

Headline Report on Corporate Risks for CMT

Report Type: Risks Report

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Risk Code & Title	Original Risk Score	Current Risk Score	Target Risk Score	Target Risk Target Date	Notes & History Latest Note
MC01-01 People risks	18	12	6	31-Mar-2014	<p>Q2 13/14: Work to deliver the People Strategy is continuing, particularly around developing our leaders through the Leadership Pathway programme and to raise employee engagement levels through a range of activities. There is also a current focus on reviewing the appraisal process so that it is used as a tool for performance and development, rather than seen as a reward mechanism. Mi Future has already supported a number of employees whose services have closed to go on work placements and seek permanent employment. Further work underway to ensure that managers continue to look at developing current employees rather than look to recruit externally.</p> <p>Maximising Attendance guidance for short-term triggers have been changed to help managers deal with absence more efficiently and reduce levels of sickness absence.</p> <p>Given the degree of organisational change and uncertainty raised by the need to address the budget deficit, coupled with economic cost of living issues, it is now unlikely that low risk will be achieved at the end of the current People Strategy in March 2014. A new People Strategy will be developed to address the strategic priorities of the Council moving forward and the inherent risks which remain.</p>
MC01-02 Governance and Standards in Public Life	18	12	6	31-Mar-2015	<p>Q3 13/14: The Code of Corporate Governance 2013/14 was approved by Midlothian Council on 17 December 2013 and plans are in place to review annually. Risk remains as MEDIUM until all ICO and Data Protection audit actions have been progressed, then can be reduced to LOW</p>
MC01-03 Customers and	18	6	6	31-Mar-	<p>Q3 13/14: Progress continues on Customer Services Business Transformation project, although</p>

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Performance				2015	<p>there is a change of direction on this, in line with the SLG objectives around Customer Services. This remains a MEDIUM risk overall at this time, until the new Leadership structure is embedded and a new strategy agreed.</p> <p>A new draft Customer Service Strategy for 2014 onwards has been produced, however has been delayed in terms of being fully considered and/or formally adopted, due to the Head of Service recruitment process and consequential cancellation of Project Board meetings. The new draft is much more strategic in terms of the overall objectives and direction of travel for the organisation and the detailed action plans are yet to be developed, to implement the strategy.</p> <p>Approval has been given by CMT and funding has been identified, to recruit a "Customer Improvement Officer" to take on the co-ordination role including monitoring and analysis of complaints and customer satisfaction feedback. This helps to mitigate part of the risk.</p> <p>The outcome of SOCITM Channel Value Benchmarking exercise has now been received and can also inform the channel shift elements of the Customer Service action plan, for implementation.</p>
MC01-04 Internal Control Environment	14	6	6	31-Jul-2013	Q3 2013/14: Internal Audit continue to highlight some weaknesses in internal controls.
MC01-05 Balancing Budgets in future years/Impact of Budget Cuts/Financial Strength of Council	14	18	6	31-Mar-2014	Q3 13/14: The Budget strategy was agreed by Council in May 2013 and latest report to Council in December 2013 addressed the gap. The report also provided an outline of plans to address future year's budget shortfalls. This remains a high priority for Corporate Management Team
MC01-06 Emergency Planning and Business Continuity Management	19	12	6	31-Jul-2013	Q3 13/14 The Contingency Planning Team has experienced a reduction in staffing following the employee on a SWITCH placement moving on to a permanent post within Business Transformation. While this has created a gap in provision within this team the opportunity has been taken to conduct

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					a six month trial with East Lothian Council to share their Contingency Planning Manager with effect from the 1 March 2014. The purpose of this trial is to address the short term staffing reduction and to take the opportunity to explore the potential future benefits from working in partnership in this area.
MC01-07 Corporate Policies and Strategies	14	6	6	31-Dec-2012	Q3 13/14: Internal Audit continue to test compliance and how up-to-date policies are through audit program.
MC01-08 Corporate Change and Transition	18	19	12	31-Mar-2015	<p>Q3 13/14: September Council agreed a 3 year plan of future transformation activity to help close the 2014/15 budget gap and deliver 2015/16 and 2016/17 savings. The sequential programming of the seven projects will be considered by February Council on conclusion of an exercise being carried out to validate the initial scope of the projects and the feasibility of achieving the saving targets set by the Strategic Leadership Group.</p> <p>The Business Transformation Programme Risk Register is managed in accordance with the Business Transformation Programme Risk Management Strategy. The risks evaluated as high probability continue to be addressed to mitigate the likelihood and potential impact on the programme. Strategic Direction, Programme Resourcing, and Benefits Realisation are currently evaluated as 'high' risks and are being monitored by the Business Transformation Steering Group.</p>
MC01-09 Legal and Regulatory Compliance	12	18	6	31-Mar-2015	<p>Q3 13/14: This remains a HIGH risk meantime, as significant assurance is required at present in relation to protecting data. The current challenge facing us, to maintain our Code of Connection with the Public Sector Network (PSN, formerly GSX), is proving a huge issue nationally and we are still working to ensure that we can meet the new "zero tolerance" approach imposed by the Cabinet Office. This is placing significant resource pressures upon us, as well as severe additional financial pressures and a direct impact on working practices.</p> <p>Separately, there still remains some concern that not all significant pieces of new legislation are adequately risk assessed, due to lack of available legal resources. A report has been prepared to propose a change to delivery of legal services which should assist in this regard.</p>

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MC01-11 Asset Condition – buildings, vehicles, computer, roads	18	6	6	31-Dec-2014	<p>Q3 13/14 Progress has been made in developing asset management plans for each asset area e.g. vehicles, roads, property etc., the objective being to use these individual asset plans as the basis to establish the required upgrades or replacements.</p> <ul style="list-style-type: none"> • Road upgrades for 2014/15 to 2017/18. It is suggested that an annual budget of £1million is allocated for road and footpath upgrades. • Property Upgrades for 2014/15 to 2017/18. Again it is suggested that an annual budget of £1million is allocated for the upgrading of the current property portfolio. • The plant replacement programme for the period 2014/15 to 2015/16 has been identified as £0.252 million and £0.348 million respectively. Beyond 2015/16, it is proposed to introduce a budget of £1million per annum to cover all vehicle and plant replacements, although this will need to be flexible between years to cover the peaks and troughs of the replacement programme. • For the purposes of the overall street lighting budget, it is proposed to continue with the £1 million annual budget. This budget will require to accommodate both the LED lantern only replacements and the full column and lantern replacements.
MC01-12 Welfare Reform Act	23	19	6	31-Mar-2014	<p>Q2 13/14: This will remain HIGH risk for the foreseeable future. Several legislative changes have now been implemented, e.g. the under-occupancy charge (bedroom tax), and the Scottish Welfare Fund has gone live, with administration of Crisis Grants and Community Care Grants now being carried out by the council. Close monitoring of this service is showing that we may need to increase the resources in this area, as early indications are that it is impacting negatively on other parts of the Revenues and Contact Centre services.</p> <p>There continues to be uncertainty around other aspects of the Welfare Reform changes e.g. the introduction of Universal Credit, but it is acknowledged that these will have further significant impact, both of staff and customers. There will also be wider impact on the finances of the Council,</p>

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					through loss of Admin Grant, inevitable further increase in arrears and more difficulty in collecting all revenue, as well as the increased demand for advice, guidance and assistance.