

## **Risk Management, Update for 1 October 2016 – 31 December 2016**

### **Report by Chris Lawson, Risk Manager**

#### **1 Purpose of Report**

The purpose of this report is to provide Audit Committee with the 2016/17 quarter 3 strategic risk management update, covering the period 1 October to 31 December 2016.

#### **2 Background**

##### **Corporate Risks**






- 2.1** Audit Committee has requested regular reporting on the Council's Strategic Risks. The Strategic Risk Profile report for quarter 3 is attached as Appendix 1. This report reflects the Current Issues, Future Strategic Risk, and Opportunities facing the Council as Q3 2016/17.
- 2.2** Following the announced Scottish Government Grant settlement for 2017/18 in the second half of December 2016 the impact of this settlement was assessed by the Head of Finance and Integrated Service Support and reported to the Council. In respect of 2017/18 the initial assessment of the grant settlement indicated that the budget shortfall for 2017/18 would increase to £12.880 million as set out in the December Council report.

The impact this has had on Council General Fund Reserves has been significant as detailed below.














Balancing the Budget in future years has been re-assessed during quarter 3 as 'Critical' given the scale of the financial challenge facing the Council.
- 2.3** Welfare reform has an increased Strategic Risk Profile as the Council prepares for the full implementation of Universal Credit from 22 March 2017.
- 2.4** A further addition has an increased the Strategic Risk Profile this quarter, 'the Scottish Abuse Inquiry' has been incorporated. This was reported to Council on 27 September 2016. This potential risk has been widely reported in the national media as the Scottish Government progresses with the enquiry on a nationwide basis and more locally the subject has been reported in local media.

## 2.5 Strategic Risk Profile Summary





The Top Strategic Issues are as set out in the following table.

Top Issues	Likelihood	Impact	Score	Evaluation	
Balancing budget 2017/18	5	5	25	Critical	
Welfare Reform	5	4	20	High	
Review of Pay and Grading	4	4	16	High	
Corporate change and transition	3	4	12	Medium	
Integration of Health and Social Care	3	4	12	Medium	

The key Strategic Risks for the Council are tabled below.

Strategic Risks	Likelihood	Impact	Score	Evaluation	
Balancing budget in future years	5	5	25	Critical	
The Change Program	3	5	15	High	
Scottish Abuse Inquiry	4	5	20	High	
People risk	3	4	12	Medium	
Integration of health and social care	3	4	12	Medium	
Governance and standards	3	4	12	Medium	
Legal and regulatory compliance	3	3	9	Medium	
Working with other to deliver outcomes	3	3	9	Medium	
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:-

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	

## **2.6 Strategic Issues – Rated Critical and High**

### **2.6.1 Balancing Budgets 2017/18**

On 20 December 2016 Council was provided with an updated assessment of projected budgets shortfalls through to 2021/22, with an update on the Scottish Government Grant settlement for 2017/18.

In respect of 2017/18 the initial assessment of the grant settlement had indicated that the budget shortfall for 2017/18 would increase to £12.880 million from the previously reported sum of £10.018 million.

In order to achieve a balanced budget for 2017/18 the Council will utilise £5.965 million of reserves, leaving a contingency level of General Fund Reserves of £3.413 million. This is below the £8 million level set out in the Reserves Strategy approved by Council on 8 November 2016 and equates to 1.7% of projected net expenditure for 2017/18.

### **2.6.2 Welfare Reform**

Universal Credit Live Service was introduced in Midlothian for newly unemployed single claimants, with or without housing costs from 27 April 2015. Universal Credit Full Service is being rolled out in Midlothian on 22 March 2017. The Universal Credit Programme will close gateways for legacy benefits, so existing benefits 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 anecdotal information resulting in speculative scenarios. Monthly meetings are taking place via the Midlothian Operational Delivery Group to plan Universal Credit implementation.

### **2.6.3 Review of Pay and Grading**

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

The challenge facing the Council is to ensure the delivery of the 'give and the get', the give from the Council in terms of the new pay and grading model in return for improvements in flexibility "the "get". This will be actively supported by the Council's People Strategy.

## **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. 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 is expected to bring forward savings options in addition to ensuring service user needs are achieved.

A report was provided to February Council setting out the 2017/18 Budget for approval.

### **2.7.2 The Change Program**

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

- The Delivering Excellence programme;
- The delivery of savings approved in 2016/17 and 2017/18; and 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.

### **2.7.3 Strategic Opportunities**

#### **2.7.4 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 currently being constructed.

#### **2.7.5 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.

### **2.7.6 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.

### **2.7.7 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. Detailed discussion and negotiation are underway with UK Government and Scottish Government Officials with work progressing towards a City Deal sign off in 2017.

## **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 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 articulated within the 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 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 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 3 2016/17 Strategic Risk Profile report and consider the current response to the risks and opportunities highlighted.

**Date:** 16 February 2017

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**Background Papers:**      **Appendix 1** Strategic Risks Profile  
Quarter 3 2016/17



## Strategic Risk Profile




## ISSUES

## SRP.IR.01 Balancing budget 2017/18


Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.IR.01	<p>Risk cause</p> <p><b>The reduced level of grant settlement offered to Midlothian Council and budgetary pressures including:</b></p> <p><b>Pay inflation, Pension reform, Demographics, Service demand.</b></p> <p>Risk event</p> <p><b>Council on 7 February 2017 will need to set a balanced budget for 2017-18</b></p> <p>Risk effect <b>There is a gap between expenditure and funding which will require the utilisation of reserves. The structural deficit remains to be addressed in 2018/19.</b></p>	Gary Fairley	<p>1. Financial Strategy.</p> <p>2. The reserves position can accommodate the short term utilisation</p>	5	5	

Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.IA.01.01	Financial Strategy	Q3 16/17: <b>The immediate focus for the next Council will be on longer term financial planning.</b>	Gary Fairley	30-Jun-2017	
SRP.IA.01.02	Financial Strategy	Q3 16/17: 1. <b>Council approving a budget on 7 February 2017 for 2017/18.</b>	Gary Fairley	07-Feb-2017	


### SRP.IR.02 The Change Programme

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.IR.02	<p>Risk cause</p> <p><b>Change programme that doesn't address the budget shortfall;</b></p> <p><b>The Change Programme does not achieve the projected savings</b></p> <p>Risk event</p> <p><b>Delayed progress in applying various strands of the Change Programme including the Delivering Excellence framework.</b></p> <p>Risk effect</p> <p><b>Slow or delayed proposals/savings arising from service redesign. Potentially further eroding reserves or requiring short term service reductions which impact on the Council's ability to deliver against its priorities.</b></p>	<p>Ricky *Moffat;</p> <p>Garry *Sheret;</p> <p>Kevin Anderson;</p> <p>Gary Fairley; Ian Johnson; Joan Tranent; Grace Vickers; Alison White</p>	<p>1. Change Programme including Delivering Excellence framework</p> <p>2. Delivering Excellence Management Tools to support the application of the framework</p> <p>3. Senior Leadership Group developing the longer term Change Programme for the new Council.</p>	3	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.	Q3 16/17: <b>Senior Leadership Group action in preparation for the new Council.</b>	<b>Ricky *Moffat; Garry *Sheret; Kevin Anderson; Gary Fairley; Ian Johnson; Joan Tranent; Grace Vickers; Alison White</b>	30-Jun-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</p> <p><b>IJB not having enough flexibility to make changes</b></p> <p><b>Unbalanced budget set for IJB.</b></p> <p><b>Savings targets sought from Adult Services to contribute to Council budget saving 2017/18 by MLC are challenging..</b></p> <p>Risk event</p> <p><b>Uncertainty on final financial settlement for IJB</b></p> <p>Risk effect</p> <p><b>Impact the IJB's ability to govern and deliver on strategic plan.</b></p>	Eibhlin McHugh	<b>IJB Strategic Plan setting out key transformational activity to shift the demands on services and improve outcomes for people of Midlothian.</b>	3	4	


## SRP.IR.05 Review of Pay &amp; Grading


Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.IR.05	<p>Risk cause</p> <p><b>Investment to reduce in-work poverty need to improve flexibility, productivity and service quality.</b></p> <p><b>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.</b></p> <p>Risk event</p> <p><b>Council does not see improvements in productivity and flexibility across the workforce. Council services are not competitive against the voluntary 3rd or private sector.</b></p> <p>Risk effect</p> <p><b>Investment in pay and grading not translating into positive productivity gains for the Council.</b></p>	Gary Fairley	<p>1. Investing in our Workforce Project Board focussed on securing the gains.</p> <p>2. Governance on the 4 strands of work from Council: Life Long Learning, Policy, Pay, Non Financial Benefits.</p> <p>3. Launch of new People Policies on 1st March 2017.</p> <p>4. Communications plan to ensure all employees know what is changing and how this will impact them and service delivery.</p>	4	4	

Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.IA.05.02	Launch of new People Management Policies on 1st March 2017.	Q3 16/17: <b>Consultation with the Trades Unions are on going - linked to changes in Council</b>	Gary Fairley	01-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	<p>Risk cause</p> <p><b>Future Scottish Government grant settlements are expected to result in cash reductions.</b></p> <p><b>Policy decisions by UK &amp; Scottish Governments which are not fully funded.</b></p> <p><b>Non or delayed savings from planned activities.</b></p> <p><b>Future year pay award settlements and implications of living wage increases.</b></p> <p><b>Inflation, interest rates, tax, income levels, service demand.</b></p> <p>Risk event</p> <p><b>Reduced grant settlement.</b></p> <p><b>Policies decisions at Government level not fully funded to Council's.</b></p> <p><b>Delay in project to achieve savings.</b></p> <p><b>Cost pressures exceeding budget estimates.</b></p> <p>Risk effect</p> <p><b>Gap in Council budget between budget commitments/ pressures and funding level and inadequate options presented to appraise this, resulting in a structural deficit.</b></p>	Gary Fairley	<p>1. The Financial Strategy to 2021-22</p> <p>2. Development of a Change Programme including the Delivering Excellence framework developed for the new Council Administration.</p> <p>3. Maintaining a level of reserves to deal with unforeseen or one off cost pressures.</p>	5	5	


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.	Q3 16/17: <b>1. Update Financial Strategy report presented to an early meeting of the next Council; and 2. Senior Leadership Group action in preparation for the new Council.</b>		30-Jun-2017	


### SRP.RR.02 The Change Programme

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.RR.02	<p>Risk cause</p> <p><b>Reduced resources</b></p> <p><b>Leadership fit for the future</b></p> <p><b>Lack of clarity or clear compelling vision for the future</b></p> <p><b>Delay or shortfall in securing savings</b></p> <p>Risk event</p> <p><b>Slow benefits realisation and budget savings</b></p> <p>Risk effect</p> <p><b>Objectives of changes not actually met</b></p> <p><b>Adverse impact on services</b></p> <p><b>Staff morale affected Government step-in</b></p>	Gary Fairley	<p>1. Financial Strategy and Change Programme</p> <p>2. Leadership from Executive Team and Senior Leadership Group.</p> <p>2. Appropriated governance in place across the Change Programme.</p> <p>3. Links between Change Programme and Workforce Plans</p> <p>4. Resilience planning.</p> <p>5. Senior Leadership Group regularly considering Change Programme and budget position.</p>	4	4	


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.	Q3 16/17: <b>Update Financial Strategy report presented to an early meeting of the next Council; and Senior Leadership Group action in preparation for the new Council.</b>	Gary Fairley	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 <b>Current or new legislation applying to Midlothian Council</b></p> <p>Risk event <b>Council and or Services not identifying all applicable legislation impacting Council activities and Service requirements.</b></p> <p>Risk effect <b>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.</b></p>	Ricky *Moffat; Garry *Sheret; Kevin Anderson; Gary Fairley; Ian Johnson; Joan Tranent; Grace Vickers; Alison White	<p>1. Directors and Heads of Service responsible for identifying applicable legislation and propose Council or Service responses to CMT and Cabinet/Council as required.</p> <p>2. Annual Assurance Statement.</p> <p>3. Internal Audit testing of internal controls as part of risk based audit plan.</p> <p>4. External Audit.</p> <p>5. Statutory Inspection.</p>	3	3	

Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.RA.03.01	Legal & Regulatory Compliance	Q3 16/17: <b>Heads of Service ensuring compliance with statutory obligations and making CMT, Cabinet/Council aware as required.</b>	<b>Ricky *Moffat; Garry *Sheret; Kevin Anderson; Gary Fairley; Ian Johnson; Joan Tranent; Grace Vickers; Alison White</b>	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</p> <p><b>HR Policies and Employee Terms &amp; Conditions not creating adequate flexibility to meet service needs and or employee desires.</b></p> <p><b>Employees not suitably qualified or developed for the roles required of them.</b></p> <p><b>Statutory health and safety - duty of care over services users and employees not met.</b></p> <p><b>Organisational transformation activities not informed by all key stakeholders</b></p> <p><b>Ageing work force</b></p> <p><b>Employees unclear on expected behaviours.</b></p> <p>Risk event</p> <p><b>Employees required to undertake tasks they are not competent to.</b></p>	Chris Lawson; Marina Naylor	<p><b>01 - Main internal controls centre on the approved People Strategy and supporting initiatives and Action Plan.</b></p> <p><b>02 - People Management policies reviewed as part of wider review of pay and grading</b></p> <p><b>03 - Making performance matter</b></p> <p><b>04 - A range of initiatives to keep staff informed of change (In brief, Staff Magazine, Espresso Sessions for Managers on new People Management Policies)</b></p> <p><b>05 - Absence Monitoring/Reporting.</b></p> <p><b>06 - Health and Safety Management Arrangements</b></p> <p><b>07 - Comprehensive range of Health &amp; Safety Management &amp; Assessment based development opportunities for line managers</b></p> <p><b>08 - Risk Management/pro- active action to Internal Audit recommendations/use of risk consultants for surveys.</b></p> <p><b>09 - Use of Health &amp; Safety Management Information System to enhance information transfer and organisational efficiency</b></p>	3	4	

<p><b>Statutorily driven health and safety protective arrangements for service users and employees not implemented correctly.</b></p> <p><b>Employees not engaged/consulted as part of organisational transformation.</b></p> <p><b>Experienced employees leaving the organisation</b></p> <p><b>Unacceptable behaviours demonstrated by employees</b></p> <p>Risk effect</p> <p><b>Negative impact on outcomes for customers/service users.</b></p> <p><b>Difficulties recruiting the right staff</b></p> <p><b>Challenges retaining quality staff</b></p> <p><b>Service users and employees exposed to hazards where statutory requirements exist.</b></p> <p><b>low skill levels</b></p> <p><b>low morale, especially during change</b></p> <p><b>non compliance with policy and procedure</b></p> <p><b>high absence rates</b></p> <p><b>Lose of experience in service areas. 'A Great Place to Grow' our values including respect ,collaboration, pride and ownership not realised</b></p>		<p><b>10 - Non-redundancy policy supported by SWITCH and Organisational Change Policy</b></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	Q2 16/17: <b>The Policy review work is linked to the review of Pay &amp; Grading for Non-Teaching staff has been prepared with Trade Union Consultation on going. Initial implementation of the new Policies is expected to take place over November and December 2016.</b>	Marina Naylor	31-Dec-2016	
MC01-A01-2	Health & Safety Management Arrangement Development	Q3 16/17: <b>The Management Arrangement development program is nearing completion. A suite of 16 Management Arrangements were presented to CMT for formal approval in Q3. The development of the complete suite of arrangements is expected to be completed during Q4.</b>	Chris Lawson	31-Mar-2017	



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</p> <p><b>Partners not engaged or focused to deliver specific outcomes.</b></p> <p><b>Public Sector Reform Agenda.</b></p> <p>Risk event</p> <p><b>Partners prioritising activity in areas not inline with delivery of defined outcomes.</b></p> <p><b>Community groups afforded legal right to make case to operate vacant properties for community use.</b></p> <p>Risk effect</p> <p><b>Delivery of outcomes delayed or not achieved</b></p> <p><b>Officer time to support the assessment of unsustainable business cases.</b></p>	John *Blair; Mary *Smith; Eibhlin McHugh	<p>1. Key partners engaged in planning and delivery of Service outcomes, e.g.</p> <p>Midlothian Community Planning Partnership have developed a Single Midlothian Plan.</p> <p>Midlothian Integrated Joint Board (Adult &amp; Social Care Integration) have developed and Strategic Plan.</p> <p>2. Approved integration scheme.</p> <p>3. Service Directions in Place.</p>	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</p> <p><b>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.</b></p> <p>Risk event</p> <p><b>The Regulation has been agreed with implementation due on 25 May 2018.</b></p> <p>Risk effect</p> <p><b>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.</b></p>	Ian Wragg	<ol style="list-style-type: none"> <li>1. Information Management Group</li> <li>2. Public Sector Network Compliance.</li> <li>3. Meta Compliance</li> <li>4. Information Management, awareness raising program (Private-i)</li> <li>5. General Data Protection Regulation Project Plan.</li> </ol>	3	5	

Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.RA.06.0 2	Preparing for next PSN Assessment	Q3 16/17: <b>Final activity to secure positive reassessment and continued connection to the Public Sector Network.</b>	Phil Timoney	30-Apr-2017	
SRP.RA.06.0 3	GDPR Project Plan	Q3 16/17: <b>General Dat Protection Regulation - Project Plan to be reported to CMT.</b>	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</p> <p><b>The nature of many of the Services provided under the banner of Health &amp; 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.</b></p> <p>Risk event</p> <p><b>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.</b></p> <p>Risk effect</p> <p><b>The reactive demand led service may become financially unsustainable.</b></p>	Alison White	<p><b>Midlothian IJB Strategic Plan - focussed on rebalancing care.</b></p> <p><b>Transformation Change Program</b></p> <p><b>Strategic Core Group Oversight</b></p>	3	4	

## 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  <b>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 &amp; buildings used to deliver services.</b></p> <p>Risk event  <b>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.</b></p> <p>Risk effect  <b>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.</b></p>	Ricky *Moffat; Garry *Sheret; Gary Fairley	<ol style="list-style-type: none"> <li>1. There is provision in place within the capital plan for investment in the asset base.</li> <li>2. Asset register</li> <li>3. Conditional Survey</li> <li>4. Understanding of future asset needs</li> <li>5. Asset Strategy.</li> <li>6. Roads asset management plan</li> <li>7. Land register</li> <li>8. Vehicle maintenance schedules.</li> <li>9. Capital program - investment in estate.</li> <li>10. On going monitoring of properties by: Maintenance Surveyors, Facilities Management and Property Users.</li> <li>11. Updated Digital Strategy and Digital Learning Strategy going to Council on 7th February 2017.</li> <li>12. Asset management plans for office and school digital devices</li> <li>13. Network Strategy</li> </ol>	3	3	


## 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</p> <p><b>The Council not preparing Emergency Plans and testing arrangements to respond to Civil Contingencies Incidents</b></p> <p>Risk event</p> <p><b>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.</b></p> <p>Risk effect</p> <p><b>Censure through non compliance with the Civil Contingencies Act</b></p> <p><b>Not adequately recovering from the loss of major accommodation (eg secondary school, main offices), computer systems and staff</b></p> <p><b>Not able to respond to a major emergency in the community</b></p> <p><b>Fatal Accident Inquiries</b></p>	Chris Lawson	<p><u>Potential</u> sub risks include:-</p> <p><b>01 – Civil Contingencies Risk Register used to highlight key risks and record response,</b></p> <p><b>- Council's plans developed and maintained in response to identified risks,</b></p> <p><b>- Contingency Planning Group support development, peer review and roll out of plans.</b></p> <p><b>02 – Establishment based incident response plans in place and maintained locally.</b></p> <p><b>03 – Emergency response plan setting out general approach to respond to a major emergency inline with key partner organisations.</b></p> <p><b>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.</b></p>	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	Q3 16/17: <b>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.</b>	Chris Lawson	31-Mar-2017	



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


Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.RA.10.02	International Governance Standards	Q3 16/17: <b>Current governance standards being reviewed in-line with new CIPFA/SOLACE Guide. Due to be reported to CMT in advance of reporting to May 2017 Audit Committee.</b>	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	<p>Risk cause <b>Policies may not be match the aspirations of the Council's Strategic priorities or cultural perspective.</b></p> <p>Risk event <b>Policies not monitored may become out of date</b> <b>Policies not reviewed to ensure alignment with strategic priorities.</b></p> <p>Risk effect <b>Policies not monitored could result in non compliance with legislation</b> <b>Policies not align to strategic priorities will inhibit the rather than support implementation of strategic priorities.</b></p>	<b>Ricky *Moffat; Garry *Sheret; Kevin Anderson; Gary Fairley; Ian Johnson; Joan Tranent; Grace Vickers; Alison White</b>	<ol style="list-style-type: none"> <li>1. Single Midlothian Plan providing overarching direction</li> <li>2. Service plans aligned to Single Midlothian Plan.</li> <li>3. Leadership team to ensure correct approaches are adopted to get the right results.</li> </ol>	2	3	


Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.RA.11.0 1	HR Policy Review	Q3 16/17: <b>HR - People Policies being overhauled as part of Pay &amp; Grading review, ongoing review thereafter. New People policies being implemented</b>	Marina Naylor	01-Mar-2017	
SRP.RA.11.0 2	Developing a policy overview	Q3 16/17: <b>Service review of Business Transformation, Performance Management, Quality and Scrutiny teams to incorporate to enhance capacity for oversight for corporate policies and strategies</b>	Gary Fairley	01-May-2017	


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</p> <p><b>Work procedures/process inadvertently create the capacity for fraud and waste to occur.</b></p> <p><b>Internal Controls requiring more time, effort or cost than the risk being managed.</b></p> <p>Risk event</p> <p><b>Persons exploiting opportunities to commit fraud</b></p> <p><b>Waste and errors</b></p> <p>Risk effect</p> <p><b>Waste and loss</b></p> <p><b>Risks over managed with risk controls costing more than the potential loss being managed.</b></p>	<p>Ricky *Moffat; Garry *Sheret; Kevin Anderson; Gary Fairley; Ian Johnson; Joan Tranent; Grace Vickers; Alison White</p>	<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
SRP.RA.12.0 1	Annual Audit Plan	Q3 16/17: <b>Audit team progressing with 2016/17 Audit Plan to test a range of internal controls as agreed and approved by Audit Committee.</b>	Internal Audit	31-Mar-2017	


SRP.RR.13 Climate Change

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.RR.13	<p>Risk cause  <b>Council Services not adequately engaged, resourced or directed to fulfil the requirements of the Climate Change Act</b></p> <p>Risk event  <b>Council Services not responding to the Climate Change Act with sufficient pace.</b></p> <p>Risk effect  <b>Council failing to meet its obligation under the Climate Change (Scotland) Act 2009 and incurring the associated reputational damage.</b></p>	Ian Johnson	<p>1. Voluntary reporting on compliance with the climate change duties (this will be a statutory requirement from 30 November 2016 onwards).</p> <p>2. Council Carbon Management Plan</p> <p>3. Approval of a Corporate Climate Change and sustainable development action plan 2016/17</p>	3	3	

Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.RA.13.01	Adaptive Planning	Q3 16/17: <b>Adaptive planning proposal to be brought forward to CMT.</b>	Ian Johnson	31-Mar-2017	



SRP.RR.14 Scottish Abuse Inquiry


Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.RR.14	<p>Risk Cause: <b>Midlothian Council and its legacy organisations, predating the creation of Midlothian Council in 1996, have been involved in the provision of care of children going back to living memory. During this time there is the likelihood 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.</b></p> <p>Risk Event: <b>The Scottish Government began an Inquiry into cases of Child Abuse occurring prior to 17 December 2014, the intention of this enquiry is to identify historic case of abuse which have to date gone unreported.</b></p> <p>Risk Effect: <b>If the inquiry finds historic cases of abuse in Midlothian this could damage the reputation of the Council and could place doubt in the eyes of the public as to the safety of these 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.</b></p>	Joan Tranent	<p>The Council have set up an Abuse Enquiry Project Team to support the Council to prepare for information requests to support the Inquiry.</p> <p>The Project Team have established a Project Plan covering:</p> <ol style="list-style-type: none"> <li>1. Residential establishments, List D Schools and Foster Carers: identifying Children's homes, Foster Carers and any List D Schools in Midlothian over the last 100 years and researching historic records.</li> <li>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.</li> <li>3. Cataloguing/Indexing: checking and updating existing recordkeeping systems for accuracy and consistency, enabling effective information retrieval when requested by the Inquiry.</li> <li>4. Ascertaining the succession and insurance position in relation to potential historic child abuse claims.</li> <li>5. Ascertaining and agreeing Midlothian Council's legal position/ approach in dealing with the potential historic child abuse claims.</li> </ol>	4	5	

# 1 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 house builders, employer's 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"> <li>1. Shawfair Development Group.</li> <li>2. Legal agreement with developers</li> <li>3. Secured developer contributions (Section 75)</li> <li>4. Plan for entire community:</li> <li>5. Business and industrial provision, including small business incubator space.</li> <li>6. Circa 4000 new homes</li> <li>7. A school campus comprising Early Years, Nursery, Primary, Secondary &amp; Life Long Learning provision</li> <li>8. New Primary schools</li> </ol>	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> <p>Ensuring Midlothian secures appropriate levels of Blueprint funding.</p>	Ian Johnson	<ol style="list-style-type: none"> <li>1. Designated Project Manager post.</li> <li>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.</li> <li>3. Dedicated Inward Investment Co-ordinator post</li> <li>4. Dedicated Tourism Development post.</li> <li>5. Timely submission of bids for approval by the Blueprint Group.</li> </ol>	5	4	

## SRP.OP.03 Easter Bush - Penicuik

Risk Code	Risk Identification	Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
SRP.OP.03	<p>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.</p> <p>Link to City Deal</p>	Ian Johnson	<ol style="list-style-type: none"> <li>1. Planning in place around creating Secondary Schools as centres for excellence linked to specialisms including STEM.</li> <li>2. Land allocated for expansion.</li> <li>3. Easter Bush Development Board.</li> <li>4. Troubleshooting issues - Roads Access - tackling road access through proposal in the Local Plan.</li> </ol>	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"> <li>1. Key projects identified.</li> <li>2. Consortium submission made, including Midlothian Council in September 2015 with and update in December 2015.</li> <li>3. Heads of terms agreed by consortium for discussion with Scottish and UK Government Officials.</li> </ol>	3	5	

Related Action Code	Related Action	Related action latest note	Managed By	Due Date	Status
SRP.OA.05.01	City Deal submission	Q3 16/17: <b>Detailed discussion and negotiation with UK Government and Scottish Government Officials towards a City Deal sign off in 2017.</b>	Ian Johnson	31-Dec-2017	