

ANGUS COUNCIL
SCRUTINY AND AUDIT COMMITTEE – 10 JANUARY 2013
REPORT BY CHIEF EXECUTIVE
CORPORATE RISK REGISTER

ABSTRACT

This report presents the Corporate Risk Register following its most recent quarterly review.

1. RECOMMENDATION

The Committee note the terms of this report and in particular consider the content of the Corporate Risk Register as updated by the Chief Officers' Management Team.

2. BACKGROUND

An integral component of the council's risk management strategy is a corporate risk register which identifies the strategic risks facing the council.

The risk register is subject to annual and, to ensure ongoing accuracy and relevance, quarterly reviews. These reviews are undertaken by the Chief Officers Management Team.

Following both the annual and mid year reviews it falls to this committee to determine whether the scope and coverage of the risk register is sufficient. The outcome from these reviews is then submitted to the Strategic Policy Committee which has overall responsibility for the council's risk management strategy arrangements.

In conducting reviews the Chief Officers Management Team consider if:

- i) there are any risks that are no longer relevant,
- ii) there are any risks for which the risk score should change,
- iii) progress on actions has had sufficient impact on a risk to require a change to the risk score,
- iv) the control measures are still appropriate and robust, and
- v) whether any new risks should be incorporated within the register.

Reviews are also informed by departmental risk registers which identify operational risks facing departments with any emerging risks across departments considered for elevation to the corporate risk register.

3. CORPORATE RISK REGISTER MID YEAR REVIEW

Appendix 1 details those risks within the Corporate Risk Register following the mid year review.

Each risk has been ranked based on an assessment of the likelihood of it occurring and the probable effect if it does. This is done by scoring each risk in terms of likelihood and potential impact using the scale outlined in Appendix 2, the score taking into account those controls which are currently in place to manage the risk. The score for likelihood and potential impact is then multiplied to give an overall risk score using the risk matrix, also outlined in the appendix.

Definitions of the levels of likelihood are also outlined in Appendix 2. It is more difficult to give definitions of the levels of potential impact given the wide variety of potential risks but the appendix also gives general guidance in this regard.

An integral part of the Corporate Risk Register are risk management action plans, which in accordance with the strategy, are prepared for those risks which fall above the risk tolerance line, which is the emboldened line which appears in the risk matrix in Appendix 1.

The risk tolerance line is a dividing line between those risks which cannot be tolerated and therefore must actively be managed (although there will be some risks which we cannot influence either in full or in part) and those risks which can be tolerated because there are sufficient actions/controls in place to minimise the likelihood of the risk event occurring and/or to mitigate the effect of the risk should it occur.

There are six risks which, following the mid year review, fall above the risk tolerance line, risks 1-6 and action plans for these are outlined in Appendix 3.

That is not to say that those risks below the risk tolerance line do not need to be managed. They do, but the existing controls/actions which are in place are considered to be sufficient to keep the risk below the tolerance line.

Further detail on the risks below the risk tolerance line are incorporated in Appendix 4.

For the Committee's information the following changes were made to the risk register as a result of the mid year review by the Chief Officers Management Team.

- A new risk, 2, has been added – *the introduction of a new council management structure will cause disruption and a drop in performance*. This risk has been scored as above the risk tolerance line and therefore has an associated action plan which is outlined in Appendix 3.
- The likelihood score of risk 6 - *data loss involving personal and confidential data* – has been increased from 2 to 3 resulting in an increase in the overall score to 12, moving this risk above the risk tolerance line. The reason for this change is that there have been recent incidents of data protection breaches which were deemed serious enough to be reported to the Information Commissioner's Office (ICO) albeit no action was taken against the council. Notwithstanding, the lead officer for data protection believes that unless certain actions are taken within the council the likelihood is that further breaches will occur which may result in a large fine to the council. Accordingly, and as this risk is now above the risk tolerance line, an associated action plan has been prepared which is outlined in Appendix 3.
- The likelihood score of risk 13 – *the IT infrastructure does not have the capacity to fully use technology to address changing demands* – has been reduced from 3 to 2 resulting in a reduction in the overall risk score to 6. The reason for this change is the ongoing introduction of revised fit for purpose IT infrastructure.
- The likelihood score of risk 18 – *effective performance management arrangements are not fully embedded across the council* – has been reduced from 2 to 1 resulting in a reduction in the overall risk score to 3. The reason for this change is a culmination of improvements to our arrangements over recent years resulting in a report from the Chief Internal Auditor (557/12) to the Scrutiny and Audit Committee on 25 September 2012 confirming that 'there are now effective performance management arrangements within Angus Council'.
- The risk description for risk 19 now reads – *sickness absence is not managed effectively and our absence rate is higher than the Scottish average*. It is considered that this better describes the risk rather than the previous 'sickness absence targets are not met'. In addition the likelihood score for the risk has been increased from 2 to 3 with an increase in overall score to 9. The reason for this change is that all councils' sickness absence figures for 2011/12 have now been released and while Angus is still better than the Scottish average the gap between Angus and the Scottish average has narrowed.

Updates have also been made where appropriate to action plans and actions/controls already in place to reflect changes throughout last year. Due to the number and nature of the changes they are not highlighted in this report but this information is available should any member of the Committee wish it.

4. FINANCIAL IMPLICATIONS

There are no financial implications associated with the terms of this report.

5. HUMAN RIGHTS IMPLICATIONS

There are no human rights implications associated with this report.

6. EQUALITIES IMPLICATIONS

The issues contained in this report fall within an approved category that has been confirmed as exempt from an equalities perspective.

7. CONSULTATION

The Director of Corporate Services, Head of Finance and Head of Law and Administration have been consulted on the terms of this report.

**RICHARD STIFF
CHIEF EXECUTIVE**

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NOTE No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973, (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.

CORPORATE RISK REGISTER
Risk Matrix

Impact ↓	Critical (5)	5	10	15	20	25
	Major (4)	4	8	12	16	20
	Significant (3)	3	6	9	12	15
	Marginal (2)	2	4	6	8	10
	Negligible (1)	1	2	3	4	5
		Very Low (1)	Low (2)	Low to High (3)	High (4)	Very High (5)
	Likelihood →					

	Risk	Likelihood	Potential Impact	Overall Risk Score
1	The Council is not in a position to deliver its existing range and level of services due to funding reductions.	5	4	20
2	The introduction of a new council management structure will cause disruption and a drop in performance.	4	4	16
3	Services are disrupted as a result of IT infrastructure failure.	4	4	16
4	The Council is unable to manage the changes and consequences for the Angus public brought about by Welfare Reform.	3	5	15
5	Efficiency reviews do not improve service delivery or realise efficiencies.	4	3	12
6	Data loss involving personal and confidential data.	3	4	12
7	The Council fails to meet current and changing needs of customers and citizens.	3	3	9
8	The Council does not deliver on national policy directives and commitments.	3	3	9
9	Sickness absence is not managed effectively and our absence rate is higher than the Scottish average.	3	3	9
10	Arrangements not sufficiently well developed to meet legislative obligations for carbon reductions.	2	4	8
11	The Council fails to redesign services in response to changes in demographics.	2	4	8
12	The Council is not in a position to deliver on proposed savings and workforce reduction.	2	4	8
13	The IT infrastructure does not have the capacity to fully use technology to address changing demands.	2	3	6
14	The Council remains vulnerable to equal pay claims.	2	3	6
15	Arrangements are not sufficiently well developed to meet commitments under the terms of the national climate change declaration (excluding carbon reduction).	2	3	6
16	The Council's corporate procurement arrangements may damage the Angus economy and expose the Council to financial and reputational loss.	2	3	6
17	The Council is unable to continue delivering key services to the public to an acceptable degree following the occurrence of an incident.	1	5	5
18	Effective performance management arrangements are not fully embedded across the Council.	1	3	3
19	Governance arrangements are not sufficiently well developed to ensure we are a well governed council.	1	3	3
20	The Council receives a shared risk assessment assurance and improvement plan which is critical of council progress in the preceding year.	1	3	3
21	The Council's estate is not fit for purpose.	1	2	2

Likelihood	Potential Impact
5 Very High	5 Critical
4 High	4 Major
3 Low to High	3 Significant
2 Low	2 Marginal
1 Very Low	1 Negligible

RISK MATRIX

Impact ↓	Critical (5)	5	10	15	20	25
	Major (4)	4	8	12	16	20
	Significant (3)	3	6	9	12	15
	Marginal (2)	2	4	6	8	10
	Negligible (1)	1	2	3	4	5
		Very Low (1)	Low (2)	Low to High (3)	High (4)	Very High (5)
	Likelihood →					

LIKELIHOOD DEFINITIONS

Factor	Multiplier	Description	
Very High	5	More than 90% chance of occurrence	Regular occurrence Circumstances frequently encountered – daily/weekly.
High	4	75-90% chance of occurrence	Likely to happen within 12 months.
Low to High	3	41% - 74% chance of occurrence	Likely to happen at some point within the next 1-2 years. Circumstances occasionally encountered (few times a year).
Low	2	10% - 40% chance of occurrence	Only likely to happen within 3 or more years.
Very Low	1	Less than 10% chance of occurrence	Has rarely/never happened before.

POTENTIAL IMPACT GUIDANCE

- Critical - would cause service, operations, programme or plan failure.
- Major - would have severe impact on service, operations, programme or plan. Would require action in terms of changes or increased costs if overall plans to be achieved.
- Significant - would impact on service, operations, programme or plan and would require remedial action.
- Marginal - would have minimal impact on service, operations or plan.
- Negligible - would only have minor, if any, impact on service, operations, programme or plan.

Appendix 3

IDENTIFIED RISK / RISK ACTION PLAN:

Section A – Identified Risk

Risk Description 1

The Council is not in a position to deliver its existing range and level of services due to funding reductions.

Actions/Controls already in place

An updated Medium Term Financial Strategy 2013/14 to 2016/17 agreed at Angus Council on 8 June 2012 (R383/12 refers) maps out the scale of the financial and service challenge faced by the Council over the next 4 years.

Draft budget savings proposals for 2013/14 and 2014/15 have been prepared by each department.

An efficiency programme has been established which seeks to minimise the effect on service provision arising from funding cuts.

Budget set for 2012/13.

Likelihood

Potential Impact

It is known that savings will need to be made over a number of years and that there will be resultant implications on the range and level of services.

Service user dissatisfaction
Single agenda focused interest groups emerge
Adverse media publicity
Any unwillingness to make difficult political choices could de-stabilise the Council's long term financial health

Likelihood Score: 5
Potential Impact Score: 4
Overall Risk Score: 20

Section B – Risk Action Plan

Actions/Controls to reduce Likelihood/Potential Impact

Action	Responsibility	Target Date	Success Criteria	Comment
Maintain a close awareness of national developments	Director of Corporate Services/Head of Finance	Ongoing	Budget strategy informed by and responsive to national developments.	
Update Medium Term Financial (MTF) Strategy	Head of Finance	June 2012	MTF Strategy in place which identifies the known issues and provides a plan to address these.	Completed
Departments to revisit draft budget savings proposals for 2013/14 ad 2014/15 and prepare proposals for 2015/16	Chief Executive/ Directors	August 2012	Draft savings proposals agreed to inform development of budget strategy and inform consultation strategy.	Completed
Programme of Policy and Budget Strategy Group meetings held with senior officers and members to make recommendations to council	Head of Finance	June 2012 – January 2013	Budget Strategy developed which addresses the funding shortfalls.	Completed
Conduct a budget savings communication & consultation exercise with customers & staff	Chief Executive/ Head of Finance	October-December 2012	Public and staff suitably informed and final budget decisions made using this feedback.	
Apply an informed PR strategy	PR Manager	October 2012 – February 2013	Council seen to be making tough but fair decisions and the reasons for these decisions being well understood.	
Performance Review Group (PRG) to maintain pressure to deliver on the efficiency programme, service reviews etc	Chief Executive	Ongoing	Efficiency savings delivered on time and to target.	
Seek to maximise income levels from all sources to reduce the need for service cuts	Director of Corporate Services/Head of Finance	February 2013	Suitable challenge of income assumptions and charging proposals through the budget process.	
Take forward a future budget priorities consultation with public	Assistant Chief Executive/Head of Finance	September - November 2012	Stakeholder views are known and this informs future priorities and resource allocation.	Awaiting feedback from market research company
Ensure synergies between the Transforming Angus agenda and the budget strategy	Assistant Chief Executive/Head of Finance	March 2013	The Transforming Angus agenda delivers the savings and improvements required to help balance the budget.	

IDENTIFIED RISK / RISK ACTION PLAN:

Section A – Identified Risk

Risk Description 2

The introduction of a new council management structure will cause disruption and a drop in performance.

Actions/Controls already in place

The council has agreed a new management structure and the direction of travel has been clearly set out (report 521/12). Information has been provided to EMT, SMT members, other managers and the wider staff team via briefing meetings, mini Matters and Angus Matters. A communication plan has been developed to cover the recruitment campaign November 2012 to January 2013. Arrangements have been made for further engagement activities for existing SMT members, other managers and the wider staff team from January 2013.

Likelihood

Potential Impact

The new structure has been agreed for implementation from 1 April 2013. The internal recruitment round produced only 1 appointment to the 3 core roles and recruitment to the transforming Angus role has been suspended for the time being. This has contributed to the level of uncertainty about the progression of the implementation and in particular the development of changes in structures below the executive level.

The departure of the current executive management team will lead to the loss of an element of corporate knowledge and capacity perhaps requiring interim arrangements pending the appointment of new Strategic Directors. Suspending recruitment to the Transforming Angus role together with the delay in appointments to 2 of the three core roles necessitated by external advertisement may lead to delay in the progression of Transforming Angus developments. Overall the impact factors can be categorised in 5 main areas.

1. The possibility of service performance diminishing during the period of transition.
2. The need to ask fewer people to do better with fewer resources.
3. The possibility of staff resistance to change.
4. Inadequate communication arrangements.
5. Loss of experience/knowledge from the Council.
6. Possible reduction in effectiveness of corporate governance during realignment of management structure and roles.

Likelihood Score: 4
Potential Impact Score: 4
Overall Risk Score: 16

Section B – Risk Action Plan

Actions/Controls to reduce Likelihood/Potential Impact

Action	Responsibility	Target Date	Success Criteria	Comment
Confirmation of outcome of external recruitment process	Chief Executive	January 2013	Appoint to remaining Director roles	
Development of action plan against transition issues agreed by EMT	Chief Executive	December 2012	Circulation of agreed action plan	
Publication of “day 1” accountabilities to all staff	Chief Executive	28 February 2013	Confirmation of line management arrangement to all staff	
Roundtable meetings with existing departmental SMTs to consider transition issues	Chief Executive	15 March 2013	Completion of cycle of SMT meetings by mid-March 2013	
Provision of further briefings to managers on management of transition issues and development of stage 2 structure proposals	Chief Executive	15 March 2013	Completion of top 200 briefings by mid-March	
Completion of phase 2 structure implementation	Chief Executive and new EMT	31 October 2013	New structure implemented and operational	
Development of revised arrangements for committee systems and decision making	CE/Head of Law and Administration	1 September 2013	Implementation of revised Standing Orders and Financial Regulations reflecting new structures and roles	
Identify specific governance related risks and mitigation	Corporate Governance Officers Group	1 April 2013	Specific risk action plan prepared	

IDENTIFIED RISK / RISK ACTION PLAN:

Section A – Identified Risk

Risk Description 3

Services are disrupted as a result of IT infrastructure failure

Actions/Controls already in place

The Corporate Network (Angus Net) has been upgraded to provide resilient links between burghs. This allows automatic re-routing of network traffic if a single link fails.

The consolidated storage infrastructure is duplicated to provide replication of data assets.

The hardware for line of business applications is designed to be resilient with many components duplicated or mirrored to support component failure without impacting service.

Support contracts for Angus Net and the main line of business applications are designed to provide supplier response within the designated return to service objectives contained in the corporate business continuity plans.

Infrastructure projects have been focussed on virtualisation of physical IT hardware assets. This allows services to be moved and delivered in new locations more readily compared to the same process on physical devices. Pilot projects are complete for desktop, application and data virtualisation.

Projects being progressed are focusing on scale up of these environments, initially with Law & Administration and IT on the Orchardbank Campus transitioning to the Citrix Environment and Consolidated Storage Infrastructure to provide the capability for Agile Working and providing enhanced resilience. Next stages will be informed by priorities identified by the Corporate Agile Working Group.

Likelihood

Potential Impact

Investment in core technology undertaken as part of the financial plan over a number of years including 2011/12 and beyond is, being targeted to improve resilience and remove identified single points of failure where possible.

The investment to house the IT services in physical environments that are fit for purpose will significantly reduce the risk of service disruption due to power or environmental system failure.

Gradual reduction of dependencies on single physical devices or network circuits to maintain service levels.

Likelihood Score: 4

Potential Impact Score: 4

Overall Risk Score: 16

Section B – Risk Action Plan**Actions/Controls to reduce Likelihood/Potential Impact**

Action	Responsibility	Target Date	Success Criteria	Comment
Provide a new fit for purpose primary data centre in Forfar.	Head of IT	16 November 2012	Completion of new Data centre in Forfar	Transition of core systems from the temporary Octagon location will, be complete by February 2013.
Provide a new fit for purpose secondary data provision in Arbroath to include secondary GSx mobile data service and internet capacity / resilience sharing with Angus College	Head of IT	18 January 2013	Completion of new secondary Data Centre.	Completion of build is scheduled for January 2013, with transition completed by March 2013.
Continue the key projects outlined in the capital plan for continued development of virtual IT services to improve application resilience.	Head of IT	31 March 2013	Improved resilience arising from completion of capital plan projects contained 2012/13.	Progressing with transition of applications and data sets to citrix environment and consolidated storage infrastructure.

Section A – Identified Risk

Risk Description 4

The Council is unable to manage the changes and consequences for the Angus public brought about by Welfare Reform

Actions/Controls already in place

Detailed plans are in place to implement Housing Benefit changes already legislated for
 A cross department Welfare Reform officer group established within the Council to investigate issues and plan ahead

Likelihood	Potential Impact
<p>Very High. The Welfare Reform Act has now been passed along with secondary legislation which details a number of key provisions effective from April 2013 onwards.</p> <p>The changes to Housing Benefit coming into effect from 1 April 2013 will be implemented on time. A communications strategy and collaborative working across relevant services is in place to ensure that affected members of the public are given advice and support to deal with the impacts of these changes.</p> <p>Regulations for the new Council Tax Reduction Scheme which replaces Council Tax Benefit from 1 April 2013 have now been laid in the Scottish Parliament. The timescales for implementation of the new scheme remain very tight. Transitional provisions will allow the migration of existing CTB recipients to the new scheme at largely existing levels of entitlement which will minimise the impact on the public at least for 2013.14.</p> <p>A new working age benefit called Universal Credit which is inclusive of Housing Costs is being rolled out nationally from late 2013. This will be followed by the migration of Housing Benefit cases to Universal Credit sometime between 2014 and late 2017 and will introduce major changes for large numbers of Angus residents and the Council.</p> <p>The replacement of Disability Living Allowance with the new Personal Independence Payment from 2013 has the potential to severely financially impact on some of the most vulnerable households in Angus.</p> <p>The council will be responsible for administration of the Scottish Welfare Fund from 1 April 2013 and there is a high likelihood that demand will exceed available funding.</p> <p>There is a significant risk that funding to manage the implementation and impacts of all of the above changes will be insufficient with the financial burden of any shortfall being transferred to the council.</p>	<p>There will be a detrimental financial impact resulting from:-</p> <ul style="list-style-type: none"> • higher levels of rent arrears / collection difficulties • potential increases in homelessness • the introduction of a replacement for Council Tax Benefit based on 10% less funding than it costs to administer the current scheme and risk of unknown demand • changes to Social Fund payments and their administration • a loss of administration subsidy as the reforms are implemented. <p>The changes are also very likely to impact on council tax; council rent and housing benefit overpayment collection levels with a subsequent loss of income available to the council.</p> <p>The extent of impact on Housing, Social Work & Health and Finance is likely to be significant in service provision, staffing and financial terms.</p> <p>There will be significant implications for the Revenues and Benefits service delivery model in the latter stages of the transition to Universal Credit. There will also be implications for the fraud investigation team with the implementation of the new unified fraud investigation service by the DWP from April 2013.</p>

Likelihood Score: 3
Potential Impact Score: 5
Overall Risk Score: 15

Section B – Risk Action Plan

Actions/Controls to reduce Likelihood/Potential Impact

Action	Responsibility	Target Date	Success Criteria	Comment
Identify estimated impact on staffing as changes roll out over the period from 2013 to 2017	Heads of Finance and Housing, Director of Social Work & Health	March 2013	Management information available for forward planning and projection	Accurate estimates will be difficult until more detail surrounding a number of changes is available.
Monitor national development and participate in national groups e.g. via COSLA to ensure we are up to date and have some influence on future arrangements	As above	March 2013	Changes capable of implementation from 1 April 2013 as planned	
Members, staff and the general public briefed on changes to be made, etc via briefings for staff and members and other communication for the public.	As above	Ongoing	Clarity of arrangement post April 2013	
Implement the new arrangements for April 2013 in line with legislative requirements	Head of Finance	April 2013	Successful implementation of new systems and services for customers	

IDENTIFIED RISK / RISK ACTION PLAN:

Section A – Identified Risk

Risk Description **5**

Efficiency reviews do not improve service delivery or realise efficiencies.

Actions/Controls already in place

Reviews agreed by PRG and Scrutiny and Audit Committee.
Progress reports.
Review outcomes reported to and considered by PRG, Scrutiny and Audit Committee and Service Committee where appropriate.
Efficiency Statements.

Likelihood

Potential Impact

while all reviews should result in improved service delivery or realise efficiencies it has become increasingly difficult to identify areas for review.

Failure to achieve efficiencies
Lack of improvement to services
External Audit criticism
Failure to realise budgeted savings targets

Likelihood Score: **4**
Potential Impact Score: **3**
Overall Risk Score: **12**

Section B – Risk Action Plan

Actions/Controls to reduce Likelihood/Potential Impact

Action	Responsibility	Target Date	Success Criteria	Comment
Consider approach to identifying service reviews.	Chief Executive	March 2013	Revised approach in place.	
Revise review guidance.	Assistant Chief Executive	March 2013	Revised guidance adopted.	
Maintain watching brief on savings realised from reviews.	Head of Finance	Ongoing		

IDENTIFIED RISK / RISK ACTION PLAN:**Section A – Identified Risk****Risk Description 6**

Data loss involving personal and confidential data.

Actions/Controls already in place

A new purpose build data centre is now complete at Orchardbank with a second site at Arbroath Academy to be completed by Jan 2013. These will house our 2 high capacity consolidated data storage systems, offering improved capacity, resilience and back-up for critical information assets

An encryption capability on laptop computers which will protect information assets.

Actions identified in the report “Data Transfer Between Council Departments and Third Parties” compiled jointly by Internal Audit and IT, published in June 2009, remain relevant, for example the introduction of encrypted data sticks.

Expansion of the GSX link has permitted greater access to the secure transfer of information via email and applications across the Government secure network.

Secure information transfer service implemented for non governmental transfers involving personal data.

A Records Management Co-ordinators Group has been established and each department is represented by a Records Management Champion. The group continue to consider the implementation of a records management system.

The Council approved a policy for records appraisal, retention and disposal in 2007 (Report No 1203/07) which set out the principles for retaining records, whether electronic or paper. A retention schedule forms part of that report and was informed by guidance from the Records Management Society – Guidance to Local Authorities. That policy remains the current guidance to departments.

An Information Management Policy, Group and Action Plan have been agreed and following the decision of the COMT not to engage with a third party specialist organisation to inform and scope the council’s specific phased implementation proposals, the Records Management Co-ordination Group determined to proceed with the development of policies and actions to ensure compliance with the Public Records (Scotland) Act 2011.

Three separate document handling systems are currently installed within service departments and departments will require to consider via their Records Management Champion whether to adopt electronic document handling systems in their departments and whether that will bring tangible benefits/safeguards to the Council.

Further guidance and compulsory e-learning to be introduced by Legal Services to ensure that all staff are aware of their responsibilities in terms of data protection, including electronic and hard copy files.

Regular meetings of the Data Protection Departmental Information Officers to ensure all relevant information, issues arising and examples of good practice are cascaded to departments.

Likelihood**Potential Impact**

The risk is being pro-actively managed through corporate measures and guidance but there is an element of risk in a departmental context.

High media interest
Reputation damage
Public loss of confidence
Breach of the Data Protection Act
Significant fines imposed**Likelihood Score: 3****Potential Impact Score: 4****Overall Risk Score: 12**

Section B – Risk Action Plan

Actions/Controls to reduce Likelihood/Potential Impact

Action	Responsibility	Target Date	Success Criteria	Comment
Completion of data centre at Arbroath Academy and relocation of secondary consolidated storage	Head of IT	March 2013	Data centre operational and secondary consolidated storage relocated	
Data Protection Guidance and e-learning to be rolled out to all staff	Head of Law & Administration	February 2013	Guidance issued and training available	
Records Management Group to proceed with the development of policies and actions to ensure compliance with the Public Records (Scotland) Act 2011	Head of Law & Administration	June 2014	Records Management Plan in place	Involvement from Records Management champions
Meetings of Data Protection Departmental Officers	Head of Law & Administration	Ongoing	Best practice disseminated to all departments	

Appendix 4

IDENTIFIED RISK / RISK ACTION PLAN:

Section A – Identified Risk

Risk Description 7

The Council fails to meet current and changing needs of customers and citizens.

Actions/Controls already in place

Customer Services Programme Board.
Customer Services Strategy in place.
ACCESS arrangements.
Customer Satisfaction Surveys.
Have Your Say.
Citizens Panel.
Complaints Procedure – Reporting on complaints and compliments.

Likelihood

Potential Impact

It is unlikely that the expectations of all interest groups can be met.	Poor responses to satisfaction surveys Potential media criticism Failure to provide responsive service to changing needs
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Likelihood Score: 3

Potential Impact Score: 3

Overall Risk Score: 9

IDENTIFIED RISK / RISK ACTION PLAN:

Section A – Identified Risk

Risk Description **8**

The Council does not deliver on national policy directives and commitments.

Actions/Controls already in place

Single Outcome Agreement.
Angus Community Planning Partnership.
Service Improvement Plans.
Budget Setting Process.
Performance Management / Reporting Arrangements.

Likelihood

Potential Impact

It is unlikely that the council will fail to deliver unless a conscious decision was made not to.

Media criticism
External Audit criticism
National Government criticism

Likelihood Score: **3**
Potential Impact Score: **3**
Overall Risk Score: **9**

IDENTIFIED RISK / RISK ACTION PLAN:

Section A – Identified Risk

Risk Description **9**

Sickness absence is not managed effectively and our absence rate is higher than the Scottish average.

Actions/Controls already in place

Absence management guidelines.
Return to work interviews.
Counselling service available.
Physiotherapy support available.
Management of stress guidelines.
Quarterly monitoring to Performance Review Group and Scrutiny and Audit Committee.

Likelihood

Potential Impact

If sickness absence actively managed the likelihood of occurrence is low.

High sick pay costs.
Possible disruption to services.
Poor SPI performance.
Adverse publicity.

Likelihood Score: **3**

Potential Impact Score: **3**

Overall Risk Score: **9**

IDENTIFIED RISK / RISK ACTION PLAN:

Section A – Identified Risk

Risk Description **10**

Arrangements not sufficiently well developed to meet legislative obligations for carbon reductions.

Actions/Controls already in place

High level management arrangements are in place.
Automatic meter reading is operational and benefits accruing.
Achieved Carbon Trust Accreditation.
Conducted first phase of carbon trading simulation and preparing for phase two.
Appropriate Standing Orders and related documents updated incorporating respective responsibilities for carbon reduction commitment and climate challenge.

Likelihood

Potential Impact

At risk due to resource constraints and competing priorities in a climate of financial constraints.
It is a potential high risk covering a 40 year demanding objective period.

Financial, legal and reputational penalties for failure to comply with scheme and meet set targets
Adverse media scrutiny
Subject to performance comparison with neighbouring and other local authorities and other participants

Likelihood Score: **2**

Potential Impact Score: **4**

Overall Risk Score: **8**

IDENTIFIED RISK / RISK ACTION PLAN:

Section A – Identified Risk

Risk Description **11**

The Council fails to redesign services in response to changes in demographics.

Actions/Controls already in place

Social Work and Health Management Team overseeing the implementation of recommendations from the Best Value Review of Older People's Services.

Redesign of Learning Disability Services – identification of needs of young people with profound disabilities.

School Estate Management Procedures and School/Pre-School Placement Procedures take due account of demographic changes.

Likelihood

There is a chance that resources may not be available to implement changes in timescales identified.

Potential Impact

Adverse publicity
Lack of improvement to services
Service user/family dissatisfaction

Likelihood Score: **2**

Potential Impact Score: **4**

Overall Risk Score: **8**

IDENTIFIED RISK / RISK ACTION PLAN:

Section A – Identified Risk

Risk Description **12**

The Council is not in a position to deliver on proposed savings and workforce reduction.

Actions/Controls already in place

Quarterly monitoring of staffing figures.
Formal Vacancy management arrangements within departments.
Early retiral/voluntary redundancy systems incorporating early payback expectation.
Monthly budget monitoring and projected outturn exercises.
Budget monitoring a standing item on Departmental Management Team meetings.

Likelihood

Potential Impact

<p>Proposed savings/workforce reduction integral to budget setting process and highly unlikely departmental proposals would be submitted/agreed that will not be able to be delivered.</p> <p>Departments however may find it increasingly difficult to achieve workforce reductions though natural turnover, etc and the council may need to consider encouraging early retirement / voluntary redundancy in some areas.</p> <p>The council may not have absolute flexibility in managing its workforce numbers – Scottish Government made protection of teacher numbers a condition of the local government finance settlement for 2013/14 and this approach may be continued in future years.</p>	<p>Budget overspend Need to find alternative savings</p>
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Likelihood Score: **2**

Potential Impact Score: **4**

Overall Risk Score: **8**

IDENTIFIED RISK / RISK ACTION PLAN:

Section A – Identified Risk

Risk Description **13**

The IT infrastructure does not have the capacity to fully use technology to address changing demands.

Actions/Controls already in place

Investment in technology undertaken as part of the financial plan is designed to improve the capability and functionality of the technology infrastructure. The investment programme in financial year 2012/13 and beyond, identified in the Financial Plan 2011/15, will result in the implementation, on a continued phased basis, of a revised and upgraded IT infrastructure capable of supporting the council's future business requirements, of for example, enabling an agile workforce through mobile, home and flexible working. The identified projects being:

- Provision of a fit for purpose primary Datacentre Environment in November 2012, and secondary Data/Communications Environment in January 2013, to host major information technology systems and services
- Corporate Infrastructure Renewal to sustain the technology infrastructure
- Telecoms Infrastructure Renewal to sustain the telecoms infrastructure
- Email Service Replacement to provide an enhanced resilient service
- Citrix Environment Enhancement to support delivery of additional operational applications
- Implementation of initial phases of a number of technology improvements to enable Agile Working to be implemented by service departments – any location; any time; and any device
- Enhanced Consolidated Storage Infrastructure to extend capacity and ensure resilience
- Desktop Replacement Programme reconfiguring desktop PCs as thin client workstations
- AngusNet Phase 3 to enable improved broadband connectivity to rural primary schools
- Increased use of wireless technology

Likelihood

Potential Impact

The identified risk is being managed as detailed above, with the phased introduction of a revised, fit for purpose, IT Infrastructure funded primarily from entries in the Financial Plan 2011/15. It should however be noted that future business requirements may necessitate additional capability.

Additional resource requirements.

Likelihood Score: **2**

Potential Impact Score: **3**

Overall Risk Score: **6**

IDENTIFIED RISK / RISK ACTION PLAN:

Section A – Identified Risk

Risk Description **14**

The Council remains vulnerable to equal pay claims.

Actions/Controls already in place

Single Status implemented.
Watching brief being kept by Assistant Chief Executive.
Link with legal firm with equal pay expertise.

Likelihood

Potential Impact

The council still remains vulnerable to claims in the aftermath of single status but given evidence to date it is unlikely that there will be a large amount of claims.

Cost
Adverse publicity

Likelihood Score: **2**

Potential Impact Score: **3**

Overall Risk Score: **6**

IDENTIFIED RISK / RISK ACTION PLAN:

Section A – Identified Risk

Risk Description **15**

Arrangements are not sufficiently well developed to meet commitments under the terms of the national climate change declaration (excluding carbon reduction).

Actions/Controls already in place

Council signed Climate Change Declaration in 2007.
Climate Change Strategy Group established.
Carbon Management Plan progressed.
Local Climate Impacts Profile for Angus published.
Travel Plan published.
Zero Waste Plan being implemented.
Street Lighting Pilot study undertaken.
Eco Schools Programme established.
Fleet Management review.
Flood Prevention measures.
Climate change embedded in Community Planning actions.
Climate Change Strategy and Action Plan approved 2011.

Likelihood

Potential Impact

Meeting government emission reduction targets will get progressively harder year on year.

Failure will likely give rise to adverse publicity and possible breach of legislation.

Likelihood Score: **2**

Potential Impact Score: **3**

Overall Risk Score: **6**

IDENTIFIED RISKS/RISK ACTION PLAN:

Section A – Identified Risk

Risk Description 16

The Council's corporate procurement arrangements may damage the Angus economy and expose the Council to financial and reputational loss. There are two main components to this risk at a corporate/strategic level.

a) The Council's Procurement Strategy may reduce the level of support to the Angus economy

The risk that the council's procurement strategy will reduce the level of support the Council provides to the Angus economy by diminishing the market share of the local supply base (particularly through the use of aggregated national contracts).

b) Non-compliance leading to financial loss/poor value

The risk that the Council's procurement activity may be successfully challenged by an aggrieved supplier resulting in financial and/or reputational loss and the risk that non-compliant purchase routes may offer poorer value.

Actions/Controls already in place

a) The Council undertakes annual spend analysis re Small to Medium Enterprises (SME) share of its procurement spend and also the share of that spend with locally-based suppliers. This work so far indicates that the proportion of the council's spend with locally-based suppliers has increased since implementation of the council's procurement strategy.

The council has also agreed additional support to the local economy from the council's procurement activity by:

- Requiring that quotation value prices are sought from at least 2 locally-based suppliers + 1 national, where possible.
- Maintaining its membership of the Supplier Development Programme (SDP) which assists local SMEs to develop their capability to win public sector business.

b) The procurement reform programme itself should reduce the risk of non-compliance and this includes guidance, training, etc. Reports on off contract buying are also being shared with all Directors to try to address issues of compliance / poor value.

Likelihood

Potential Impact

a) This risk could be triggered by reliance on aggregated national contracts, the local supply base is excluded for council contracting opportunities where they currently have a significant presence and the local supply base becomes unable to respond to future opportunities.

The likelihood of such occurring is considered low

The possible results of the risk could be:-

- The local economy is damaged.
- The council becomes over-reliant on virtual public supply monopolies.
- The council suffers reputational damage.

The potential impact of the risk is considered significant

b) Risk considered to be low given mitigating actions already in place

The impact of getting it wrong could be significant in financial and reputational terms.

Likelihood Score: 2

Potential Impact Score: 3

Overall Risk Score: 6

IDENTIFIED RISK / RISK ACTION PLAN:

Section A – Identified Risk

Risk Description **17**

The Council is unable to continue delivering key services to the public to an acceptable degree following the occurrence of an incident.

Actions/Controls already in place

Emergency Plans.
Business Continuity Plans for identified critical activities. (not all council services are defined as critical).
Incident Management Plans.
Tayside Strategic Co-ordinating Group – Multi-agency/partnership approach for response and recovery of major incident/emergency.
Training & Exercising programme.
Community Risk Register.
Building Managers Manual.

Likelihood

Incidents will occur; however the likelihood of the council being unable to continue to deliver critical activities is low.

Potential Impact

Risk to life
Impact/risks to other agencies with a dependency on council services in relation to collaboration/joint provision of services
Financial implications; income and payments particularly benefits etc
Reputation
Service Disruption

Likelihood Score: **1**

Potential Impact Score: **5**

Overall Risk Score: **5**

IDENTIFIED RISK / RISK ACTION PLAN:

Section A – Identified Risk

Risk Description **18**

Effective performance management arrangements are not fully embedded across the Council.

Actions/Controls already in place

Performance management framework.
Performance monitoring arrangements.
Corporate improvement team in place.
Performance indicators and targets reviewed annually.
Service standards in place.
Self assesemnt used across departments.
Covalent performance management system.
Performance links between SOA, thematic and service plans established.
Range of communication methods being considered to increase staff understanding of improvement agenda.

Likelihood

With the above actions/controls in place it is considered that the likelihood of occurrence is low.

Potential Impact

Adverse comments from external auditors
Adverse publicity
Poor SPI performance
Difficulty identifying areas of improvement
Criticism within the Scrutiny and Audit Committee

Likelihood Score: **1**

Potential Impact Score: **3**

Overall Risk Score: **3**

IDENTIFIED RISK / RISK ACTION PLAN:

Section A – Identified Risk

Risk Description **19**

Governance arrangements are not sufficiently well developed to ensure we are a well governed council.

Actions/Controls already in place

Corporate Governance Working Group undertakes annual self assessment of governance arrangements.
Chief Executive submits annual report to Scrutiny and Audit Committee on governance arrangements.
Chief Internal Auditor undertakes annual review of governance arrangements.
Annual Governance Statement.

Likelihood

Potential Impact

While the above actions/controls address this risk political engagement and support is required otherwise the likelihood of this risk being realised is increased.	Adverse publicity Adverse comment from External Auditors
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Likelihood Score: **1**

Potential Impact Score: **3**

Overall Risk Score: **3**

IDENTIFIED RISK / RISK ACTION PLAN:

Section A – Identified Risk

Risk Description **20**

The Council receives a shared risk assessment assurance and improvement plan which is critical of council progress in the preceding year.

Actions/Controls already in place

Corporate Improvement Plan.
Corporate Improvement Plan progress monitoring arrangements in place.
Service Improvement Plans.
Service Improvement Plan progress monitoring arrangements in place.

Likelihood

Potential Impact

If the actions in the corporate improvement plan are met and services continue to perform at their current level it is considered that the likelihood of occurrence is low.

Adverse publicity
Criticism within Scrutiny and Audit Committee

Likelihood Score: **1**

Potential Impact Score: **3**

Overall Risk Score: **3**

IDENTIFIED RISK / RISK ACTION PLAN:

Section A – Identified Risk

Risk Description **21**

The Council's estate is not fit for purpose.

Actions/Controls already in place

Second version of the Council's Corporate Asset Management Plan providing an overview of the property portfolio approved by Corporate Services Committee in June 2008.
Separate documentation on a property by property basis prepared and regularly monitored and updated.
Prioritised spend programmes prepared to inform utilisation of available budgets.
Corporate Asset Management Group formed and carrying out reviews of all property held on a geographical basis across the county.
An investigation into flexible/home/mobile working is underway.

Likelihood

Potential Impact

Very low risk determined that any key Council building will be declared unfit for purpose.

Alternative accommodation arrangements for affected staff would need to be applied.
Staff dissatisfaction
Service to public suffers at least initially
Contingency plans have been prepared per Business Continuity management arrangements

Likelihood Score: **1**

Potential Impact Score: **2**

Overall Risk Score: **2**