The table in Appendix A summarises areas regarded as significant risks facing the Council at the 2010-11 half year stage, and how risk ratings have changed during the last six months. Appendix B provides detailed information on mitigating actions being taken with regard to significant risks.
- 3.4. In some cases, irrespective of significant mitigating action, the risk rating has remained high, reflecting the impact should it occur, or the likelihood that it will occur. In other cases, mitigating action has reduced the risk, or other factors have changed such that the risk is considered to be of lesser significance than in previous progress reports.

3.5. Medium and lower category risks and those that are service-specific, rather than Council-wide, are normally monitored at a management level. However, in some cases the risk rating and the significance of the topic is such that a high degree of scrutiny is considered necessary, for example, child protection.

4.0 Sustainability Implications

4.1. There are no direct sustainability implications arising from this report.

5.0 Resource Implications

5.1. *Financial Details*

5.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes

5.3. Finance have been consulted and have agreed the financial implications as set out in the report. Yes

5.4. There are no direct financial implications arising from this report.

5.5. *Staffing*

5.6. There are no direct staffing implications arising from this report.

6.0 Exempt Reports

6.1. Is this report exempt? Yes (please detail the reasons for exemption below) No

7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities 2008 - 2011** (Please double click on the check box)

- The area has a positive image and attracts people and businesses
- Our communities are more cohesive and inclusive
- People are better skilled, trained and ready for learning and employment
- Our communities are safer
- Vulnerable people and families are supported
- Substance misuse and its effects are reduced
- Health is improving and health inequalities are reducing
- The environment is protected and enhanced for all
- The Council is effective, efficient and recognised for excellence

(2) Council Policies (Please detail)

- Risk Management Policy 17th December 2009.

8.0 Equalities Impact

8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

Yes No

9.0 Legality

9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

10.0 Appendices

10.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

- Appendix A: 2010-11 Half Year Summary of Risk Mitigation Progress
- Appendix B: 2010-11 Half Year Council Risk Register

11.0 Background Papers


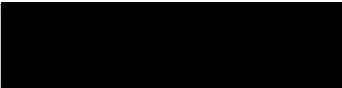
11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes (please list the documents below) No




Author(s)











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Approved by

NAME	DESIGNATION	SIGNATURE
Elaine McPherson	Head of Strategy & Customer Services	
Nikki Bridle	Director Finance & Corporate Services	

Appendix A: 2010-11 Half Year Summary of Risk Mitigation Progress

Change	Description	Number of Risks
	Mitigating action or other factors have reduced the risk rating	8
	The risk rating has remained high irrespective of significant mitigating action	2
	The risk rating has increased through review of potential impact, or an increased likelihood of occurrence	0
New	The risk has been newly identified, or its rating has increased sufficiently to justify inclusion on the corporate risk register	2
Removed	Mitigating action or other factors have reduced the risk rating sufficiently to justify removal from this report	0

Risk	Change
The Council does not systematically set and communicate a clear direction or culture	
The Council does not manage its resources (buildings/staff and other resources) effectively	
The Council does not develop staff and skill sets to fill current and changing roles in the future	
The Council does not effectively plan for future customer needs and expectations	
The Council is not able to demonstrate the quality, effectiveness or cost of its services	
Prolonged recession	
The Council will lack the ability to prevent the serious harm of a child (or children) under Council care	
The current education model is unable to deliver Curriculum for Excellence and Getting it Right for Every Child	
The Council will overspend (>£0.5m) its budget as a result of an increase in pressure on individual service budgets	
Pressure on finances increases above the expected 12% cut in real term budget by 2013	
The council does not manage organisational information and knowledge effectively	New
The current Single Outcome Agreement may not be deliverable as a result of reductions of public sector funding for the Council and all Alliance partners	New

Appendix B: 2010-11 Half Year Council Risk Register

Risk	Lead Officer	Progress
<p>The Council does not systematically set and communicate a clear direction or culture</p>	<p>Chief Executive</p>	<p>Since the identification of this risk we have developed and deployed a more focused council communication plan. A system of cascade briefings to ensure key messages and communications reach all staff continues to be systematically rolled out across the Council, with progress being monitored. The Communications team is developing an intranet to further aid efficient communication.</p> <p>The Council has also introduced a revised PRD process to more effectively communicate priorities and key objectives to staff. Combined with this is the introduction of a competency framework which will improve behaviours in relation to planning and communication. The Council aims to achieve the IIP quality standard in 2011, which will provide greater assurance of the effectiveness of organisational communications.</p> <p>Guidance and support in the revised PRD process and competency framework is being provided in briefings and 1-2-1 coaching for managers and awareness sessions for staff, with uptake being monitored. Deployment surveys have also been completed with staff members to assess managers' adherence to the revised process and perceptions of its quality. Results on both uptake of support and perceptions of deployment are positive. A staff survey will also be conducted in November 2010 to gain knowledge on staff perceptions relating to this risk.</p> <p>The ongoing restructuring of the organisation means that this risk will continue to remain high until it is fully implemented. As the new management structure is embedded, greater emphasis is being placed on leadership and the communication of direction. CIM self-assessments have now been conducted across all services and the resulting improvement plans ensure that leadership and strategy development and communication are a key focus for all areas of the Council.</p>
<p>The Council does not manage its resources (buildings/staff and other resources) effectively</p>	<p>Director of Services to Communities & Finance & Corporate Services</p>	<p>The revised PRD process and competency framework, supported by leadership development that will be resumed when the restructure is finalised, will ensure that managers and staff have the right skills to manage resources effectively. This is supported by the Finance, ICT and People strategies, and CIM self-assessments to monitor the deployment and effectiveness of approaches, including performance and risk management.</p> <p>The Finance Strategy includes a 5 year capital plan which and a 3 year revenue plan. A Budget Strategy group is also working towards ensuring that our resources are sufficient to ensure sustainable service delivery. The restructure will ensure that the Council is better placed to service common customer groups more effectively and efficiently. For example, Business Support staff have been pooled enabling staff to work more flexibly across the Council as customer demands fluctuate, and this model is being investigated in other areas.</p> <p>A 20 year Fleet plan is in development, and the Property Asset Management Strategy and Roads Asset Management Plan have been approved, and include specific actions to mitigate this risk. Plans to rationalise council buildings have also been approved, and will improve management of assets, as well as having significant sustainability benefits. A recently procured Performance Management System will also assist managers in the early identification of underperformance, allowing remedial action to be taken quicker, thus lessening the impact of this risk.</p>
<p>The Council does not develop staff and skill sets to fill current and changing roles in the future</p>	<p>Director of Finance & Corporate Services</p>	<p>This is being addressed through the implementation of our revised PRD process, competency framework and leadership development programme. Learning and Development is linked to the competency framework, which overall will ensure that we have the right people with the right skills to take the organisation forward. Once the Council restructure is in place the leadership development programme will be fully deployed across the Council.</p> <p>The People Development delivery team is progressing mitigating actions in this area through implementation of the People Strategy, on which good progress is being made, and the strategy is being continually reviewed to ensure our people resources are aligned with business need. All services have been set targets for reaching the level of the IIP standard, and the Council aims to achieve this accreditation in 2011.</p>
<p>The Council does not effectively plan for future customer needs and expectations</p>	<p>Chief Executive</p>	<p>This is being addressed the Customer Service delivery team through the next stages of the Customer Service Strategy implementation. The rollout of CIM self-assessments, has reviewed 22 business units and assessed service arrangements regarding customer focus. All services that have not yet achieved CSE accreditation have been set targets, and the Council aims to have all services meeting this standard by July 2011.</p> <p>A major stakeholder consultation exercise has taken place to identify customer priorities and ensure that needs continue to be met while financial efficiencies are realised. As with all other customer consultations, details have been recorded in a corporate database to ensure coverage of all strategic areas, and prevent duplication of effort. Community engagement and Clacks 1000 surveys also continue to be used and developed across services. The rationale for the restructure of the Council has been to ensure that services focus on common customer groups.</p>

Risk	Lead Officer	Progress
The Council is not able to demonstrate the quality, effectiveness or cost of its services	Chief Executive	<p>Although we have well-established performance management arrangements, we know through our self-assessment processes that we need to develop a wider scope and better balance of indicators that will enable this. Following the rollout of CIM self-assessments we are now deploying core Best Value performance indicators and more focused outcome indicators, as well as clearer Public Performance Reporting arrangements. We have revised our Performance Reporting and Monitoring arrangements and have taken on board improvements from the Shared Risk Assessment and Improvement Plan to ensure this is more effective. In addition, the Budget Strategy group are overseeing ten strategic options appraisals.</p> <p>A new IT system will provide significant benefits to performance management processes, including greater efficiency in monitoring and reporting. This system will assist managers in ensuring that the quality, effectiveness and cost of all key processes is being managed. In addition to the internal management of performance, this system will improve benchmarking with other organisations, allow performance information to be published directly to Clacksweb, and will significantly reduce the effort required by staff when external audits and inspections are taking place. All managers are continually encouraged to appraise options for service delivery and ensure that performance in quality, effectiveness and cost is improved.</p>
Prolonged recession	Director of Services to Communities	<p>The UK has now officially been out of recession for the last four quarters, however, this risk remains due to uncertainty in the economic outlook. The revised Housing Land Supply Local Plan has been approved by Council, including new housing investment opportunities, and the revised Development Plan will offer new opportunities for investment, subject to approval by Council. Services continue to assess opportunities for local market stimulation, including assessment and mitigation of the specific risks associated with each opportunity.</p> <p>The Council has approved the largest development in the area's history (Forestmill). Substantial work has also been completed to regenerate Alloa Town Centre which has greatly improved the image of the town and the area. The new college will be located near the deprived Hawkhill area, and adaptation of the Spiers Centre into a new library will make the old location available for conversion to a Dentists' Surgery. A new Scottish Wildlife Centre at the site of Devon Equestrian Centre, as well as a Housing proposal at Dalmore will also contribute to mitigating this risk.</p>
The Council will lack the ability to prevent the serious harm of a child (or children) under Council care	Head of Social Policy & Head of Education	<p>There is a running programme of file audits undertaken by the child protection quality improvement manager which is supported by external auditing undertaken by HME. Inspections and self evaluation have all helped reduce this risk further. An intra-authority audit is now in place allowing each council to undertake a quality review of each partner organisation. Positive results have been achieved in both an external inspection of Child Protection and an internal audit of Multi-agency Public Protection Arrangements across Forth Valley organisations.</p> <p>A GIRFEC Training Programme is being rolled out across the organisation and will support the deployment of the Corporate Parenting Initiative reducing this risk. A regional GIRFEC group has been established between Forth Valley Councils, attended by both the Head of Child Care and the Head of Social Policy, to both address shared risks and communicate best practice in this area.</p>
The current education model is unable to deliver Curriculum for Excellence and Getting it Right for Every Child	Head of Education	<p>Curriculum for Excellence is being implemented in all of the authority's schools. Ongoing training for staff is being provided and the next phase of training is planned. National guidance on some aspects of assessment is still not clear and, as with all Scottish Councils, there are still issues relating to this risk which are yet to be overcome nationally.</p>
The Council will overspend (>£0.5m) its budget as a result of an increase in pressure on individual service budgets	Director of Finance & Corporate Services	<p>A more focused Financial Management Strategy is in place with tighter governance at a service and Council Level. We continue to regularly monitor budget on a monthly basis at a service and Council Management Team level. A 5 year capital is now in place which will be supported by a 3 year revenues plan. This will greatly improve the way the organisations manages its revenues and service costs. Over this year we will continue to analyse comparative data to help us assess how we perform relative to other similar service providers, thereby informing our improvement planning. Additionally, following Clacks Improvement Model self assessments, all services reviewing efficiency indicators to support them demonstrating best value. This work will have substantial and positive impact on our revenues and service costs in the medium to long term.</p> <p>The lack of foster care placements and subsequent use of 'out of authority' placements for looked after children continue to represent a significant ongoing financial pressure for the council and the council has developed a clear strategy to meet this challenge.</p>
Pressure on finances increases above the expected 12% cut in real term budget by 2013	Chief Executive	<p>The Council has approved a 3-year Budget Strategy which includes prudent cost savings as approved in 2010/11 budget. The budget strategy will look at a range of strategies up to the 2013/14 period. This is based on the scenario of a 12% cut in budget and provides the Council with a series of flexible and responsive approaches.</p>

Progress		
Risk	Lead Officer	
The council does not manage organisational information and knowledge effectively	Director of Finance & Corporate Services	<p>Records Management support is being provided to services alongside the rollout of the corporate Electronic Document & Records Management System. This support includes tailoring a corporate retention schedule template to the needs of individual service areas, incorporating service-specific legislation regarding the retention and disposal of records. Work is also ongoing in the areas of Freedom of Information and Data Protection, and the publication of Statutory Performance Indicators, and services are continually encouraged to publish organisational information on Clacksweb.</p> <p>Work on the corporate intranet and the new performance management system will also improve practice in the management of information and knowledge. An Information Management Strategy is being developed, including an action plan to ensure consistent deployment across all Council services. A key area of focus of the People Strategy is 'Planning for the future workforce, anticipating fewer numbers, broader skills, new ways of working', and work in this area will have a significant impact on the Council's ability to manage the knowledge held by staff members.</p> <p>The content of the Single Outcome Agreement will be reviewed by the end of the financial year, when funding implications and their impact will be more widely understood by the Council and its Alliance partners. The Alliance has agreed three priority action areas that will focus efforts and ensure that key priorities are delivered. The restructuring of the Council will put it in a stronger position to deliver on the Single Outcome Agreement, and there is a strong possibility of similar restructures occurring in the Police and Fire Services with the same goal in mind.</p>
The current Single Outcome Agreement may not be deliverable as a result of reductions of public sector funding for the Council and all Alliance partners	Director of Finance & Corporate Services	

