THIS PAPER RELATES TO ITEM 9

ON THE AGENDA

CLACKMANNANSHIRE COUNCIL

Report to: Scrutiny Committee

Date of Meeting: 1st December 2011

Subject: 2011/12 Half Year Risk Management Progress Report

Report by: Director of Finance & Corporate 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. Scrutiny Committee is asked to:
 - a) Review the report and comment and challenge as appropriate; and
 - b) Provide feedback on the format of the report, which is still being developed through the new Covalent Performance Management System.

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. Risk management arrangements have been 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 assigned to and reviewed by an appropriate senior officer.
- 3.3. Appendix A summarises changes to the Corporate Risk Log in the last six months and includes guidance and definitions. Appendix B provides details of the most significant risks facing the Council at the 2011-12 half year stage. Three new risks have been added to the log in the last six months:
 - 27. Negative Impact of Climate Change
 - 28. Shared Services Failure
 - 29. Negative Impact of Public Service Reform

- 3.4. In some cases, irrespective of significant mitigating action, the risk rating has remained high or increased, 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, in relation to child protection. Therefore, in addition to the risks rated as red, two amber risks are included in this report (11. Harm to Child(ren) and 21. Non-delivery of CFE and GIRFEC).
- 3.6. The format and content of the log will continue to be developed on an ongoing basis. One planned revision is the separation of notes regarding mitigating actions which the Council has completed from notes regarding external factors (affecting areas such as climate change and recession). The risk log will be an input to Scrutiny Committee's planning process in the spring and CMT plan to undertake a full review of corporate risks before the end of the 2011-12 financial year.
- 3.7. In conclusion, our approach to risk management continues to develop. At the half year point, three new risks have been added to the corporate risk log. Two current risks have an increased rating, although only one these, Industrial Unrest, is currently 'red' rated. Four risks are currently rated at the maximum of 25. Overall, the corporate risk log has an average rating of 16.

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. There are no direct financial implications arising from this report.
- 5.3. Staffing
- 5.4. 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 ☑)

		a positive image and attracts people ities are more cohesive and inclusive								
		etter skilled, trained and ready for lea								
	•	ities are safer	3							
	Vulnerable pe	eople and families are supported								
	Substance m	isuse and its effects are reduced								
	Health is imp	roving and health inequalities are red	ucing							
	The environm	nent is protected and enhanced for al								
	The Council i	s effective, efficient and recognised for	or excellence	$\overline{\checkmark}$						
(2)	Council Poli	cies (Please detail)								
8.0	Equalities Im	npact								
8.1	Have you undertaken the required equalities impact assessment to e groups are adversely affected by the recommendations?									
			Yes ☑ No							
9.0	Legality									
9.1		onfirmed that in adopting the recommouncil is acting within its legal powers	_	this						
10.0	Appendices									
10.1	Please list an please state '	y appendices attached to this report. 'none".	If there are no append	ices,						
	Appendix A -	Corporate Risk Log Summary								
	Appendix B -	Details of Significant Risks								
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 V									
Author	r(s)									
NAME	=	DESIGNATION	TEL NO / EXTENSION							
Judi F	Richardson	Performance & Improvement Adviser	2105							

Approved by

NAME	DESIGNATION	SIGNATURE
Nikki Bridle	Director of Finance & Corporate Services	
Elaine McPherson	Chief Executive	

Appendix A - Corporate Risk Log Summary



Status (Average)		Current Rating (Average)	16		Summary of Changes
Corporate register of strategic organisational risks, reporting on factors affecting the Council's ability to deliver its key strategic objectives.					g the first six months of the 2011-12 financial year (out of a total of 29 risks):
	Distribution of Risks (Total 29)				The rating of 2 risks has increased (IDs 23 & 25),
	Distributio	n of Risks (Total 29)		*	The rating of 10 risks has decreased (IDs 01, 02, 05, 10, 11, 15, 18, 20, 24 & 26),
	0 3 2 4				The rating of 1 risk was corrected (ID 22 - this had previously been reduced, but the Emergency Planning Officer advises that this remains a significant threat)
		2 2 5		N	3 risks were newly added to the log (IDs 27, 28 & 29),
	Likelihood	0 0			The rating of the other 13 risks remained the same.
	Impa	ct			

	Whether the risk is currently grouped as red, amber or green, depending on its 'Current Rating':
Status	Red - risks with a current rating of 16 and above, Amber - risks with a current rating from 10 to 15, Green - risks with a current rating of 9 or below.
Change	A symbol to indicate how the risk rating has changed in the last 6 months (see symbols in 'Latest Note' above).
ID	The code used to refer to a risk, which will remain the same regardless of changes to the details or scoring (this does not indicate the risk's severity).
Title	A brief summary of the nature of the risk.
Assigned To	The person responsible for managing the risk: the Chief Executive, or the Director or Head of Service of the area of the Council impacted by/responsible for the risk.
Rating	The score of a risk's severity, calculated by multiplying the likelihood of it occurring by the impact of it occurring (both on a scale of 1 to 5, with 5 being the most likely/severe, with a maximum rating of 25). Managers are provided with additional guidance in scoring a risk, which is available on request. In most cases (though not all), either the likelihood or impact cannot be reduced, and efforts can only be targeted at one of these factors. Target The rating we aim to achieve by the end of year risk report (June 2012), taking into account planned mitigating actions and other external factors. Current The rating which reflects the present position, taking into account actions that have already been completed.
Description	An event or situation that would affect the Council's ability to deliver on its objectives, and the cause of that event or situation. The risk register must focus on specific issues and their impact on the Council, and though dealing with hypothetical scenarios, must be as explicit as possible.
Potential Effect	The possible consequences of the risk materialising. This may refer to the groups of staff, customers or other stakeholders affected, the effects on service provision, and whether there may be reputational, legal or financial implications.
Latest Note	Details of the progress made in mitigating the risk, including whether actions are planned or completed, and how this will impact the risk rating.

Abbreviations used in this report are listed at the end of Appendix B.

Appendix B - Details of Significant Risks

ID & Title	07. Poor Local Economic Development	Status	Change		Assigned To	Garry Dallas	Current Rating 25	Target Rating 20	
Description Potential Effect	The global financial crisis is reflected in poor local economic development. Lack of housing supply, particularly affecting those requiring afford types of investment in the area.		cular needs	housi	ing, and limited	levels of other	Likelihood	Likelihood	
Latest Note	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. 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 is now open while the upgrading of the Spiers Centre and proposed conversion of the existing library in Drysdale Street as a new Dentist practice will further serve to regenerate the Town Centre.								
ID & Title	22. Flu Pandemic	Status	Change		Assigned To	Elaine McPherson	Current Rating 25	Target Rating 20	
Potential Effect	Significant numbers of Council staff and customers become ill due to support functions and front-lin considered vulnerable. This also links to risk 09 (page 7) as Single further restrict service provision.	e service pro	ovision, inclu	iding	to customer gro	,	Impact	Impact	
Latest Note									

ID & Title	27. Negative Impact of Climate Change	Status	Change	N	Assigned To	Garry Dallas	Current Rating 25	Target Rating	20
Description	Climate change causes extreme weather events, leading to flooding which the Council must manage the consequences.								
Potential Effect	Significant disruption to services, including damage to, or closure property (such as schools, offices and housing stock). Inability of areas, particularly Emergency Planning, Housing Repairs, Roads & reputational implications and potential for litigation, should it be cimplemented. Residents suffer health problems and damage to probusinesses suffer losses due to damage to supply chains, infrastru	Impact	Impact						
Latest Note	businesses suffer losses due to damage to supply chains, infrastructure and property. NB A separate background paper on this risk was circulated to Members prior to Scrutiny Committee. The Sustainability & Climate Change Strategy (2010) has been approved by Council and is being implemented: this includes the preparation of supporting plans and strategies, such as the Climate Change Adaptation Framework, the Flood Management Plan and the Local Biodiversity Action Plan, as well as a revised Carbon Management Plan. All reports to Council and Committees must include a completed Sustainability Checklist, and Strategic Environmental Assessments must be carried out on qualifying								

ID & Title	23. Industrial Unrest	Status	Change	Assigned To	Elaine McPherson	Current Rating	25	Target Rating 20	
Description	Industrial unrest arises from Single Status, or local or national but	ıdget-related cha	anges to te	erms and conditions.			0		
Potential Effect	Impact on staff morale, productivity, including the delivery of out and reputational implications, as well as significant impact on cus	Likelihood		Likelihood					
Latest Note	his risk has been escalated to 25 given that Trades Unions are balloting members of a series of national strikes, the first of which may be a soon as the 30 November 2011. rocedures and protocols are well developed. The CMT and service managers are currently putting in place appropriate arrangements, including early communications to taff. On an ongoing basis, the Chief Executive continues to provide regular and direct communication via Grapevine and COIN. In addition directors have regular and direct consultation with the Unions and a Trade Union Communication Protocol has been developed.								

ID & Title	03. Budget Overspend	Status		Change	_	Assigned To	Nikki Bridle	Current Rating 20	Target Rating 16		
Description	There is significant overspend (>£0.5m) on the Council budget as savings, or predicted efficiency savings not being realised.	a result o	f bein	ng unable t	o ide	entify sufficient I	evels of efficiency				
Potential Effect	Inability to meet statutory obligations, and/or stakeholder needs a	nage.	Impact	Impact							
Latest Note	Financial management is now much more focused within approved Finance and Budget strategies with tighter governance at a service and Council level. We continue to monitor budget on a monthly basis at a service and Council Management Team level. The Budget challenge sessions held in early October indicate that 80% of the Council's planned savings have already been secured totalling £6.482m. In addition to securing this level of planned savings to date, a further £2.958million savings are planned to be secured during the year. Significant progress is being made in settling outstanding equal pay claims and it is more than likely that settlements will be contained within the Councils provision for this purpose thus reducing the Council risk in this area.										
ID o Title	O.4. Door Communication of Direction & Culture	Ctatura		Oh an ma		Assissad Ta	Flaire MaDharas	Comment Beting 20	Taunat Dating 15		
ID & Title	04. Poor Communication of Direction & Culture	Status		Change		Assigned To	<u> </u>	Current Rating 20	Target Rating 15		
Potential Effect	Leaders do not communicate a clear direction or culture to staff due to ineffective or inefficient communication methods. Staff being unclear on their contribution to organisational objectives, leading to low morale or potential duplication of effort.								Likelihood		
Latest Note	A system of cascade briefings to ensure key messages reach all staff has been rolled out across the Council, with progress being monitored and evaluated through the annual staff survey. The 2010 staff survey indicates that effective organisational communication remains a high priority for staff. Following an Invest to Save award, the Communications team is developing an intranet to further aid efficient internal communication. Benchmarking activity on the issue of organisational communication is currently being undertaken to understand best practice. The revised PRD process is designed to more effectively communicate priorities to staff. Combined with this is the introduction of a competency framework which will improve behaviours in relation to planning and communication. Achievement of the IiP quality standard will provide greater assurance of the effectiveness of organisational communications. The 2010 staff survey has been repeated in October/November 2011 to gain knowledge on changing staff perceptions relating to this risk. 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.										

	ı					1		
ID & Title	06. Ineffective Management of Physical Assets & Resources	Status	Change		Assigned To	Garry Dallas	Current Rating 20	Target Rating 15
Description	Physical assets and resources are not effectively managed due situations.	to a lack of e	ffective plannin	g an	d poor adaptatio	on to changing		
Potential Effect	Disruption, affecting the Council's ability to deliver services (su Maintenance, Waste & Lands Services), financial implications of maximising the use of land, and health & safety implications of	of maintaining,	, heating and lig				Likelihood	Impact
Latest Note	A 20 year Fleet plan has been developed, and the Property Ass directions to mitigate this risk. Work is underway to propose fe housing business plan is under review and work is well underway.	ewer, better bu	uildings accomr	noda	ating all services			
ID & Title	12. Health & Safety Non-compliance	Status	Change	-	Assigned To	Nikki Bridle	Current Rating 20	Target Rating 15
Description	A Health & Safety incident results in the injury to or death of a compliance with policies and procedures.	staff member	r or customer d	ue to	lack of awaren	ess of or non-		
Potential Effect	The effects of the injury or death on individuals and their familincreased insurance or damage to Council assets.	lies, financial p	penalties, crimii	nal p	roceedings, adv	erse publicity,	Kell bood	Likelihood Doduli
Latest Note	This is influenced by the whole of our health and safety managesystem impacts the H&S culture throughout the Council and in 2011) and service level policies as required. Adhering to the 40 components of the H&S management system include provision risk assessment and subsequent safe systems of work and conformedial measures to reduce recurrence. An audit is current identify where further work by the service, or central support in	cludes, as its to the cludes, as its to the cludes of induction, atrol measures the cludes of the cl	foundation, the d H&S policies was advice and guide, incident reported and will be	Chie voule danc ting conc	ef Executive's Had also reduce the training, safe and investigation	&S policy statemen e likelihood and se equipment, safe a on (including COIN	t, 3 Directorate level p verity of accidents. Otl ccess/egress and main guidance), trend analy	olicies (revised Oct ner relevant tenance of buildings, sis and development
ID & Title	17. Ineffective Service Risk Management	Status	Change	_	Assigned To	Nikki Bridle	Current Rating 20	Target Rating 15
Description	Service and operational risks are not monitored or managed debeing aware of the support available, or not adhering to the co				with appropriate	e support, not		
Potential Effect	Financial penalties, reputational damage, harm to one or more being unaware of the levels of risk to which they are exposed.	people, or los	ss of or disrupti	on to	o service provisi	on due to services	Likelihood	Likelihood
							Impact	Impact
Latest Note	The revised Risk Management Strategy & Policy was approved reviewed by CMT and Scrutiny Committee twice a year. Service each management team are planned for 2012/13 to assist servalso improve the focus, recording of, access to and reporting of an integral part of each piece of operational or strategic work of the committee of t	e risk manage vices in develo of progress reg	ment arrangem oping their risk garding risk ma	ents logs.	are assessed a The implement	s part of CIM self-a ation of the Covale	assessments, and facili ent Performance Manag	tated sessions with ement System will

ID & Title	29. Negative Impact of Public Service Reform	Status	Change	N	Assigned To	Elaine McPherson	Current Rating 20	Target Rating 15
Description	The Council is unable to retain the influence that it currently h local accountability over these services.	as over how Polic	e and Fire s	ervice	es are delivered	locally, and loses		
Potential Effect	Loss of autonomy on how Police and Fire Services are delivere Fire Services are delivered (loss of local boards). Reduction in Planning. Reduction in local community policing/fire response	capacity of Police	and Fire Se	rvices	s to contribute	to Community	Kell bodml	Impact
Latest Note	Clackmannanshire Council has prepared a response to the late to introduce the Police and Fire Reform Bill early in 2012, to be Autumn 2013. Central to the response on the consultation from respond to local needs.	e passed into stat	ute by Sum	mer 2	2012. It is possi	ble that any new s	rices in Scotland. The ervices could be up ar	Government intends and running from
ID & Title	28. Shared Services Failure	Status	Change	N	Assigned To	Elaine McPherson	Current Rating 16	Target Rating 12
Description	The Shared Services programme fails due to lack of agreemen over support or strategic resource, loss of essential skills throut ochange.					•	p	B
Potential Effect	Reduced levels of performance and failure to meet expectation for vulnerable or 'hard to reach' customer groups. Impact on s recruitment or retraining, with associated costs. Requirement redesign and restructure exercises, with workload, financial ar	r additional	Impact	Impact				
Latest Note	Effective engagement and briefings for senior managers and p stakeholders and consistent messages to present within progra clarity of objectives and needs (resources/people) to meet the additional resource to manage plans and ensure integration wi	amme. Escalation se objectives. Cle	of issues the ear and effec	rough tive c	n line managem	ent and governand	ce structures. Prioritis	e activity to ensure

Though the following 2 risks are now amber, it has been requested that their details be included in this report.

ID & Title	21. Non-delivery of CFE & GIRFEC	Status 🔔	Change		Assigned To	Belinda Greer	Current Rating	10	Target Rating 5
Description	The Council is unable to deliver on Curriculum for Excellence or Getting it Right for Every Child due to the Education model currently in operation.								
Potential Effect	oor performance for pupils in providing useful, meaningful and transferable education, and an inability to drive up Education tandards and meet customer expectations, with associated reputational damage.						Crike Dood	0	Impact
Latest Note	Good progress is being made overall with Curriculum for Excellence. Partnership working with Stirling Council and with FV College (Clackmannan Campus								

ID & Title	11. Harm to Child(ren)	Status	<u></u> Cr	hange	₽	Assigned To	Deirdre Cilliers; Belinda Greer	Current Rating	10	Target Rating	5
Description	A lack of intervention or action by the Council fails to prevent the s	care.									
Potential Effect	The effects of the injury or death on the individual, family, friends and staff members, and possibly reputational harm or criminal proceedings, with associated costs.							Likelihood)	Impact	
Latest Note	Improved outcomes have been evidenced in childcare services following a considerable redesign and improvement programme. Lower numbers are requiring residential care, outcomes have improved for LAC and increased partnership working has led to more efficient and effective services. The focus on highest risk children is showing signs of										

Abbreviations:

CFE Curriculum for Excellence

CIM Clackmannanshire Improvement Model

Corporate Management Team CMT

Council Online Information (Council Intranet) COIN

CWSO Chief Social Work Officer EPU **Emergency Planning Unit**

Forth Valley FV

GIRFEC

Getting it Right for Every Child Health & Safety Investors in People Information Technology Looked After Children H&S ΙiΡ ΙT LAC NHS National Health Service

PRD Performance Review & Development Secondary 4/6 (Fourth or Sixth Year) Scottish Housing Quality Standard S4/6 SHQS SQA Scottish Qualifications Authority