Midlothian

Risk Management, Update for 1 January 2017 – 31 March 2017

Report by Chris Lawson, Risk Manager

1   Purpose of Report

Audit Committee has requested regular reporting on the Council's Strategic Risks. The Strategic Risk Profile seeks to provide a strategic assessment at the current issues, future risk and the opportunities facing the Council.

The purpose of this report is to provide Audit Committee with the 2016/17 quarter 4 strategic risk management update, covering the period 1 January to 31 March 2017.

2   Background

Midlothian Council is operating in an increasingly demanding environment. New and returning councillors face major challenges from continued reductions in funding from the Scottish Government, greater demands for services from an ageing population and, growing school age population. The scale of these challenges mean it is more important than ever that Councillor's provide effective leadership in setting a clear strategy and make the difficult decisions that will be required.

Midlothian Council has relied on the use of reserves to bridge the 2017/18 budget gap, utilising £3.970million to balance the budget. Incremental changes to services, increasing charges and reducing employee numbers are neither sufficient nor sustainable solutions for the scale of the challenge facing the Council which is in the region of £30m by 2021/22.

The Council will need to respond effectively to national policy priorities within the Scottish Government's Programme for Government and, along with partners, will require to demonstrate clear progress in Integrating Health and Social Care and in meeting the requirements of the Community Empowerment Act.

2.1   Strategic Risk Profile update

The following risks were added to Midlothian Council's Strategic Risk Profile in quarter 4:

- Fastest Growing Council in Scotland
- UK Decision to leave the European Union following the referendum
- Political uncertainty including Education Governance Review

The opportunities associated with Midlothian Council being the fastest Growing Council in Scotland were included to the risk profile within the opportunity section.

2.2 The issue of balancing the 2017/18 budget was addressed when the balanced budget presented to Council was approved on 7 February 2017. The on-going risk associated with financial stability and balancing the budget in future years remains, with the change programme becoming the most significant factor in seeking to identify and deliver on the reduction in expenditure and increased income opportunities required to enable the Council to set a balanced budget position in future years.

2.3 Pay and grading review was implemented in quarter three, the Investing in Our Workforce strategies moves into the risk section as there remains the potential that the Council does not fully realise the flexibility and efficiency changes sought through the review.

2.4 Welfare reform remains an item of focus as an issue in the Strategic Risk Profile in quarter 4 as the Department for Work and Pensions implemented the Universal Credit in full from 22 March 2017.

2.5 **Strategic Risk Profile Summary**

The Top Strategic Issues are summarised in table 1.

Top Issues	Likelihood	Impact	Score	Evaluation	
Financial Stability	5	5	25	Critical	
The change programme	4	5	20	High	
Welfare Reform	5	4	20	High	

The Strategic Risks for the Council are summarised in tabled 2 below.

Strategic Risks	Likelihood	Impact	Score	Evaluation	
Balancing budget in future years	5	5	25	Critical	
Scottish Abuse Inquiry	4	5	20	High	
Growing Council	4	5	20	High	
Review of Pay and Grading	4	4	16	High	
Information Security	3	5	15	Medium	
Health and Safety	3	5	15	Medium	
Political uncertainty	3	4	12	Medium	
Integration of health and social care	3	4	12	Medium	
UK decision to leave the EU	3	4	12	Medium	
Governance and standards	3	4	12	Medium	
People risk	3	4	12	Medium	
Legal and regulatory compliance	3	3	9	Medium	
Working with other to	3	3	9	Medium	

Strategic Risks	Likelihood	Impact	Score	Evaluation	
deliver outcomes					⚠
Asset condition	3	3	9	Medium	⚠
Climate change	3	3	9	Medium	⚠
Internal control environment	3	3	9	Medium	⚠
Emergency planning and business continuity	2	4	8	Low	✅
Corporate policies and strategies	2	3	6	Low	✅

The Strategic Opportunities for the Council are summarised in table 3.

Strategic Opportunities	Likelihood	Impact	Score	Evaluation	
Growing Council	5	5	25	Critical	🛑
Shawfair	5	4	20	High	🔴
Borders rail	5	4	20	High	🔴
Easter Bush - Penicuik	5	4	20	High	🔴
City deal	3	5	15	Medium	🔺

2.6 Strategic Issues – Rated Critical and High

2.6.1 Financial Stability

Midlothian Council faces greater demand for services against a backdrop of reducing central government funding. The Council required the use of £3.970 million from reserves to bridge the budget gap for 2017/18. The Strategic Leadership Group are aware that incremental changes are neither sufficient nor a sustainable solutions for the scale of the financial challenge facing the Council and recognise the need to be creative in the solutions to this challenge in change programme proposals. The genuine challenge is going to be the scale, pace and deliverability of the proposals being brought forward practically and politically.

2.6.2 The Change Programme

The strands of work that will continue to be necessary to address the projected budget shortfalls represent the change programme, encompassing:-

- Business Transformation Steering Group;

- The Delivering Excellence programme;

- The delivery of savings approved in 2016/17 and 2017/18

- The continued control over expenditure;

- The Transformation Programme;

- The EWiM programme;

- An updated Capital Strategy and Reserves Strategy;

- Operational savings encompassing financial discipline measures;

- The development of further savings options for 2018/19 and beyond.

2.6.3 Welfare Reform

Universal Credit Full Service was rolled out in Midlothian on 22 March 2017.

The Universal Credit Programme closes gateways for legacy benefits, therefore existing benefit claimants will no longer be eligible as Universal Credit rolls out and there are plans for the migration of those remaining claimants on current benefit types once the digital rollout is complete for all of Great Britain.

Awareness, advice and assistance is being provided by the Council. The projected outcomes are based on local data and evidence in conjunction with anecdotal information resulting in speculative scenarios. Monthly meetings are taking place via the Midlothian Operational Delivery Group to plan Universal Credit implementation.

2.7 Strategic Risks – Rated Critical/High

2.7.1 Balancing budget in future years

The Council's Financial Strategies core objective is to secure the Council's continued financial sustainability during what is and will continue to be an extended period of significant financial constraint, coupled with increasing service demands and increasing customer expectations.

In response to these challenges the Council has set out a Financial Strategy covering the period to 2021/22. In order to ensure the Services provided meet the needs of service users and are as efficient as possible the Council are implementing a Change Program, incorporating the Delivering Excellence framework for service review and redesign. This approach is expected to bring forward savings options in addition to ensuring service user needs are achieved.

A report setting out future budget savings will be brought forward to an early meeting of the new Council.

2.7.2 Fastest growing Council

Midlothian Council has been identified by the Scottish Government as the fastest growing Council in Scotland with a projected population growth of 26% between 2014 -2039. This would see the population of Midlothian grow from 86,000 – 108,000 by 2039. The growth is expected to see the 0-15 population increase by 20%. The fastest rate increase is expected in the 75+ population with a projected 106% increase between 2014 and 2039. Failure to resource and plan for these rises in population will significantly impact the Councils ability to fulfil its statutory obligations in relation to these groups.

To plan for the impact this will have on the school estate, the Council have undertaken work to develop a Learning Estate Strategy which would seek to address the pressures expected from this and other know Government policies which will impact on capacity requirements within schools.

2.7.3 Scottish abuse inquiry

On 1 October 2015 the Scottish Government set up The Scottish Child Abuse Inquiry. The inquiry will report back to Scottish Government Ministers within 4 years with recommendations for the future to improve the law, policies and practices in Scotland relating to children.

If the inquiry finds historical cases that suggest incidents of abuse may have occurred within Midlothian, there would be passed onto Police Scotland for investigation.

The risks to Midlothian Council is that such a move could place doubt in the eyes of the public as to the safety of young children and young people who are currently in care. There is significant scope for a substantial financial impact arising from claims of historic abuse.

The Council recognises the potential for compensation claims deriving from the Scottish Government's Limitation (Childhood Abuse) (Scotland) Bill which will remove the three-year time limit on claims of child abuse. Some claims will be historic and relate to Lothian Regional Council, Midlothian District Council or their predecessors some will date post-reorganisation and relate to Midlothian Council.

The Council have set up an Abuse Inquiry Project Team and a Claims Project Team to support the Council to prepare for information requests to support the Inquiry and in preparation of any claims that may arise.

Currently the Council have received two Section 21 requests from the Inquiry Team and are working to ensure that required timescales to return all relevant information is met.

2.7.4 Review of pay and grading

During 2016 Midlothian Council made an investment of £2.67million to reduce in-work poverty. While enabling the Council to achieve a position where all employees were paid at or above the national living wage, there was a desire to secure improvements in flexibility, productivity and service quality as a result of this investment.

The employee grades, terms and conditions altered by these changes have now taken place. The risk to the Council is that following this substantial investment it does not realise the return in improved productivity and or flexibility across the workforce. The impact of pay and grading review is being kept under review by the Investing in our Workforce Project Board, with a focus on securing the gains.

2.7.5 Legal and regulatory compliance

Midlothian Council are currently required to provide 600 hours of nursery provision per year, this is equivalent to 15hrs 50mins per week over 38 weeks. The Scottish Government have committed to increase this to 1140hrs per year, equivalent to 30 hrs per week over 38 weeks per year. This new level of provision is to be in place from August 2020, although Scottish Government expects Council to expand provision towards this between now and August 2020.

Midlothian Council are looking at areas where there is capacity to begin to extend the provision. The full implementation will place demands on both Physical space and staff capacity. The demands associated with physical space will be captured as part of the Learning Estate Strategy work outlined in 2.7.2 above.

STRATEGIC OPPORTUNITIES

2.8.1 Shawfair

The Shawfair development with its new rail link provides a major incentive for house builders, employers, retailers and commercial interests; including opportunities to secure a low carbon community through a district heating scheme from the Zero Waste facility. The opportunity to create a new town of this size provides a unique opportunity for the Council.

2.8.2 Borders Rail

The Borders Rail provides the opportunity to support the regeneration of priority communities of Midlothian, through which the railway passes.

The line provides ready access to education/training at Edinburgh College, Borders College and Queen Margaret University with improved access to the labour markets in Edinburgh and the Borders. The Railway has also acted as a catalyst for housing growth in Midlothian particularly along the Rail corridor.

2.8.3 Easter Bush

Easter Bush offers fast growing opportunities in Science Technology Engineering and Mathematics (STEM), with opportunities to link directly with Education. Maximising partnership links between schools the University sector and the Bush will all support STEM opportunities.

2.8.4 City Deal

Midlothian Council is part of the South East Scotland Region City Deal bid for funding to Scottish and UK Governments.

The purpose of which is to support the acceleration of economic growth through investment in infrastructure/ housing/ skills and innovation.

Midlothian Council and city deal partners are awaiting feedback from UK Government and Scottish Government Officials on the city deal submission, the city deal sign off is expected in 2017.

2.8.5 Fastest Growing Council

Midlothian Council has been identified as the fastest growing Council in Scotland. This brings the opportunity to support the Council vision of being 'A Great Place to Grow'. As a growing Council the Council has the opportunity to influence the future development of Midlothian and associated infrastructure, with a focus on area targeting, improving economic opportunities, improving education and health outcomes.

3   Report Implications

3.1   Resource

There are no direct resource implications in this report although individual risks will have associated resource implications.

3.2   Risk

The Strategic Risk Profile seeks to articulate the significant risks facing the Council at any point in time.

The Risks reported are generally those that impact on all parts of the Council and the strategic priorities of the Council. It appears that the presence of risk is understood and action is being taken to manage and respond to risk on an ongoing basis by officers.

The risks referred to in this report are set out within the Council's Strategic Risk Profile, attached as Appendix 1.

3.3   Single Midlothian Plan and Business Transformation
Themes addressed in this report:

☐ Community safety
☒ Adult health, care and housing
☒ Getting it right for every Midlothian child
☒ Improving opportunities in Midlothian
☒ Sustainable growth
☒ Business transformation and Best Value
☐ None of the above

3.4   Impact on Performance and Outcomes

The purpose of the Council's risk management approach is to support a level of risk awareness, to inform decision making and support the Council to deliver on its key outcomes by highlighting and taking steps to mitigate potential disruption to the delivery of services.

3.5   Adopting a Preventative Approach

The Risk Management approach being taken by the Council is founded on a preventative approach to managing risks, where appropriate and more generally to decision making with far greater risk awareness.

3.6   Involving Communities and Other Stakeholders

Consultation has taken place with Senior Managers responsible for leading responses to key Strategic Issues, Risk and Opportunities.

3.7   Ensuring Equalities

There are no direct equalities issues arising from this report.

3.8   Supporting Sustainable Development

Senior Managers must ensure the sustainability of the Council, which entails identifying, understanding and managing Strategic and Service level Issues, Risks and Opportunities.

3.9   IT Issues

No additional issues other than those relating to the Strategic Risk Profile.

4   Recommendations

Audit Committee is invited to:

Note the quarter 4 2016/17 Strategic Risk Profile report and consider the current response to the issues, risks and opportunities highlighted.

Date: 20 May 2017

Report Contact:
Chris Lawson, Risk Manager
Tel No: 0131-271-3069
chris.lawson@midlothian.gov.uk

Background Papers: **Appendix 1** Strategic Risks Profile
                                                                    Quarter 4 2016/17

Strategic Risk Profile

Midlothian

ISSUES

SRP.IR.07 Financial Sustainability

Risk Code	Issue Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.IR.07	Risk cause **Reduction in long term funding from Scottish Government** **Increasing ageing population of over 75's** **Increasing population of 0-15 age group** **Rising customer expectations** Risk event **Ever deceasing timescale in which to address the future projected budgetary gap with the issue becoming more critical the longer a solution takes to be identified and applied.** Risk effect **Slow or delayed savings arising from change program. Potentially further eroding reserves or requiring short term service reductions which impact on the Council's ability to deliver against its priorities.**	**Gary Fairley**	**1. Change Programme** **2. Strategic Leadership Group developing the longer term Change Programme for the new Council.**	5	5	🛑

Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.IA.02.01	**Developing and implementing a Change Programme to ensure long term financial sustainability.**	Q4 16/17: **Strategic Leadership Group action in preparation for the new Council.**	**Ricky *Moffat; Garry *Sheret; Kevin Anderson; Gary Fairley; Ian Johnson; Joan Tranent; Grace Vickers; Alison White**	30-Jun-2017	▶

SRP.RR.02 The Change Programme

Risk Code	Issue Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.RR.02	Risk cause **A change program that doesn't address the budget shortfall or contextual factors relating to the Midlothian area** **Reduced resources** **Leadership fit for the future** **Lack of clarity or clear compelling vision for the future** **Delay or shortfall in securing savings** Risk event **Delayed progress in applying various strands of the Change Programme including Delivering Excellence Framework** **Slow benefits realisation and budget savings**	**Gary Fairley**	**1. Financial Strategy and Change Programme** **2. Leadership from Executive Team and Strategic Leadership Group.** **2. Appropriated governance in place across the Change Programme.** **3. Links between Change Programme and Workforce Plans** **4. Resilience planning.** **5. Strategic Leadership Group regularly considering Change Programme and budget position.**	4	4	🔺

	Risk effect **Objectives of change not actually met** **Adverse impact on services** **Slow or delayed proposals/savings arising from service redesign. Potentially further eroding reserves or requiring short term service reductions which impact on Council's ability to deliver against its priorities.** **Staff morale negatively affected, Government step-in**				

Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.RA-02.01	**Developing and implementing a Change Programme to ensure the long term financial sustainability.**	Q4 16/17: **Update Financial Strategy report to be presented to an early meeting of the new Council; and Strategic Leadership Group action in preparation for the new Council.**	Gary Fairley	30-Sep-2017	▶

SRP.IR.06 Welfare Reform

Risk Code	Issue Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.IR.06	Risk Cause: **NewUniversal Credit scheme introduced by UK government replacing legacy benefit schemes wit a single scheme.** Risk Event: **Universal Credit (UC) Live Service was introduced in Midlothian for newly unemployed single claimants, with or without housing costs, in Dalkeith and Penicuik Jobcentres from 27 April 2015. Universal**	Kevin Anderson	**1. Applying discretionary housing payment to offset full impact of under occupancy charge (also known as bedroom tax)** **2. Notified job centre plus of Midlothian Councils temporary accommodation units for housing for housing cost impacts.** **3. Work with 3rd sector to mitigate individual case circumstance were applicable.** **4. Scottish welfare fund available for hardship cases, emergency food packs available a relevant council offices. Food banks in**	5	4	🔺

	Credit Full Service is being rolled out in Midlothian on 22 March 2017. Risk Impact: **The Universal Credit Programme will close gateways for legacy benefits, so existing benefits will no longer be eligible, as Universal Credit rolls out as plans for the migration of those remaining claimants on current benefit types once the digital rollout is complete for all of Great Britain.**		**operation within Midlothian.**		

Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.IA.06.01	**Preparation for Universal Credit**	Q4 16/17:**Universal Credit Mailing to all Council House tenants. Awareness training to all front-line staff across services. Digital access services available through library service. Monthly meetings meantime of the Midlothian Operational Delivery Group to plan Universal Credit implementation.**	**Kevin Anderson**	**31-Mar-2017**	✅

RISKS

SRP.RR.01 Balancing Budgets in future years/Impact of Budget Cuts/Financial Strength of Council

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.RR.01	Risk cause: **Reduction in long term funding from Scottish Government** **Increasing ageing population of over 75's** **Increasing population of 0-15 age group** **Population growth and time lag to fund pressures on public services.** **Policy decisions by UK & Scottish Governments which are not fully funded.** **Non or delayed savings from planned activities.** **Future year pay award settlements and implications of living wage increases.** **Inflation, interest rates, tax, income levels, service demand** **Rising customer expectations** Risk event: **Reducing grant settlement.** **Policies decisions at Government level not fully funded to Council's.** **Securing the extent of change required in order to deliver financial sustainability and a change program that recognises the size of the challenge.** **Cost pressures exceeding budget estimates.**	**Gary Fairley**	**1. The Financial Strategy to 2021-22** **2. Development of a Change Programme including the Delivering Excellence framework developed for the new Council Administration.** **3. Maintaining a level of reserves to deal with unforeseen or one off cost pressures.**	5	5	🛑

	Risk effect: **Gap in Council budget between budget commitments/ pressures and funding level and inadequate options presented to address this, resulting in a structural deficit**					

Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.RA.01.01	Developing and implementing a Change Programme to ensure the long term financial sustainability.	Q4 16/17: **Update Financial Strategy report presented to an early meeting of the next Council; and Strategic Leadership Group action in preparation for the new Council.**	Ricky *Moffat; Garry *Sheret; Kevin Anderson; Gary Fairley; Ian Johnson; Joan Tranent; Grace Vickers; Alison White	30-Jun-2017	▶
SRP.RA.01.02	Maintinaing and ensuring sustainability of growth in asset base	Q4 16/17: **Review of Capital Plan with report to Council planned for September 2017.**	Gary Fairley	31-Mar-2018	▶

SRP.RR.03 Legal and Regulatory Compliance

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.RR.03	Risk cause **Current or new legislation applying to Midlothian Council** Risk event	Ricky *Moffat; Garry *Sheret; Kevin Anderson; Gary Fairley; Ian Johnson; Joan Tranent; Grace Vickers; Alison	1. Directors and Heads of Service responsible for identifying applicable legislation and propose Council or Service responses to CMT and Cabinet/Council as required. 2. Annual Assurance Statement. 3. Internal Audit testing of internal controls as part of risk based audit plan.	3	3	⚠

| | Council and or Services not identifying all applicable legislation impacting Council activities and Service requirements.

Risk effect

Council failing to meet its statutory obligations resulting in a potential negative impact for service users or employees. Reputational impact of not meeting statutory obligations. | **White** | **4. External Audit.**

5. Statutory Inspection. | | | |

Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.RA.03.01	**Legal & Regulatory Compliance**	Q4 16/17: **Heads of Service ensuring compliance with statutory obligations and making CMT, Cabinet/Council aware as required.**	**Ricky *Moffat; Garry *Sheret; Kevin Anderson; Gary Fairley; Ian Johnson; Joan Tranent; Grace Vickers; Alison White**	31-Mar-2018	▶
SRP.RA.03.02	**Annual Assurance Statement**	Q4 16/17: **Annual assurance statement prepared as part of the annual accounts process.**	**Ricky *Moffat; Garry *Sheret; Kevin Anderson; Gary Fairley; Ian Johnson; Joan Tranent; Grace Vickers; Alison White**	31-May-2017	▶
SRP.RA.03.03	**Nursery hours increase to 1140hrs**	Q4 16/17: **Education preparing for the 1140 hrs. Physical space and teaching staff capacity.**	**Grace Vickers**	31-Jul-2020	▶

SRP.RR.04 People risk

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.RR.04	**Risk cause** **Employees not suitably qualified or developed for the roles required of them.** **limited availability of qualified practitioners in certain sectors** **Change program not informed by all key stakeholders** **Ageing work force** **Employees unclear on expected behaviours.** **Employees constrained to innovate as a result of management practice** **Risk event** **Employees not engaged/consulted as part of organisational transformation.** **Experienced employees leaving the organisation** **Unacceptable behaviours demonstrated by employees** **Stated organisational culture not consistently reinforced by managers** **Risk effect** **Difficulties recruiting the right staff** **Challenges retaining quality staff** **Low skill levels** **Low morale, especially during change** **High absence rates, loss of experience in service areas.** **'A Great Place to Grow' our values including respect ,collaboration, pride and ownership not realised,**	Chris Lawson; Marina Naylor	**01 - Focus on having the right people, performing and healthy** **02 - 'A Great Place to Grow' our values including respect ,collaboration, pride and ownership** **02 - People Management policies reviewed as part of wider review of pay and grading** **03 - Making performance matter** **04 - A range of initiatives to keep staff informed of change (In brief, Staff Magazine, Espresso Sessions for Managers on new People Management Policies)** **05 - Workforce planning** **06 - Investing in our workforce board** **07 - Healthy Working Lives Gold Award** **08- Occupational Health provision in place** **09 - Employee Assistance and Physio therapy services to support employee health and attendance** **10 - Non-redundancy policy supported by SWITCH and Organisational Change Policy**	3	4	⚠️

	potentially resulting in missing the opportunity to capitalise on the abilities, experience and ideas of team members.						

SRP.RR.05 Working with others to deliver outcomes

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.RR.05	Risk cause **Partners not engaged or focused to deliver specific outcomes.** **Public Sector Reform Agenda.** Risk event **Partners prioritising activity in areas not inline with delivery of defined outcomes.** **Community groups afforded legal right to make case to operate vacant properties for community use.** Risk effect **Delivery of outcomes delayed or not achieved** **Officer time to support the assessment of unsustainable business cases.**	**John *Blair; Mary *Smith; Eibhlin McHugh**	**1. Key partners engaged in planning and delivery of Service outcomes, e.g. Midlothian Community Planning Partnership have developed a Single Midlothian Plan. Midlothian Integrated Joint Board (Adult & Social Care Integration) have developed and Strategic Plan.** **2. Approved integration scheme.** **3. Service Directions in Place.**	3	3	⚠️

SRP.RR.06 Information Security

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.RR.06	Risk cause **General Data Protection Regulation is a new piece of legislation currently being formulated by the European Commission. It is expected to be agreed in the first part of 2016 with a two year lead in period.** Risk event **The Regulation has been agreed with implementation due on 25 May 2018.** Risk effect **The Regulations will bring about a number of requirements on the Council including mandatory reporting of all data breaches, appointment of a Data Protection Officer and the potential for fines ranging to 4% of turnover or 20million Euros which ever is greater.**	Ian Wragg	**1. Information Management Group** **2. Public Sector Network Compliance.** **3. Meta Compliance** **4. Information Management, awareness raising program (Private-i)** **5. General Data Protection Regulation Project Plan.**	3	5	🔶

Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.RA.06.04	**General Data Protection Regulation (GDPR) Preparation**	Q4 16/17: **GDPR preparations are progressing well, the Council are currently engaging with NSS (NHS National Services Scotland) to provide project management support. A report will be brought forward to CMT seeking to identify resource to deliver the requirements.**	**Phil Timoney**	30-Apr-2018	▶

SRP.RR.07 Integration of Health & Social Care

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.RR.07	Risk cause **The nature of many of the Services provided under the banner of Health & Social Care are demand led. Rising numbers of people requiring care and support together arising from demographic make up and improvements in treatment increase the number of people in receipt of long term care packages.** Risk event **Unless the focus and balance of care shifts from acute treatment the costs of providing these services will continue to rise and not provide the best possible outcomes for individuals.** Risk effect **The reactive demand led service may become financially unsustainable with a rising number of people requiring:** **- care at home** **- frequent visits to GPs** **- greater number of home visits**	**Alison White**	**Midlothian IJB Strategic Plan - focussed on rebalancing care.** **Transformation Change Program** **Strategic Core Group Oversight**	3	4	🔶

SRP.RR.08 Asset Management – buildings, vehicles, roads and Digital assets/networks

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.RR.08	Risk cause	**Ricky *Moffat; Garry *Sheret;**	**1. There is provision in place within the capital plan for**	3	3	🔺

Many of the assets the Council own by their nature are in a position of on going deterioration through their normal use, e.g. roads - normal wear and tear, street lights and vehicles & buildings used to deliver services. Risk event **Many assets will deteriorate under normal conditions although buildings, roads and street lights as an example can be damaged during more extreme weather events or as a result of a lack of maintenance.** Risk effect **In the case of Roads Services there is a real risk of increased potholes and insurance claims, reduced skid resistance leading to higher accident potential and building up of higher costs in the future. In respect of vehicles, increased breakdowns, service failures, greater maintenance inevitable, higher short-term hire costs. In terms of property, health and safety issues arise, failure to meet current standards and higher running costs. There is also the risk of two-tier accommodation, some high quality, some low.**	**Gary Fairley**	investment in the asset base. **2. Asset register** **3. Conditional Survey** **4. Understanding of future asset needs** **5. Asset Strategy.** **6. Roads asset management plan** **7. Land register** **8. Vehicle maintenance schedules.** **9. Capital program - investment in estate.** **10. On going monitoring of properties by: Maintenance Surveyors, Facilities Management and Property Users.** **11. Updated Digital Strategy and Digital Learning Strategy going to Council on 7th February 2017.** **12. Asset management plans for office and school digital devices** **13. Network Strategy**	

Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.RA.08.02	Appropriate investment in capital works and remedial maintenance over the lifespan of each asset.	Q4 16/17: **Prioritise needs of assets against available spend. On going need to assess needs of assets, informed by conditional surveys. Survey well developed by maintenance Surveyors.**	**Gary Sheret**	30-Sep-2017	▶
SRP.RA.08.03	Review of capital plan.	Q4 16/17: **Well developed asset management plans, feeding into comprehensive review of asset management plan**	**Gary Sheret**	30-Sep-2017	▶

SRP.RR.09 Emergency Planning and Business Continuity Management

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.RR.09	Risk cause **The Council not preparing Emergency Plans and testing arrangements to respond to Civil Contingencies Incidents** Risk event **There are a wide range of potential events the Council may be expected to respond to e.g. Severe weather incident, Pandemic, Utility disruption etc.** Risk effect **Censure through non compliance with the Civil Contingencies Act** **Not adequately recovering from the loss of major accommodation (eg secondary school, main offices), computer systems and staff** **Not able to respond to a major emergency in the community** **Fatal Accident Inquiries**	Chris Lawson	<u>Potential</u> sub risks include:- **01 – Civil Contingencies Risk Register used to highlight key risks and record response,** **- Council's plans developed and maintained in response to identified risks,** **- Contingency Planning Group support development, peer review and roll out of plans.** **02 – Establishment based incident response plans in place and maintained locally.** **03 – Emergency response plan setting out general approach to respond to a major emergency inline with key partner organisations.** **04 – As part of the Council's Emergency response plan the importance of recording decisions made and information available at the time is highlighted as this would be scrutinised in the event of an FAI.**	2	4	✅

Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.RA.09.02	Development of Emergency Planning Improvement Plan	Q4 16/17: **Civil Contingencies Risk Register revised to assist the prioritising of a new forward program of Contingency Plan Reviews and Development to meet the needs of Midlothian Council. New Business Continuity Policy developed and being consulted through Contingency Planning Group. Contingency Planning Improvement Plan under development.**	Chris Lawson	31-Mar-2018	▶

SRP.RR.10 Governance and Standards in Public Life

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.RR.10	**Risk cause** **Code of conduct for Members and employees actions falling short of International Standards.** **Risk event** **Failure in openness, accountability, clarity.** **Risk effect** **Service, partnerships and project outcomes not achieved** **Non compliance with conduct standards and reduction in standards in public life**	**Alan Turpie**	<u>Potential</u> **sub risks include:-** **01 Macro governance at the top – failure in openness, accountability, clarity;** **02 Micro governance in services, partnerships and projects and outcomes not achieved** **03 Non compliance with codes of conduct and reduction in standards in public life** **04 Annual Assurance Statement.**	3	4	

Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.RA.10.02	**International Governance Standards**	Q4 16/17: **Current governance standards being reviewed in-line with new CIPFA/SOLACE Guide. Due to be reported to CMT in advance of reporting to Audit Committee.**	**Alan Turpie**	31-May-2017	

SRP.RR.11 Corporate Policies and Strategies

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.RR.11	**Risk cause** **Policies may not match the aspirations of the Council's Strategic priorities or cultural perspective.**	**Ricky *Moffat; Garry *Sheret; Kevin Anderson; Gary Fairley; Ian**	**1. Single Midlothian Plan providing overarching direction** **2. Service plans aligned to Single Midlothian Plan.**	2	3	

		Johnson; Joan Tranent; Grace Vickers; Alison White	3. Leadership team to ensure correct approaches are adopted to get the right results.			
	Risk event **Policies not monitored may become out of date** **Policies not reviewed to ensure alignment with strategic priorities.** Risk effect **Policies not monitored could result in non compliance with legislation** **Policies not align to strategic priorities will inhibit the rather than support implementation of strategic priorities.**		4. Strategic housing investment plan, submitted to Scottish Government in December 2016, positive feedback with allocated funding. 5. Community Safety Strategic assessment in progress.			

Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.RA.11.02	Developing a policy overview	Q4 16/17: **Service review of Business Transformation, Performance Management, Quality and Scrutiny teams to incorporate to enhance capacity for oversight for corporate policies and strategies**	**Gary Fairley**	01-Aug-2017	▶
SRP.RA.11.03	Community Safety Strategy	Q4 16/17: **Community Safety Strategic assessment in progress.**	**Kevin Anderson**	31-Mar-2018	▶

SRP.RR.12 Internal Control Environment

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.RR.12	Risk cause **Work procedures/process inadvertently create the capacity for fraud and waste to occur.** **Internal Controls requiring more time, effort or cost**	**Ricky *Moffat; Garry *Sheret; Kevin Anderson; Gary Fairley; Ian Johnson; Joan Tranent; Grace**	1. Services have been prompted to consider fraud and waste within Service Risk Registers. 2. Risk Management Guide, provides direction on the need to balance time, effort and cost against benefit of risk controls. 3. Internal Audit examine internal control arrangements based	3	3	⚠

than the risk being managed. Risk event **Persons exploiting opportunities to commit fraud** **Waste and errors** Risk effect **Waste and loss** **Risks over managed with risk controls costing more than the potential loss being managed.**	**Vickers; Alison White**	largely on the risk registers.	

Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.RA.12.01	Annual Audit Plan	Q4 16/17: **Audit team completing 2016/17 Audit Plan to test a range of internal controls as agreed and approved by Audit Committee as reported.**	**Internal Audit**	31-Mar-2018	▶
SRP.RA.12.02	Supportive business change	Q4 16/17: **End to end process review of financial processes, adult and social care. Looking to implement new process in quarter 1 2017/18. All processing through Mosaic going forward.**	**Alison White**	30-Jun-2017	▶

SRP.RR.13 Climate Change

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation

| SRP.RR.13 | Risk cause

Council Services not adequately engaged, resourced or directed to fulfil the requirements of the Climate Change Act

Risk event

Council Services not responding to the Climate Change Act with sufficient pace.

Risk effect

Council failing to meet its obligation under the Climate Change (Scotland) Act 2009 and incurring the associated reputational damage. | Ian Johnson | **1. Voluntary reporting on compliance with the climate change duties (this will be a statutory requirement from 30 November 2016 onwards).**

2. Council Carbon Management Plan

3. Approval of a Corporate Climate Change and sustainable development action plan 2016/17 | 3 | 3 | 🔺 |

Related Action Code	Related Action	Related action latest note	**Managed By**	Due Date	Status
SRP.RA.13.01	**Adaptive Planning**	Q4 16/17: **Adaptive planning proposal to be brought forward to CMT.**	**Ian Johnson**	**31-Mar-2018**	▶

SRP.RR.14 Scottish Child Abuse Inquiry

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.RR.14	Risk Cause: **Midlothian Council and its legacy organisations, predating the creation of Midlothian Council in 1996, have been involved in the provision of care of children. During this time there is the potential that the care children received fell below standards of care now in place. There is the further potential the some people in the care of Midlothian Council and its legacy organisations were subject to abuse by those who where employed to care for them.**	**Joan Tranent**	**The Council have set up an Abuse Inquiry Project Team and a Claims Project Team to support the Council to prepare for information requests to support the Inquiry and in preparation of any claims that may arise.** **The Project Team have established a Project Plan covering:** **1. Residential establishments and legislation: identifying**	4	5	🔺

| | Risk Event: **The Scottish Child Abuse Inquiry was set up on 1st October 2015. The inquiry will report to Scottish Government Ministers within 4 years with recommendations for the future to improve the law, policies and practices in Scotland.**

Risk Effect: **If the inquiry finds historical cases that suggest incidents of abuse may have occurred within Midlothian, this would be passed onto Police Scotland for investigation. The risks to Midlothian Council could place doubt in the eyes of the public as to the safety of those young children and young people who are currently in care. There is significant scope for a substantial financial impact arising from claims of historic abuse. Some existing employees may be affected by the inquiry and subsequent claims of abuse.** | | **Children's homes in Midlothian over the last 100 years and researching historic legislation.**

2. Record Audit: reviewing the Council's existing paper and electronic recordkeeping systems to identify relevant records and map them to

residential establishments. This also includes, where possible, noting the Council's historic recordkeeping policies, such as retention schedules.

3. Cataloguing/Indexing: checking and updating existing recordkeeping systems for accuracy and consistency, enabling effective information

retrieval when requested by the Inquiry.

4. The Claims Project Team have just began an exercise of mapping out how shall manage any future claims.

5. Ascertaining the succession and insurance position in relation to potential historic child abuse claims. | | | |

Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.RA.14.01	**Response to request from the Inquiry Team**	**Midlothian Council have now received two Section 21 requests from the Inquiry Team and are working to ensure that we meet the required timescales to return all relevant information.** **Two dedicated members of staff are working in a secure environment reading paper files and accessing and analysing electronic files to collate the relevant information required to return to the Inquiry Team**	Joan Tranent	July 2017	▶

SRP.RR.15 Review of Pay & Grading

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.RR.15	**Risk cause** **Investment to reduce in-work poverty need to improve flexibility, productivity and service quality.** **Many current policies and terms and conditions, including pay arrangements have been constructed around a Monday - Friday, 9 - 5 working week, with many services requiring to deliver services 7 days a week beyond 9-5.** Risk event **Council does not see improvements in productivity and flexibility across the workforce. Council services are not competitive against the voluntary 3rd or private sector.** Risk effect **Investment in pay and grading not translating into positive productivity gains for the Council.**	**Gary Fairley**	**1. Investing in our Workforce Project Board focussed on securing the gains.** **2. Governance on the 4 strands of work from Council: Life Long Learning, Policy, Pay, Non Financial Benefits.** **3. Launch of new People Policies on 1st March 2017.** **4. Communications plan to ensure all employees know what is changing and how this will impact them and service delivery.**	4	4	🔺

SRP.RR.16 Growing Council

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.RR.16	Risk cause **0-15 population increase, projected at 20%. Fastest rate increase in Scotland and 75+ population increase projected to increased by 100% between 2014 and 2039.**	**Ricky *Moffat; Garry *Sheret; Kevin Anderson; Gary Fairley; Ian Johnson; Joan Tranent; Grace**	1. Local development plan 2. Services planning future service provision on the basis of anticipated service demands 3. The change program	4	5	🔺

	Risk event	Vickers; Alison White				
	Failure to resource and plan for these rises will significantly impact the Councils ability to fulfil its statutory obligations in relation to these groups.					
	Risk effect					
	Inadequate capacity within the school estate to cope with the projected increase in pupil numbers. In sufficient provision to support an aging population placing costly inefficiencies on other parts of the care sector.					

Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP-RA-08-01	**Learning Estate Strategy**	Q4 16/17: **Education recognise the impact growing populations and the associated school roles are having on the availability of places at schools within Midlothian. This risk is currently being mitigated by the applications of limits on pupil intake and work to develop additional capacity in the communities showing the greatest need for additional capacity: Bonnyrigg, Mayfield and Dalkeith**	**Grace Vickers**	31-Mar-2018	▶

SRP.RR.17 UK decision to leave the EU

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.RR.17	Risk cause **UK vote to leave the European Union** Risk event **UK leaving the European Union**	**Ricky *Moffat; Garry *Sheret; Kevin Anderson; Gary Fairley; Ian Johnson; Joan Tranent; Grace Vickers; Alison**	**01 - the Council will monitor the implications of the UK's decision to leave the EU on the Council through its risk management approach and will develop approaches to respond to specific risks as further clarity on impact becomes clearer.**	3	4	⚠

		White				
	Risk effect **The impacts associated with the UK's decision to leave the UK have yet to be realised and will only become clear as negotiations progress following the triggering of article 50. There are some direct potential impacts such as an end to EU funding of Council co-ordinated projects and indirect impacts on industries undertaken within the geographical area which have relied on EU funding, such as agriculture. There are wider potential implications arising from uncertainty regarding the resident status of EU nationals, post any exit agreement, and the availability of workers from outside the UK accessing the job market here in the future. These factors have the potential to impact on the availability of the right people with the right skills being available to help grow the economy here in Midlothian. One area this could affect the Council could be in the delivery of future building projects within Midlothian which could curtail further economic growth.**					

SRP.RR.18 Political uncertainty - Education Governance Review

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.RR.18	Risk cause **Delivering Excellence and Equity in Scottish Education: A Delivery Plan for Scotland** Risk event **Future decision by Scottish Government on the outcome of governance review, which seeks a move to regional based Education.**	**Grace Vickers**	**01 - Midlothian Council has made a formal response to the Scottish Government on its consultation.** **02 - Council has been kept informed of the Midlothian's response to the consultation**	3	4	⚠️

	Risk effect **Midlothian Council recognises that closing the attainment gap is not a task which can be achieved by schools or the Education Service alone but requires a total Midlothian approach. The delivery plan has made a commitment to regional working although is limited in detail on what this would look like. In the event the approach taken impedes the total Midlothian approach this could inhibit rather than support the efforts to close the attainment gap.**						

SRP.RR.19 Health & Safety

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.RR.19	Risk cause **Statutory health and safety - duty of care over services users and employees not met.** Risk event **Employees required to undertake tasks they are not competent to.** **Statutorily driven health and safety protective arrangements for service users and employees not implemented correctly.** **non compliance with policy and procedure** Risk effect **Negative impact on outcomes for customers/service users.** **Service users and employees exposed to hazards**	**Chris Lawson**	**01 - Suite of Health and Safety Management Arrangements developed setting out council response to statutory obligations** **02 - Comprehensive range of Health & Safety Management & Assessment based development opportunities for line managers** **03 - Use of Health & Safety Management Information System to enhance information transfer and organisational efficiency**	3	5	⚠️

	where statutory requirements exist.				

Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.RA.19.01	Health & Safety Management Arrangement Development	Q4 16/17: **The Management Arrangement development program is nearing completion. The development of the final Management Arrangements has been carried out during Q4 with consultation and approval pending. Work being carried out to review Management Arrangements now due for review.**	**Chris Lawson**	31-Aug-2017	▶

OPPORTUNITIES

SRP.OP.01 Shawfair

Risk Code	Opportunity Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.OP.01	**The Shawfair development with its new Rail link provides a major incentive for housebuilders, employers retail and commercial interests including opportunities to secure a low carbon community through district heating from Zero Waste.**	Ian Johnson	**1. Shawfair Development Group.** **2. Legal agreement with developers** **3. Secured developer contributions (Section 75)** **4. Plan for entire community:** **5. Business and industrial provision, including small business incubator space.** **6. Circa 4000 new homes** **7. A school campus comprising Early Years, Nursery, Primary, Secondary & Life Long Learning provision** **8. New Primary schools**	5	4	🔺

SRP.OP.02 Borders Rail

Risk Code	Opportunity Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.OP.02	**Regeneration of priority communities of Midlothian through which the railway passes.** **The line provides ready access to education/training at Edinburgh College, Borders College and Queen Margaret University with improved access to the**	Ian Johnson	**1. Designated Project Manager post.** **2. Maximising the Impact: A blueprint for the Future - published by the blueprint group involving Scottish Government,** **Scottish Borders, Midlothian and City of Edinburgh Council, Transport Scotland, Scottish Enterprise and Visit Scotland. The** **document sets out the ambitions of the partners to realise the full**	5	4	🔺

| | labour markets in Edinburgh and the Borders. Also a catalyst for housing growth.

Ensuring Midlothian secures appropriate levels of Blueprint funding. | | potential of the new Railway.

3. Dedicated Inward Investment Co-ordinator post

4. Dedicated Tourism Development post.

5. Timely submission of bids for approval by the Blueprint Group. | | | |

SRP.OP.03 Easter Bush - Penicuik

Risk Code	Opportunity Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.OP.03	Fast Growing opportunities in Science Technology Engineering and Mathematics (STEM) with opportunities to link with education. Partnership links to schools and university sector at the BUSH to promote STEM. Link to City Deal	Ian Johnson	1. Planning in place around creating Secondary Schools as centres for excellence linked to specialisms including STEM. 2. Land allocated for expansion. 3. Easter BUSH Development Board. 4. Troubleshooting issues - Roads Access - tackling road access through proposal in the Local Plan.	5	4	🔺

Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.OP.03.A1	A702 Trunk Road Improvements	Q4 16/17: **Priority attention required to address the current strategic road access constraints, Council Officers to work with the Easter Bush Board, Transport Scotland and others.**	Ian Johnson	30-Sep-2017	▶

SRP.OP.04 City Deal

Risk Code	Opportunity Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation

| SRP.OP.04 | South East Scotland Region City Deal - a bid for funding to Scottish and UK Governments to accelerate economic growth through investment in infrastructure/ housing/ skills and innovation. | Ian Johnson | 1. Key projects identified.

2. Consortium submission made, including Midlothian Council in September 2015 with and update in December 2015.

3. Heads of terms agreed by consortium for discussion with Scottish and UK Government Officials. | 3 | 5 | 🔺 |

Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.OA.05.01	City Deal submission	Q4 16/17: **Expectation is that UK and Scottish Governments will agree a City Deal by Autumn 2017.**	Ian Johnson	31-Dec-2017	▶

SRP.OP.05 Growing Council

Risk Code	Opportunity Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.OP.05	**Midlothian Council has been identified as one of the fastest growing Council's in Scotland. This brings the opportunity to support the Council vision of being 'A Great Place to Grow'. As a growing Council this brings the opportunity to redevelop parts of Midlothian, improve infrastructure with a focus on area targeting, improving economic opportunities, improving education and health outcome.**	Kenneth Lawrie; John Blair, Mary Smith; Eibhlin McHugh	1. **Community Planning Partnership** 2. **The Single Midlothian Plan** 3. **The Integration Joint Board**	5	5	🔴