Budget Pack – Report On Strategic Risk Register – December 2009

Ref	Risk name	Consequences	Position/Progress at December 2009	Risk assessment rating
SR01	Staff Absence	Level of staff absence results in reduced ability to provide services to an acceptable standard, impact on budgets by having to employ other staff/agencies to carry out the work. Possible impact on reputation.	Addressed in Corporate Plan by outcome **People management** - Enabling the Council to have the right people with the right skills in the right place at the right time to deliver excellent services Addressed by service outcomes in Improvement and HR Service Plan. Policies and procedures in place to manage staff absence. Target set for staff absence of 7.6 days monitored through performance scorecards.	Likelihood (3) Impact (3) Medium
SR02	Recruitment and retention of high quality staff	Insufficient qualified/experienced staff results in reduced ability to provide services to an acceptable standard, impact on budgets by having to employ other staff/agencies to carry out the work. Possible impact on reputation.	Addressed in Corporate Plan by outcome **People management** - Enabling the Council to have the right people with the right skills in the right place at the right time to deliver excellent services. Addressed by Service Outcomes in Improvement and HR Service Plan. Corporate approach being developed by HR Board. Target set of 80% for staff to have a PDR within the year. Staff turnover and progress with PDR reported and monitored through performance scorecards.	Likelihood (3) Impact (3) Medium

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Ref	Risk name	Consequences	Position/Progress at December 2009	Risk assessment rating
SR03	Failure to implement legislation in relation to young and vulnerable	Possibility of situation arising where due to our failing to address this a 'Baby P' occurs. Major impacts on reputation, people and possibly financial.	Addressed in Corporate Plan by outcomes **Education - making what's good, better** Curriculum development to enable all young people to be: • successful learners • confident individuals • effective contributors • responsible citizens **Modernising social work** Modernisation of the social work service in line with changing patterns of need to ensure that services are directed at the most vulnerable and needy members of our community. **Housing - more homes, less homelessness** - Release of more land for housing to create more affordable housing and a reduction in homelessness Also addressed by service outcomes in Education Service Plan, Children and Families Service Plan, Adult Services Service Plan and Community Regeneration Service Plan. Success measures identified and monitored through performance scorecards. Vulnerable Adults Group established and an updated procedure for identification of posts and the processing of disclosure checks has been approved.	Likelihood (2) Impact (4) Medium

Ref	Risk name	Consequences	Position/Progress at December 2009	Risk assessment rating
SR04	Adverse media coverage due to ineffective and inaccurate communication by the Council	Possible impact on reputation, legal implications and financial implications	Communications Strategy approved and service plans now have a template to demonstrate how services are implementing the Communications Strategy.	Likelihood (3) Impact (4) Medium
SR05	Failure or loss of IT software and existing data	Could lose information held within the Council or different departments leading to impact on reputation, financial and breaches of statutory duty. Allow access to information by outsiders.	Each service has many applications with daily back ups of information supported by the central IT. There are some programmes used by Services which are not known to IT and this may cause a higher level of impact.	Likelihood (3) Impact (4) Medium
SR06	Failure to provide strong leadership and direction.	Resulting in failure to clearly identify overall strategic aims and objectives of the council	The Improvement Plan agreed in January 2009 has been delivered and the external auditors endorsed the progress achieved by the Council as part of Best Value follow up review in October 2009. Development of clear objectives in the Corporate and Service Plans has been taken forward and linked to the Improvement Plan. Current budgetary process and ongoing development of the Corporate Plan to take account of financial pressures and risks.	Likelihood (2) Impact (2) Low
SR07	Failure to maximise the benefits of best value	Departments do not undertake necessary changes to ensure compliance with the best value review resulting in criticism form Audit Scotland. Impact on reputation possible legal challenge	PPMF in place and team acting to ensure effectively implemented across the Council. All action plans use the PPMF format	Likelihood (2) Impact (2) Low

Ref	Risk name	Consequences	Position/Progress at December 2009	Risk assessment rating
SR08	Failure to realise efficiency gains	Fail to achieve efficiency savings in the medium to longer term resulting in impact on budget/finance, impact on service provision and impact on people	Addressed by outcome in Corporate Plan **Process for Change** - Transformation of key processes to deliver improved service and efficiency savings Programme of service reviews underway for all services. Process For Change projects moving to implementation stage. Efficiency plan due to be updated and reported to Council. Progress with efficiency savings tracked in performance scorecards.	Likelihood (3) Impact (4) Medium
SR09	Failure to progress CPP	Lack of effective partner engagement means that they become disengaged with the process and the missed opportunity to take this process forward. Possible impact on reputation, finance and breach of statutory duty.	Community Plan revised and new governance structures in place as agreed in Improvement Plan. Performance scorecards for Community Plan developed and performance scorecards for area and theme groups being developed.	Likelihood (3) Impact (3) Medium
SR10	Inefficient use of Council Assets	Financial consequences due to lack of development of Asset Management Plan	Service asset management plans being prepared. Performance measures for assets developed as per Improvement Plan. Suitability and condition of assets tracked in performance scorecards.	Likelihood (3) Impact (3) Medium

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Ref	Risk name	Consequences	Position/Progress at December 2009	Risk assessment rating
SR11	Failure to meet capital/revenue spending targets	Contributing to financial inefficiency of the Council having an impact on service provision and budgets	Revenue budget and capital budget spending plans being revised as part of the planning and budget process. Reporting and monitoring systems in place. Also included in performance scorecards.	Likelihood (3) Impact (4) Medium
SR12	Failure of members to maintain standards of conduct in public life	Members breach code of conduct resulting in decisions being open to legal challenge and associated financial loss. Impact on reputation of Council	Regular training and advice to members, monitoring of Members Register of Interest by Corporate Services	Likelihood (2) Impact (4) Medium
SR13	Failure to comply with new legislation, regulations or statutory responsibilities	Resulting in breach of statutory duty, impact on service provision	All proposed legislation passed to relevant departments for decision on requirement for a review of procedures	Likelihood (2) Impact (4) Medium
SR14	Failure to implement the Single Outcome Agreement	Resulting in failure to achieve overall strategic aims and objectives of the council and its partners	The SOA is built on corporate priorities and actions of all partners - so already planned for and resourced by each partner as required. Performance scorecards in place to monitor elements the SOA included in the Council's plans and Community Plan.	Likelihood (2) Impact (3) Medium
SR15	Financial Management processes need to be aligned with structures and council's objectives	Contributing to financial inefficiency of the Council having an impact on service provision and budgets	Service Plans show revenue budget for each service outcome and Corporate Plan priority (Council objectives).	Likelihood (3) Impact (4) Medium

Ref	Risk name	Consequences	Position/Progress at December 2009	Risk assessment rating
SR16	Failure to have a robust internal control process and system	Potential breach of statutory duty and lack of scrutiny of procedures being undertaken by departments	Covered by service outcome for internal audit in Strategic Finance service plans and supported by annual audit plan and range of KPIs on delivery of that plan.	Likelihood (2) Impact (4) Medium
SR17	Non recurring financial burdens and one off financial crisis like the credit crunch	Resulting in impact on service delivery, budgets and financial problems	Annual planning and budgeting round allows potential burdens and financial consequences to be identified and built into budgets and plans. Services have identified cost pressures and demand pressure for funding. Systems in place to monitor expenditure on revenue and capital budgets.	Likelihood (4) Impact (4) High
SR18	Failure to embed risk management into the organisation	Consideration of risk is essential in many areas, failure to have a well used standard approach to its consideration will impact on service provision, budgets and the overall achievement of the Council's objectives	Current review of Strategic and Operational Risk Registers to confirm links to the Corporate and Service Plans. Risks monitored through Pyramid and reported in performance scorecards. Corporate wide Risk Management Group and risk management framework in place.	Likelihood (2) Impact (4) Medium
SR19	Failure to progress Business Continuity Programme within the Council and failure to comply with CCA	Unable to provide critical services following a disruption resulting in impact on finance, reputation and people	Recovery plans in place for identified critical activities	Likelihood (2) Impact (4) Medium

Ref	Risk name	Consequences	Position/Progress at December 2009	Risk assessment rating
SR20	Failure to ensure the Council acts in accordance with the law and its own regulatory framework and failure to ensure the efficient and effective operation of the corporate body	Legal challenge to decisions made by Council, departments or officers impacting on reputation, finance and people	Code of Corporate Governance approved and arrangements in place to implement and monitor. Council constitution, scheme of delegation sets down processes for decision making, governance arrangements in place.	Likelihood (2) Impact (4) Medium
SR21	Failure to maintain and improve attainment and achievement levels of school pupils	Impact on reputation, scrutiny from Scottish Government	Addressed in Corporate Plan by outcome **Education - making what's good, better** - Curriculum development to enable all young people to be: • successful learners • confident individuals • effective contributors Also addressed by outcomes in Education Service Plan. Success measures identified and monitored through performance scorecards.	Likelihood (1) Impact (3) Low
SR22	Failure to agree and implement the School Estates Strategy	Impact on Finance, budgets, reputation	Options appraisal for School Estate to be completed in near future.	Likelihood (4) Impact (4) Medium

Ref	Risk name	Consequences	Position/Progress at December 2009	Risk assessment rating
SR23	Demographic/Societal changes which increase demand for services beyond existing/planned budget levels	Impact on service provision, budgets and people	Annual planning and budgeting round allows potential burdens and financial consequences to be identified and built into budgets and plans. Services have identified cost pressures and demand pressure for funding. Systems in place to monitor expenditure on revenue and capital budgets and identify service demands beyond budget.	Likelihood (3) Impact (4) Medium
SR24	Changes to Scottish Government Policy which increase demand for services beyond existing/planned budget levels	Impact on service provision, budgets and people	Reassessment of service provision in light of any proposed changes in policy. Annual planning and budgeting round allows potential burdens and financial consequences to be identified and built into budgets and plans. Services have identified cost pressures and demand pressure for funding.	Likelihood (3) Impact (3) Medium
SR25	Failure to comply with H&S legislation	Resulting in possible prosecutions, injury, loss of life, loss of staff resources and damage to reputation	Addressed by service outcome for health and safety in Improvement and HR Service Plan. KPIs for health and safety operations included in performance scorecards. Based on employment of qualified staff, individual RAs and safe working methods developed, procedures established.	Likelihood (3) Impact (4) Medium

Ref	Risk name	Consequences	Position/Progress at December 2009	Risk assessment rating
SR26	Failure to attract external funding to assist councils strategic projects during current and future funding programmes	Leading to reduction in service outcomes, impact on finance and budgets, possible impact on reputation through failure to deliver flagship projects	Excellent knowledge of current priorities and programme scope. Staff in place to meet demand	Likelihood (3) Impact (4) Medium
SR27	Failure to effectively manage the CHORD programme	Leading to adverse economic and environmental impact, impact on reputation	Addressed in Corporate Plan by outcome for **Waterfront and town centre regeneration** - Growth in confidence in the area and strengthened economy based on rejuvenation of the main towns as key centres for economic activity. Addressed by separate service outcome in Service Plan for Economic Development and Transportation. PRINCE 2 programme management arrangements now up and running and Programme Plan approved.	Likelihood (1) Impact (4) Low
SR28	No longer in use, merged with SR20			
SR29	No longer in use - operational risk only.			

Ref	Risk name	Consequences	Position/Progress at December 2009	Risk assessment rating
SR30	Failure to meet recycling targets	Impact on budgets, reputation and people	Addressed by outcome in Corporate Plan **Modernising waste management** - Reduced environmental impact by reducing waste going to landfill and increasing recycling rates. Addressed by service outcome for Waste Management in Facility Services Service Plan. Success measure identified and monitored through performance scorecards.	Likelihood (2) Impact (4) Medium
SR31	Failure of lifeline ferries/damage to ferries/collapse of ferry contractor	Impact on finance, people, reputation and time	Provision made in budget for operation and maintenance of ferries. Constant monitoring of condition of ferries and contract arrangements. Maintenance of fleet/contract for back up vessels	Likelihood (2) Impact (4) Medium
SR32	Failure to maintain Council Roads Infrastructure	Impact on budget, people and reputation	The Corporate Plan refers to **Transport** - improving access to/ within the area. There are adequate arrangements for maintenance through the Roads Asset Management Plan. Monthly monitoring of conditions and keeping members aware of situation	Likelihood (3) Impact (3) Medium

Ref	Risk name	Consequences	Position/Progress at December 2009	Risk assessment rating
SR33	Failure to achieve income targets	Impact and budget and service provision	Revenue budget and capital budget spending plans being revised as part of the planning and budget process. Reporting and monitoring systems in place.	Likelihood (2) Impact (3) Medium
SR34	Failure to ingather Council Tax and Non Domestic Rates	Impact on budget, service provision	Addressed by service outcomes in ICT and Financial Services Service Plan. Success measures identified and monitored through performance scorecards.	Likelihood (3) Impact (3) Medium

Risks are assessed using a combination of impact and likelihood using the criteria below. All risks are then classified as high, medium or low using a simple matrix to generate an overall assessment.

Likelihood

Likelihood of occurrence	Score	Description
Almost certain	5	Will undoubtedly happen, possibly frequently
Likely	4	Will probably happen, but not a persistent issue
Possible	3	May happen occasionally
Unlikely	2	Not expected to happen, but is possible
Remote	1	Very unlikely this will ever happen

Impact

Impact of occurrence	Score	Description				
		Impact on service delivery	Financial impact	Impact on people	Impact on time	Impact on reputation

Catastrophic	5	Unable to function, inability to fulfil obligations	Severe loss	Death	Serious – more than 2 years to recover pre-event position	Highly damaging, severe loss of public confidence
Major	4	Significant impact on service provision	Major loss	Extensive injury, major permanent harm	Major – 1-2 years to recover pre-event position	Major adverse publicity, major loss of confidence
Moderate	3	Service objectives partially achievable	Significant loss	Medical treatment required, semi permanent harm up to 1 year	Considerable – 6-12 months to recover pre-event position	Some adverse publicity, legal implications
Minor	2	Minor impact on service objectives	Moderate loss	First aid treatment non-permanent harm up to 1 month	Some – 2-6 months to recover	Some public embarrassment, no damage to reputation
None	1	Minimal impact, no service disruption	Minimal loss	No obvious harm/ injury	Minimal – up to 2 months to recover	No interest to the press, internal only

Overall assessment

Likelihood	Impact				
	None	Minor	Moderate	Major	Catastrophic
Almost certain	Low	Medium	High	High	High
Likely	Low	Medium	Medium	High	High
Possible	Low	Medium	Medium	Medium	High
Unlikely	Low	Low	Medium	Medium	Medium
Remote	low	Low	low	Low	Low