

Risk Management, Update for 1 January 2016 – 31 March 2016

Report by Chris Lawson, Risk Manager

1 Purpose of Report

The purpose of this report is to provide Audit Committee with the 2015/16 quarter 4 update, covering the period 1 January to 31 March 2016.













2 Background




2.1 Corporate Risks









2.1.1 Audit Committee have requested regular reporting on the Council's Strategic Risks. A Strategic Risk Profile report is attached as Appendix 1 for information. This report reflects the Strategic Risk, Issues and Opportunities facing the Council in Q4 2015/16.

2.1.2 Following the work by Midlothian Community Planning Partners to develop a revised Single Midlothian Plan, work will be required in quarter 1 2016/17 to reflect the new priorities and to adequately assess the risk associated with these.

2.1.3 Strategic Risk Profile Summary

Strategic Risks	Likelihood	Impact	Score	Evaluation	
Balancing budget in future years	4	4	16	High	
Corporate change and transition	4	4	16	High	
Climate change	5	3	15	Medium	
People risk	3	4	12	Medium	
Integration of health & social care	3	4	12	Medium	
Governance & standards	3	4	12	Medium	
Legal & regulatory compliance	3	3	9	Medium	
Working with other to deliver outcomes	3	3	9	Medium	
Asset condition	3	3	9	Medium	
Internal control environment	3	3	9	Medium	
Emergency planning & business continuity	2	4	8	Low	
Corporate policies and strategies	2	3	6	Low	

Single Midlothian Plan Risks	Likelihood	Impact	Score	Evaluation	
Early years & child poverty	4	3	12	Medium	
Positive destinations	4	3	12	Medium	
Economic growth	2	4	8	Low	

Top Issues	Likelihood	Impact	Score	Evaluation	
Balancing budget 2017/18	4	5	20	High	
Review of Pay & Grading	4	4	16	High	
Corporate change & transition	3	4	12	Medium	
Integration of Health & Social Care	3	4	12	Medium	
Strategic Opportunities	Likelihood	Impact	Score	Evaluation	
Shawfair	5	4	20	High	
Borders rail	5	4	20	High	
Easter Bush - Penicuik	5	4	20	High	
City deal	3	5	15	Medium	

2.2 Strategic Risks – Rated High

2.2.1 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 a Financial Strategy to 2021. In order to ensure the Services provided meet the needs of our service users and are as efficient as possible the Council are implementing the Delivering Excellence framework, this is expected to bring forward savings options in addition to ensuring service user needs are met.

A report will be provided to June Council setting out actions and timelines associated with setting the 2017/18 Budget.

2.2.2 Corporate Change and Transition

Service areas continue to address the financial and service challenges, the Council faces, through the activity of the transformation programme and the Delivering Excellence framework. Both are clearly focused on reshaping services to deliver improved customer outcomes, achieve service efficiencies and create sustainable change. The Transformation programme and the Delivering Excellence framework is not without its challenges and success requires a sustainable shift in culture, more innovative, entrepreneurial and collaborative thinking across the Council all underpinned by strong leadership.

2.3 Strategic Issues – Rated Critical & High

2.3.1 Balancing Budgets 2017/18

The financial position for 2017/18 is expected to remain challenging. In response the budget preparation report will be taken to Council in June 2016.

2.3.2 Review of Pay and Grading

The implementation of the 'Pay and Grading Review' will have a positive effect on many employees within Midlothian Council, with pay protection put in place where required. There are however risks if the implementation of the review is not fully realised. A key aspect of the review is the updating of OD/HR policies, the re-launch of the 'Code of Conduct' and lifelong learning as well as the strengthening of employee benefits package. The pay and grading structure changes will make a important difference to 'in work poverty' and Midlothian Councils position as an employer of choice.

There are Consequences to not fully implementing the review and concerns about what the organisation will 'look like' if the culture change required does not follow. This might result in higher employee relationship issues, because there is uncertainty about what behaviours are expected and what boundaries the organisation works within. There is a risk if the 'pay and grading review' is not implemented, the vision of 'A Great Place to Grow' and the Council values including respect, collaboration, pride and ownership will not be embedded.

2.4 Strategic Opportunities

The opportunities arising from Shawfair, Borders rail, Easter Bush and City Deal are included within the strategic risk profile as they directly or indirectly support the delivery of the Council's key strategic priorities.

3 Report Implications

3.1 Resource

There are no direct resource implications in this report although individual risks will have associated resource implications which are considered within the Risk Registers.

3.2 Risk

Corporate Risks are generally those that impact on all parts 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.

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 the authority to deliver on its key outcomes by highlighting and taking steps to mitigate potential disruption to 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.

3.6 Involving Communities and Other Stakeholders

Consultation has taken place with Senior Managers responsible for corporate risk management.

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 Corporate Risks.

3.9 IT Issues

No additional issues other than those relating to the Risk Register.

4 Recommendations

Audit Committee is invited to:

Note the quarter 4 2015/16 Strategic Risk Profile report and consider the current response to the risks and opportunities highlighted.

1 June 2016

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Background Papers: **Appendix 1** Strategic Risks Profile Report
Quarter 4 2015/16

Strategic Risk Profile




1. Strategic 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	<p>Risk cause Future Scottish Government grant settlements are expected to result in cash reductions. 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.</p> <p>Risk event Reduced grant settlement. Policies decisions at Government level not fully funded to Council's. Delay in project to achieve savings Cost pressures exceeding budget estimates</p> <p>Risk effect Gap in Council budget between budget commitments/ pressures and funding level and inadequate options presented to appraise this, resulting in a structural deficit.</p>	Gary Fairley	<ol style="list-style-type: none"> 1. The Financial Strategy to 2021. 2. Delivering Excellence framework in place to bring forward savings options. 3. Measures taken to reduce the structural deficit 2016/17, reducing demand on Reserves to £2.6m.. 4. Maintaining reserves to deal with unforeseen or one off pressures. 	4	4	


Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.RR.01.A 1	Budget Preparation	Q4 15/16: Report to June Council setting out actions and timeline associated with setting the 2017/18 Budget.	Gary Fairley	30-Jun-2016	

SRP.RR.02 Corporate Change and Transition


Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.RR.02	<p>Risk cause Leadership Fit for the Future Lack of clarity or clear compelling vision for the future Delays Cost creep</p> <p>Risk event Slow benefits realisation and budget savings</p> <p>Risk effect Objectives of changes not actually met Adverse impact on services Staff morale affected Government step-in</p>	Nancy *Brown; Zoe Graham	<ol style="list-style-type: none"> 1. Clear Leadership from Executive Team and Senior Leadership Group. 2. Project Boards for each of the key strands of Corporate Change and Transformation overseeing project delivery. 3. Workforce Planning. 4. Resilience planning. 5. SLG regularly considering change program and budget position. 	4	4	

Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
MC01-A08	Delivering Excellence	Q4 15/16: Heads of Service have been asked by the Chief Executive to set out when their Services are planning to work through the delivering excellence framework.	Ricky *Moffat; Garry *Sheret; Kevin Anderson; Gary Fairley; Ian Johnson; Joan Tranent; Grace Vickers; Alison White	31-Mar-2017	


SRP.RR.03 Legal and Regulatory Compliance

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.RR.03	<p>Risk cause Current or new legislation applying to Midlothian Council</p> <p>Risk event Council and or Services not identifying all applicable legislation impacting Council activities and Service requirements.</p>	Ricky *Moffat; Garry *Sheret; Kevin Anderson; Gary Fairley; Ian Johnson; Joan Tranent; Grace Vickers; Alison White	<ol style="list-style-type: none"> 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. 4. External Audit. 5. Statutory Inspection. 	3	3	



	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.				
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Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.RR.03.A 1	Legal & Regulatory Compliance	Q4 15/16: 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-2017	

SRP.RR.04 People risks

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.RR.04	<p>Risk cause HR Policies and Employee Terms & Conditions not creating adequate flexibility to meet service needs and or employee desires. Employees not suitably qualified or developed for the roles required of them. Statutory health and safety - duty of care over services users and employees not met. Organisational transformation activities not informed by all key stakeholders ageing work force Voluntary redundancy as part of financial management approach to respond to budget pressures Employees unclear on expected behaviours.</p> <p>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. Employees not engaged/consulted as part of organisational transformation. Experienced employees leaving the organisation Unacceptable behaviours demonstrated by employees</p>	Chris Lawson; Marina Naylor	<p>01 - Main internal controls centre on the approved People Strategy and supporting initiatives and Action Plan. 02 - HR related policies regularly reviewed 03 - Management of external factors that affect staff 04 - Significant stress awareness campaign 05 - Competency Framework 06 - Various initiatives to keep staff informed of change 07 - Absence Monitoring/Reporting. 08 - Health and Safety Risk Management/pro-action to Internal Audit recommendations/use of risk consultants for surveys/updates policies and link to PIs and day-to-day practice/specific improvements underway in driver training, down to casual users 09 - Adoption and management of a BT Project Risk Register, reviewed/updated quarterly 10 - Non-redundancy policy aimed at keeping employee base stable</p>	3	4	


	<p>Risk effect Negative impact on outcomes for customers/service users. Difficulties recruiting the right staff Challenges retaining quality staff Service users and employees exposed to hazards where statutory requirements exist. low skill levels low morale, especially during change non compliance with policy and procedure high absence rates Lose of experience in service areas. 'A Great Place to Grow' our values including respect ,collaboration, pride and ownership not realised</p>					
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Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
MC01 -A01-1	Policy Review program	Q4 15/16: The Policy review work is linked to the review of Pay & Grading for Non-Teaching staff and is expected to be concluded by June 2016.	Marina Naylor	30-Jun-2016	
MC01-A01-2	Health & Safety Management Arrangement Development	Q4 15/16: The Management Arrangement development program is progressing positively with the following arrangements developed and now consulted through the 3 Divisional Consultative Groups. A suite of Management Arrangements will be presented to CMT for formal approval.	Chris Lawson	10-Jul-2016	

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	<p>Risk cause Partners not engaged or focused to deliver specific outcomes. Public Sector Reform Agenda.</p> <p>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.</p> <p>Risk effect Delivery of outcomes delayed or not achieved Officer time to support the assessment of unsustainable business cases.</p>	John *Blair; Mary *Smith; Eibhlin McHugh	<ol style="list-style-type: none"> 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. Approved integration scheme. 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	<p>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.</p> <p>Risk event The Regulation is expected to be agreed in the first part of 2016 with a two year lead in period.</p> <p>Risk effect The Regulations are expected to 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.</p>	Ian Wragg	<ol style="list-style-type: none"> 1. Information Management Group 2. Public Sector Network Compliance. 3. Meta Compliance 4. Information Management, awareness raising program (Private-i) 	3	5	

Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.RR.06.A02	Preparing for next PSN Assessment	Q4 15/16: Final activity completed to secure positive reassessment and continued connection to the Public Sector Network.	Phil Timoney	30-Apr-2017	


SRP.RR.07 Integration of Health & Social Care




Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.RR.07	<p>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.</p> <p>Risk event Unless the focus and balance of care shifts from acute</p>	Alison White	Midlothian IJB Strategic Plan - focussed on rebalancing care.	3	4	

	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.					
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Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
MC01-A13-3	Develop an IJB risk register	Q4 15/16: The draft risk register was presented to the IJB meeting on 14 April 2016. IJB referred risk register to the Audit & Risk Committee.	Tom Welsh	30-Sep-2016	


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

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.RR.08	<p>Risk cause 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.</p> <p>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.</p> <p>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.</p>	Ricky *Moffat; Garry *Sheret; Gary Fairley	<ol style="list-style-type: none"> 1. There is provisions in place within the capital plan for 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. 	3	3	


Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
PFM.RRA.01-43b	Sample survey of properties at risk of having inadequate wall ties.	25 April 2016: Survey work due to be started as soon as possible with initial block removal work carried out on Council operated buildings undertaken by Property Maintenance section. PPP school survey work to be arranged through PPP operators.	Garry *Sheret	03-Jun-2016	
SRP.RR.08.A1	Development of Digital Strategy	Q4 15/16: Digital Strategy under development.	Phil Timoney	30-Sep-2016	
SRP.RR.08.A2	Resource allocation	Q4 15/16: Preparation of proposals for Asset Management Plan will be developed for report to Council meeting in September 2016.	Gary Fairley	30-Sep-2016	



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	<p>Risk cause The Council not preparing and testing arrangements to respond to Civil Contingencies Incidents.</p> <p>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.</p> <p>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</p>	Chris Lawson	<p><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.</p>	2	4	


Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
MC01-A06	Preparation for Partnership Working	Q4 15/16: The Council Emergency Response Plan will be reviewed with a view to the future partnership working in Civil Contingencies.	Chris Lawson	31-Dec-2016	



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


Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
MC01-A02	International Governance Standards	Q4 15/16: Working Group to be established to review current governance arrangements against new International Governance standard developed by CIPFA and the International Federation of Accountants.	Alan Turpie	30-Jun-2016	
SRP.RR.10.A01	Review - Code of Conduct	Q4 15/16: Existing Employee Code of Conduct is being revised to reflect the values and behaviours expected of employees, reflecting the give and the get.	Marina Naylor	30-Sep-2016	


SRP.RR.11 Corporate Policies and Strategies

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.RR.11	<p>Risk cause Policies may not be match the aspirations of the Council's Strategic priorities or cultural perspective.</p> <p>Risk event Policies not monitored may become out of date Policies not reviewed to ensure alignment with strategic priorities.</p> <p>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 fo strategic priorities.</p>	Ricky *Moffat; Garry *Sheret; Kevin Anderson; Gary Fairley; Ian Johnson; Joan Tranent; Grace Vickers; Alison White	<p>1. Single Midlothian Plan providing overarching direction</p> <p>2. Service plans aligned to Single Midlothian Plan.</p> <p>3. Leadership team to ensure correct approaches are adopted to get the right results.</p>	2	3	


Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
MC01-A08	Delivering Excellence	Q4 15/16: Heads of Service have been asked by the Chief Executive to set out when their Services are planning to work through the delivering excellence framework.	Ricky *Moffat; Garry *Sheret; Kevin Anderson; Gary Fairley; Ian Johnson; Joan Tranent; Grace Vickers; Alison White	31-Mar-2017	
SRP.RR.11.A01	HR Policy Review	Q4 15/16: HR - People Policies being overhauled as part of Pay & Grading review, on going review thereafter.	Marina Naylor	31-Dec-2016	


SRP.RR.12 Internal Control Environment

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.RR.12	<p>Risk cause Work procedures/process inadvertently create the capacity for fraud and waste to occur. Internal Controls requiring more time, effort or cost than the risk being managed.</p> <p>Risk event Persons exploiting opportunities to commit fraud Waste and errors</p> <p>Risk effect Waste and loss Risks over managed with risk controls costing more than the potential loss being managed.</p>	Ricky *Moffat; Garry *Sheret; Kevin Anderson; Gary Fairley; Ian Johnson; Joan Tranent; Grace Vickers; Alison White	<p>1. Services have been prompted to consider fraud and waste within Service Risk Registers.</p> <p>2. Risk Management Guide, provides direction on the need to balance time, effort and cost against benefit of risk controls.</p> <p>3. Internal Audit examine internal control arrangements based largely on the risk registers.</p>	3	3	

Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
MC01-A04	Annual Audit Plan	Q4 15/16: Audit team progressing with 2015/16 Audit Plan to test a range of internal controls as agreed and approved by Audit Committee.	Internal Audit	31-Mar-2016	

SRP.RR.13 Climate Change


Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.RR.13	<p>Risk cause Council Services not adequately engaged, resourced or directed to fulfil the requirements of the Climate Change Act</p> <p>Risk event Council Services not responding to the Climate Change Act with sufficient pace.</p> <p>Risk effect Council failing to meet its obligation under the Climate Change (Scotland) Act 2009 and incurring the associated reputational damage.</p>	Ian Johnson	<ol style="list-style-type: none"> 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 	5	3	

Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.RR.13.A 1	Adaptive Planning	Q4 15/16: Adaptive planning proposal to be brought forward to CMT.	Ian Johnson	31-Mar-2017	


2. Single Midlothian Plan Risks


SRP.SMPR.01 Economic Growth

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.SMPR.01	<p>Risk cause Not planning to take advantage of the new opportunities and of the developments within and beyond Midlothian's boundary.</p> <p>Risk event Midlothian not having the competencies to capitalise on opportunities.</p> <p>Risk effect Midlothian's economy not growing as quickly as it has the potential to with impacts on its communities.</p>	Ian Johnson	<p>Midlothian have developed responses to key economic opportunities within Midlothian arising from:</p> <ol style="list-style-type: none"> 1. Shawfair 2. Borders Rail 3. Easter BUSH 4. City Deal, Edinburgh and South East Scotland Region 5. Dedicated Inward Investment Co-ordinator post 6. Dedicated Tourism Development post. 	2	4	


Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.OP.A05	City Deal submission	Q4 15/16: City Deal submission update made in December 2015.	Ian Johnson	30-Sep-2016	




SRP.SMPR.02 Positive Destinations

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.SMPR.02	<p>Risk Cause Ready access to admin support</p> <p>Risk Event School Group Managers performing admin tasks</p> <p>Risk Effect Accuracy of SEEMIS figures School Group Managers detracted from main role</p>	Grace Vickers	<ol style="list-style-type: none"> 1. Specific post created to support Positive Destination activities. 2. Interventions where Young People are identified at risk. 3. Attitudinal shift on supporting Young People across the organisation. 4. Change to curriculum - pathway. 5. Strong Leadership 6. Working in partnership with colleges to follow up when Young Person leaves course early. 7. Opportunities for Midlothian Placements at Easter BUSH. 	4	3	

Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.SMPR.02.A1	Exploring admin support options	Q4 15/16: School Group Manager working with ISS team to address	Grace Vickers	30-Sep-2016	


SRP.SMPR.03 Early Years & Child Poverty


Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.SMPR.03	<p>Risk Cause Competing priorities Increased caring duty with Children & Young People Act requiring provision for 16-21yrs</p> <p>Risk Event Direction on current work to reduce to create capacity Capacity within existing residential and MLC fostering.</p> <p>Risk Effect Capacity to support implications of Children & Young People Act Increase demand on private care placements at significantly higher cost.</p>	Joan Tranent; Grace Vickers	<ol style="list-style-type: none"> 1. Child Poverty Strategy. 2. Priority areas identified in Single Midlothian Plan. 3. Multi-agency working group preparing for 'Named Person' requirement. 4. Large voluntary sector support for families e.g. food banks, lunch clubs, Christmas hampers and presents, support to decorate and furnish homes. 5. Childcare Development Workers 6. Specific post created to support Positive Destination activities. 7. Interventions where Young People are identified at risk. 8. Attitudinal shift on supporting Young People across the organisation. 9. Change to curriculum - pathway. 10. Strong Leadership 11. Working in partnership with colleges to follow up when Young Person leaves course early. 12. Opportunities for Midlothian Placements at Easter BUSH. 	4	3	

Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.SMPR.03.A1	Preparation for Named Person	Q4 15/16: Arrangements are being developed to see Children's Service record all young people on SEEMIS 5+ where Named Person duty applies. All young people under 5 will be supported through the GIRFEC Co-ordinators.	Joan Tranent	30-Jun-2017	
SRP.SMPR.03.A2	SEEMIS	Q4 15/16: Development work of SEEMIS is underway as part of a national requirement affecting all Scottish LA's.	Joan Tranent; Grace Vickers	31-Aug-2016	
SRP.SMPR.03.A3	GIRFEC Training	Q4 15/16: Arrangements underway to roll out training to schools to explain the wellbeing standards.	Joan Tranent	31-Jul-2016	


3. Issues


SRP.IR.01a Balancing budget 2017/18

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.IR.01a	<p>Risk cause Potential for a reduced level of grant settlement offered to Midlothian Council and budgetary pressures including: Pay inflation, Pension reform, Demographics, Service demand.</p> <p>Risk event Uncertainty regarding the level of Grant to be set in December 2016.</p> <p>Risk effect Gap in Council budget between budget commitments/ pressures and funding level and inadequate options presented to appraise this, resulting in a structural deficit.</p>	Gary Fairley	<ol style="list-style-type: none"> 1. Financial Strategy. 2. Budget preparation ahead of Report to June Council. 3. Headroom in reserves. 	4	5	

Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.IR.A.01	Financial Strategy	Q4 15/16: Financial Strategy - budget preparation report due to be reported to Council in June 2016.	Gary Fairley	30-Jun-2016	

SRP.IR.02 Corporate Change & Transition


Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.IR.02	<p>Risk cause Leadership fit for the future and Leadership Capacity Lack of clarity on clear & compelling vision for the future</p> <p>Risk event Delayed progress in applying Delivering Excellence framework.</p> <p>Risk effect Slow or delayed proposals/savings arising from service redesign.</p>	Ricky *Moffat; Garry *Sheret; Kevin Anderson; Gary Fairley; Ian Johnson; Joan Tranent; Grace Vickers; Alison White	<ol style="list-style-type: none"> 1. Delivering Excellence Framework 2. Delivering Excellence Management Tools to support the application of the framework 	3	4	


Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.IR.02.A1	Applying Delivering Excellence	Q4 15/16: Heads of Service have been asked by the Chief Executive to set out when their Services are planning to work through the delivering excellence framework.	Ricky *Moffat; Garry *Sheret; Kevin Anderson; Gary Fairley; Ian Johnson; Joan Tranent; Grace Vickers; Alison White	31-Mar-2017	

SRP.IR.03 Integration of Health & Social Care

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.IR.03	<p>Risk cause IJB not having enough flexibility to make changes Lack of clarity on additional funding from Government on IJB.</p> <p>Risk event Uncertainty on final financial settlement for IJB</p> <p>Risk effect Risk sharing protocol impacting the IJB's ability to deliver on planned changes Implied cost around threshold for charging £200-£350k could be deducted from £3.6m share of additional funding along with living wage etc resulting in around £1.8m for transformation activity in 16/17.</p>	Eibhlin McHugh	IJB Strategic Plan setting out key transformational activity to shift the demands on services and improve outcomes for people of Midlothian.	3	4	

SRP.IR.05 Review of Pay & Grading

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.IR.05	<p>Risk cause Investment to reduce in-work poverty need to improve flexibility and productivity. Update terms and conditions.</p> <p>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.</p> <p>Risk event Employees may decide in the future not to work noncontracted overtime. Employees joining the Council in the future may choose they don't want to work noncontracted overtime.</p> <p>Risk effect Jeopardy to service delivery and vulnerable people in receipt of services outwith Monday - Friday, 9 - 5.</p>	Gary Fairley	<ol style="list-style-type: none"> 1. Governance on the 4 strands of work from Council: Life Long Learning, Policy, Pay, Non Financial benefits. 2. Delivery of revised Terms & Conditions 3. Policies and support to Managers to Implement 4. Working with Trades unions to reach a collective agreement. 5. Communications plan to ensure all employees know what is changing and how this will impact them and service delivery. 	4	4	

Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.IR.05.A1	Negotiations on pay linked to policy changes and cultural change.	Q4 15/16: Negotiations on pay with the Trades Unions are on going - linked to changes in Council Policy with an emphasis on cultural change.	Gary Fairley	30-Jun-2016	

4. Opportunities


SRP.OP.01 Shawfair

Risk Code	Risk 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	<ol style="list-style-type: none"> 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	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.OP.02	<p>Regeneration of priority communities of Midlothian through which the railway passes.</p> <p>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. Also a catalyst for housing growth.</p>	Ian Johnson	<ol style="list-style-type: none"> 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 potential of the new Railway. 3. Dedicated Inward Investment Co-ordinator post 4. Dedicated Tourism Development post. 	5	4	

SRP.OP.03 Easter BUSH - Penicuik

Risk Code	Risk 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	<ol style="list-style-type: none"> 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	

SRP.OP.04 City Deal

Risk Code	Risk 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	<ol style="list-style-type: none"> 1. Key projects identified. 2. Consortium submission made, including Midlothian Council in September 2015 with and update in December 2015. 	3	5	

Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.OP.A05	City Deal submission	Q4 15/16: City Deal submission update made in December 2015.	Ian Johnson	30-Sep-2016	