

**WEST DUNBARTONSHIRE COUNCIL****Report by Chief Officer – People & Technology****Corporate Services Committee: 17 February 2021**

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**Subject: Strategic Risks 2017-22****1. Purpose**

- 1.1 To provide an update on the strategic risks for 2017-22.

**2. Recommendations**

- 2.1 It is recommended that the Committee note:

- The strategic risks as detailed at Appendix 1;
- Supplementary EU Assurance Plans as detailed in Appendices 2 and 3.

**3. Background**

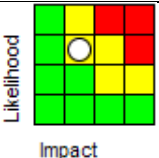
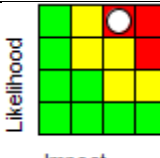
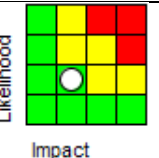

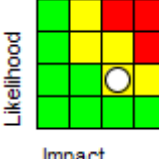
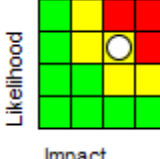
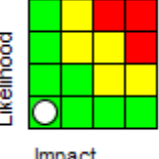

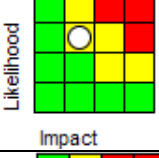
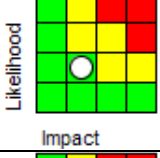
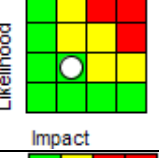

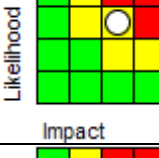
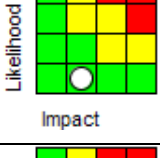
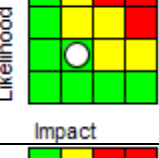

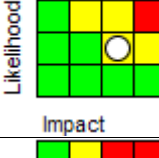
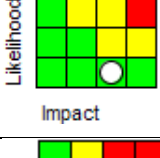
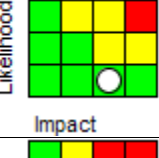

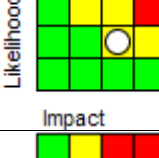
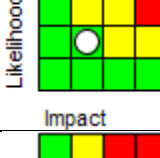
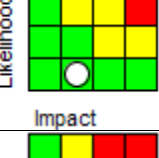

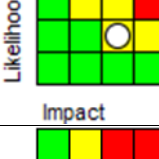
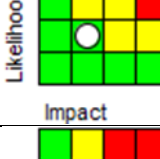
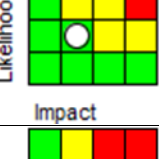

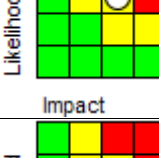
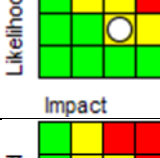
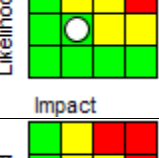

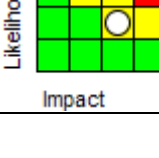
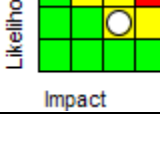
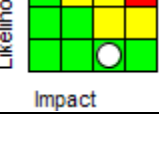

- 3.1 The Council's strategic risk arrangements are now well-embedded. The appended risks were fully reviewed and added to in 2017 with re-assessment undertaken bi-annually before being reported to this committee. This report is submitted as agreed to the Corporate Services and Audit Committees on a bi-annual basis.

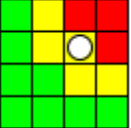
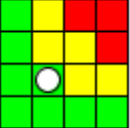
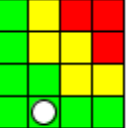

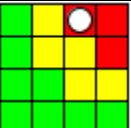
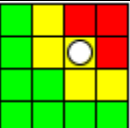
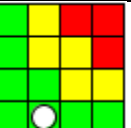

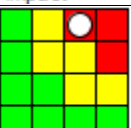

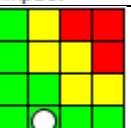

**4. Main Issues**Strategic Risk

- 4.1 In line with the Council's Risk Management Framework, a re-assessment of the strategic risks has taken place as detailed within Appendix 1. Each risk is managed through internal controls, linked actions and associated milestones with the objective being to reduce or stabilise the level of risk through completion of linked actions over a period of time and / or ensure mitigation factors are adequate should the risks actually materialise.
- 4.2 Table 1 represents a risk dashboard that includes information on the original, current and target ratings for each strategic risk, as well as an assessment of the current risk status. Each strategic risk is identified and supported by more detailed information available on a "drill-down" basis in Appendix 1. Four Strategic Risks, associated actions and milestones are met, a further four are progressing as expected and likely to reach their assigned targets and SR011 and SR012 present particular challenges as set out at 4.7-4.12. As previously

reported, SR001 and SR002 are significantly off target and unlikely to reach the intended risk outcome.

**Table 1** Key Strategic Risk Information

Strategic Risk	Original Risk 2017	Current Risk 2021	Target Risk 2022	Risk Status Rationale
<b>SR 001</b> Financial Funding.				
<b>SR 002</b> School improvements.				
<b>SR 003</b> Council Assets.				
<b>SR 004</b> Information Technology.				
<b>SR 005</b> Partnerships.				
<b>SR 006</b> Citizens and Communities.				
<b>SR 007</b> Health and Safety of Employees and Others				
<b>SR 008</b> Cyber Attack.				
<b>SR 009</b> Early Years Agenda.				

<b>SR 010</b> Resourced Workforce.				
<b>SR 011</b> EU Exit				
<b>SR 012</b> Pandemic COVID – 19				

### Risk Methodology and Reporting

#### **4.3** Each strategic risk is populated in Pentana in terms of the following template:

- Risk title and code;
- Description;
- Ownership;
- Potential effect;
- Measures of impact;
- Risk factors;
- Internal controls;
- Risk opportunity; and
- Linked actions.

#### **4.4** Each risk has been scored using a “4 x 4” matrix for likelihood and impact in relation to:

- Current risk (with review dates set at pre-determined intervals); and
- Target risk (i.e. 31 March 2022 - the duration of the Strategic Plan).

The risk descriptors used in the “4 x 4” matrix are as follows:

#### Likelihood

<u>Score</u>	<u>Descriptor</u>
1	Unlikely
2	Likely
3	Very likely
4	Certain

#### Impact

<u>Score</u>	<u>Descriptor</u>
1	Minor
2	Moderate

3	Significant
4	Critical

- 4.5** For ownership, each strategic risk is “Managed By” a Chief Officer and “Assigned To” Senior Management. Strategic risks are reported on a bi-annual basis to the Performance & Monitoring Review Group and Corporate Services Committee.

#### Service Risk

- 4.6** Following the methodology in 4.3 to 4.4 above, each service has service owned operational risk registers in Pentana; these will be updated through the 2021/2022 service planning process.

#### **4.7** EU Exit SR011

On the 31<sup>st</sup> December, the Transition Period concluding EU Law jurisdiction in the UK, and access to the EU Single Market ended. The new relationship is now defined by the EU-UK Trade and Cooperation Agreement. The local key risks were identified as disruption of services, workforce, and congestion at sea and air ports, concerns around the supply of medicines, all potentially impacting locally. At this time, there are no major local issues arising as a result, however due to COVID lockdowns and restrictions it is hard to measure the impact as many businesses aren't operating or not at full capacity. Therefore, the Council will continue to monitor the key risks and address any issues locally or escalate to COSLA.

- 4.8** SR011 EU no deal Exit was assessed as high risk. As a consequence of the UK-EU Trade Cooperation Agreement, this risk should now begin to stabilise once local impacts become clearer (note renamed EU Exit). There are 11 actions associated with SR011, with multiple owners, the complexity of which does not sit well within the Council's monitoring system (Pentana). To avoid duplication, the established reporting to government agencies in the form of the previously reported EU Exit plans will be utilised for reporting changes to this committee as required. SR011 is monitored by the Operational Resilience Group (ORG).

- 4.9** The Council's Resilience Groups continue to work with the Civil Contingencies Service (CCS) to act as the main driver to support and monitor the new Trade and Cooperation agreement. To compliment this, there is frequent liaison with multi-agency partners to ensure a shared understanding of risks locally, regionally and nationally. The Civil Contingencies Officer participates in regular EU Exit calls hosted by COSLA and working with other LAs to address any issues and raise concerns to Scottish Government. The Action Plans were recently cross referenced with the updated UK Planning Assumptions of reasonable worst case scenarios and is a live document allowing officers to update their respective fields if and when required. The recent report to Leaders on the progression of EU Exit (also circulated to all Elected Members and Lay Members of the Audit Committee) which has allowed the Civil

Contingencies Officer to determine how this may impact us locally. The plan continues to be updated regularly and is available to view on the Council website.

#### **4.10 Pandemic COVID-19 – SR012**

The impact of COVID has resulted in the development of a significant number of procedures, assessments and mitigation to support the various Government initiatives and reduce the risk of spreading the virus among the workforce and local community as advised by Scottish Government, Health Protection Scotland and the Health and Safety Executive.

**4.11** As a result, the Council has experienced significant COVID related budget spend across all service areas. This is currently in the region of £17m and is detailed in the COVID update report to February meeting of Council.

**4.12** In respect of the strategic risk and consequent operational risks, four key areas have been identified and are listed below. The response and recovery landscape remains fluid.

- Business Continuity - 3 risks ( 1 Amber and 2 Green);
- Communication - 2 risks ( 1 Amber and 1 Green);
- Finance – 2 risks (Red)
- Protection & Perception - 5 risks ( 5 Green); and
- Other impacts - 14 risks ( 7 Amber and 7 Green).

### **5. People Implications**

**5.1** There are no people implications associated with this report.

### **6. Financial and Procurement Implications**

**6.1** There are no financial and/or procurement implications.

### **7. Risk Analysis**

**7.1** Failure to progress on risk management is likely to result in the Council being criticised by External Audit for not having an integrated approach to embedding risk management within the authority with the result that a “no scrutiny required” status will not be achieved.

**7.2** Progressing with risk management will demonstrate that the Council is taking ownership of risk management so that effective measures will be put in place for the management of risk. The ability to demonstrate risk ownership should benefit the Council in terms of:

- Understanding risk and its potential impact on the Council’s priorities and objectives;
- Reducing insurance premiums going forward by recognising that a mature approach to risk management will contribute to a reduction in the number

- and value of claims across a range of insurance classifications;
- Contributing towards incident prevention based upon post-incident investigation;
- Meeting statutory/regulatory requirements; and
- Ensuring better partnership working with external and internal partners.

## **8. Equalities Impact Assessment (EIA)**

- 8.1** An equalities screening was undertaken that identified no impact on a particular protected group.

## **9. Consultation**

- 9.1** The strategic risks have been discussed with the Chief Officers and senior management representatives on the Operational Resilience Group.

## **10. Strategic Assessment**

- 10.1** At its meeting on 25 October 2017, the Council agreed that its five main strategic priorities for 2017 - 2022 are as follows:

- A Strong local economy and improved employment opportunities;
- Supported individuals, families and carers living independently and with dignity;
- Meaningful community engagement with active empowered and informed citizens who feel safe and engaged;
- Open, accountable and accessible local government; and
- Efficient and effective frontline services that improve the everyday lives of resident

- 10.2** The strategic risks have been identified to complement the main strategic priorities.

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**Designation:** Chief Officer People & Technology  
**Date:** 01/02/21

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**Appendices:** Appendix 1: Detailed Strategic Risk List  
 Appendix 2: WDC HSCP EU Exit Action Plan  
 Appendix 3: WDC EU Exit Action Plan

**Background Papers:**

Report to Council on 25 October 2017 - West  
Dunbartonshire Council Strategic Plan 2017-22  
Risk Management Framework