WEST DUNBARTONSHIRE COUNCIL

Report by Strategic Lead – People & Technology

Audit Committee: 18 March 2020
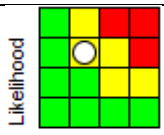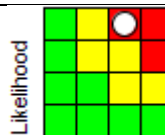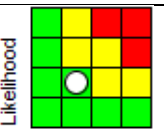
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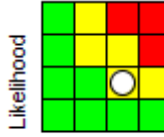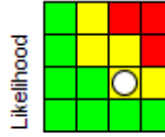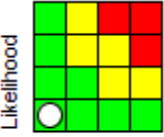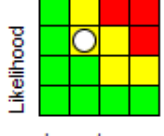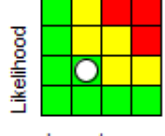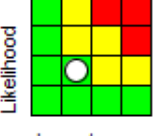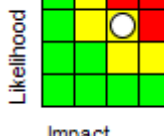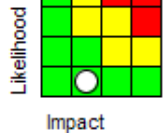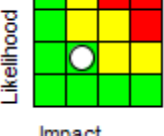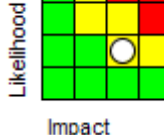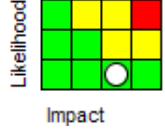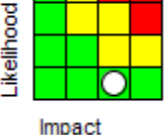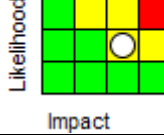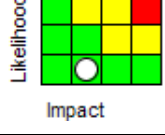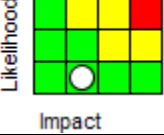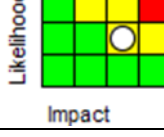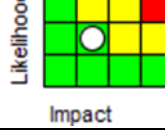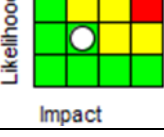
Subject: Strategic Risks 2017-22: bi-annual update

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 Plan at Appendix 2.

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.

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. Nine Strategic Risks, associated actions and milestones are progressing as expected and likely to reach their assigned targets. SR001 is significantly off target and is not likely to reach its intended risk outcome of low. The risk owner and this committee are aware of the current financial situation.

4.3 Due to the uncertainty surrounding EU Exit, SR011has been assessed as high risk. This risk should stabilise over time once local impacts become clearer. There are 10 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 EU Exit plan (Appendix 2) will be utilised for reporting to this committee. SR011 is monitored by the Strategic EU Exit Group, a sub group of the Resilience Group.

Table 1 Key Strategic Risk Information

Strategic Risk	Original Risk 2017	Current Risk 2019	Target Risk 2022	Risk Status Rationale
SR 001 Financial Funding.				
SR 002 School improvements.				
SR 003 Council Assets.				
SR 004 Information Technology.				
SR 005 Partnerships.				
SR 006 Citizens and Communities.				
SR 007 Health and Safety of Employees and Others				

Risk	Current		Target	Status
SR 008 Cyber Attack.	Likelihood / Impact	Likelihood / Impact	Likelihood / Impact	⚠ (amber)
SR 009 Early Years Agenda.	Likelihood / Impact	Likelihood / Impact	Likelihood / Impact	⚠ (amber)
SR 010 Resourced Workforce.	Likelihood / Impact	Likelihood / Impact	Likelihood / Impact	✅ (green)
SR 011 EU Exit – no deal	Likelihood / Impact	Likelihood / Impact	Likelihood / Impact	🛑 (red)

Risk Methodology and Reporting

4.4 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.

4.5 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

Score	Descriptor
1	Unlikely
2	Likely
3	Very likely
4	Certain

Impact

Score	Descriptor
1	Minor
2	Moderate
3	Significant
4	Critical

4.6 For ownership, each strategic risk is "Managed By" a Strategic Lead and "Assigned To" a Service Manager. Strategic risks are reported on a bi-annual basis to the Performance & Monitoring Review Group and Corporate Services Committee.

Service Risk

4.7 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 2020/2021 service planning process.

EU Exit

4.8 The Scottish Government planning assumptions are derived from the UK planning assumption but have been further developed to identify the Scotland level of impacts of a no deal UK Exit. The key risks to the Council have been identified as disruption of services, workforce, and congestion at sea and air ports, concerns around the supply of medicines, all potentially impacting locally. Finally there is concern around the supply of and consequently, a rise in the cost of food. While there are other risks identified in the EU Exit Assurance action plans. The aforementioned risks are deemed high.

4.9 Following the general election on 12 December 2019, the UK is expected to leave the European Union (EU) on 31 January 2020. There remains considerable uncertainty about the longer-term implications of withdrawal from the EU. The Council's Resilience Group continues work with the Civil Contingencies Service (CCS) in exploring the risks and potential impact on services associated with Britain's exit from the EU and seeking appropriate mitigation where available. To compliment this, there is frequent liaison with multi-agency partners to ensure a shared understanding of the risks arising locally/regionally and nationally.

4.10 The Council has additionally developed an EU Exit Assurance Action Plan. The action plan is based on the National Planning Assumptions of reasonable worst-case scenarios. Within the Assurance Action Plan, a number of risks and mitigations have been identified. This continues to be a live document with updates made as required. This plan is appended and is available on the Council website.

<u>Business Continuity</u>

4.11 A recent review of all Strategic Lead area Business Continuity Plans has ensured a robust standard of organisational resilience across the Council. This exercise has allowed service areas to identify critical functions and ensure the appropriate mitigation is in place. The Business Continuity Plans and EU Exit Assurance Action plan should complement the preparatory work for the EU Exit.

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 Strategic Leads and Directors.

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 in 4.1 have been identified to complement the main strategic priorities.

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Date: 20th February 2020

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Appendices: Appendix 1: Detailed Strategic Risk List
Appendix 2: EU Exit Assurance Plan

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