

WEST DUNBARTONSHIRE COUNCIL

Report by Executive Director of Corporate Services

Audit and Performance Review Committee: 11 June 2014

Subject: Strategic Risk and Resilience

1. Purpose

- 1.1** The purpose of the report is to provide the Committee with the outcome of the six month assessment of Strategic Risks and an update on progress of resilience planning.

2. Recommendations

- 2.1** It is recommended that Members of the Committee note the contents of this report.

3. Background

- 3.1** At the Council meeting on 26 September 2012, Elected Members approved the Council's Strategic Plan 2012/17. From this plan, six strategic risks were identified.
- 3.2** The Corporate Services Committee approved the Council's revised Business Continuity (BC) Policy and Strategy and Corporate BC Plan on 13 November 2013. Department / Service BC Plans had to be completed by 31 March 2014.

4. Main Issues

Strategic Risk

- 4.1** The Assurance and Improvement Plan Update for 2014-17, recently published by Audit Scotland, records an improving position for risk management for the Council in that "*no specific scrutiny*" is now required compared to the assessment of "*significant scrutiny risks*" in the 2012-15 update report.
- 4.2** In line with the framework, a review of 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. The table below shows the risk score as reported to this Committee last September as the current and target scores. As can be seen from this analysis, the score has

improved for three out of the six strategic risks whilst the other three are unchanged.

<u>Risk</u>	<u>Risk Score reported to A&PRC on 25 September 2013</u>	<u>Current Risk Score</u>	<u>Target Risk Score (31 March 2017)</u>
SR105: Failure to deliver strong financial governance and sustainable budget management	9	9	4
SR106: Council estate and facilities are not fit for purpose	9	6	4
SR107: Failure to develop or implement innovative use of Information Technology	9	6	4
SR108: Lack of strategy / plans / vision to ensure a committed and dynamic workforce	9	6	4
SR109: Failure to embrace opportunities which can be derived from constructive partnership working and joined-up service delivery	6	6	3
SR110: Failure to ensure positive dialogue with local citizens and communities	6	6	3

Department / Service Risk

- 4.3** Departmental management teams have responsibility to embed Department / Service risks within development of plans for 2014/15 which were submitted for approval at appropriate Service Committees in May 2014. This in turn provides evidence of that risk management has become fully embedded across the Council, a feature that can be well demonstrated by pro-active ownership of each risk.

Business Continuity

- 4.4** The Corporate Services Committee approved the revised Business Continuity Policy, Strategy and Corporate Plan in November 2013. Since then in conjunction

with the Business Continuity Coordinator, Department / Service BC plans have been developed and are now in place. These plans cover routine disruptions to service areas, but do not cover major disruptions such as the loss of a primary facility. Specific plans for these scenarios will be developed as appendixes to the Corporate BC Plan.

4.5 The creation of BC plans is simply the start of the BC lifecycle. Testing and exercising of Department BC Plans will rest with the managers responsible for each plan. Self-assessment documentation for Managers to complete is being developed, requiring managers on an annual basis to evidence the adequacy of their BC plans. The results will be used to update plans on an annual basis and will also give the Business Continuity Coordinator the opportunity to target resources to specific plans.

4.6 The Corporate BC Plan will be updated to incorporate the shortfalls exposed in individual Department / service BC plans. It will be updated in June 2014 to ensure it aligns with the Council's planning cycle. Service areas will then have six months to test their BC Plans and complete a self-assessment before targeted support can be delivered by the BC Coordinator. This will become an annual process, known as the BC lifecycle, with the Corporate and service BC plans tested and reviewed on a continual basis.

4.7 Awareness, Testing and Exercises

There is a planned annual cycle of exercising, testing and reviewing existing plans. In addition the Council has made use of a text messaging system to offer local businesses a free service to warn them of local disruptions. The Council have tested the following aspects of its BC arrangements in the past four months:

- 23 January 2014. The Council tested the multi-agency Off-Site Emergency Plan for the NuStar Energy terminal in Clydebank. This exercised the Council's Emergency Management team and associated Care for People arrangements. A full Post Exercise Report was published on 9 April 2014.
- 8 February 2014. ICT, the Contact Centre and the BC Coordinator tested the Extension Mobility function in the VOIP Phone system to ensure their ability to work remotely in the event of a disruption at Rosebery Place, as per their BC Plan.
- 20 February 2014. Members of the Council's BC Group (now Resilience Group) attended Exercise Mass Point, a table-top exercise focusing on the recovery from a terrorist incident during the Commonwealth Games.

Additionally, in line with the Exercise programme, the BC coordinator will arrange for exercises to test the arrangements in place for the following service areas in the coming months:

- May 14: Multi-Agency Table Top Exercise testing communication and resilience plans for the Queen's Baton Relay events in West Dunbartonshire (taking place on 18 July 2014).
- September 2014: Council's Resilience Group – exercise their arrangements as a tactical response.
- October 2014: Given the persistent risk caused by fluvial and coastal flooding in recent years, a multi-agency flood seminar will test the Council's response and recovery arrangements linked to the associated risk.
- November 2014. Educational Services, focusing on supply chain resilience and temporary unavailability of a part of the secondary school PPP estate.

4.8 A presentation to Elected Members took place on 21 May 2014.

5. Personnel Implications

5.1 There are no personnel issues.

6. Financial Implications

6.1 There are no financial implications.

7. Risk Analysis

7.1 Progressing with risk management and business continuity arrangements will demonstrate that effective measures are 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;
- Assisting with establishing priorities;
- Contributing towards incident prevention based upon post-incident investigation;
- Meeting statutory / regulatory requirements;
- Contributing to a better understanding and assessment of major project activity;
- Ensuring better partnership working; and
- Developing robust BC arrangements.

8. Equalities Impact Assessment (EIA)

8.1 There are no issues identified.

9. Consultation

9.1 This report has been subject to consultation with Finance Services and Legal, Democratic & Regulatory Services with no issues identified.

10. Strategic Assessment

10.1 This report relates to all five of the Council's Strategic Priorities.

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26 May 2014

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Appendices: Appendix 1 – Strategic Risk Report

Background Papers: Risk Management Strategy and Methodology
Business Continuity Policy, Strategy and Corporate Plan

Wards Affected: All Wards