

# Governance, Risk and Best Value Committee

10:00am, Tuesday, 3 December 2019

## Corporate Leadership Team Risk Register

Executive/routine  
Wards  
Council Commitments

### 1. Recommendations

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- 1.1 Members of the Governance, Risk and Best Value Committee are asked to:
  - 1.1.1 review and scrutinise the CLT Risk Register and be assured by the risk management framework, controls and mitigations in operation; and
  - 1.1.2 request, where appropriate, further updates from relevant officers in relation to any of the risks, controls or actions described.

**Andrew Kerr**

Chief Executive

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# Report

## Corporate Leadership Team Risk Register

### 2. Executive Summary

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- 2.1 The Council's risk management framework seeks to ensure that risks to, and within, the Council are effectively managed, reviewed and updated through quarterly Risk and Assurance Committees held at both Directorate and Corporate Leadership Team (CLT) levels.
- 2.2 The information presented in this report reflects CLT's view of the Council's top risks and the key controls in place to mitigate them as at 6 November 2019. These risks and the associated controls have been scrutinised and challenged by the CLT and are presented to the GRBV Committee for oversight and review.

### 3. Background

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- 3.1 The Governance, Risk and Best Value (GRBV) Committee is responsible for monitoring the effectiveness of the Council's risk management arrangements.
- 3.2 The Council has an Enterprise Risk Management Policy and associated operational procedures in place that describe why, when and how risk management should take place.
- 3.3 The purpose of this report is to provide an update to the Committee on the key risks currently facing the Council and the work being undertaken to reduce the level of risk to, and within, the Council.
- 3.4 Risk can be defined as "*an uncertain event (or set of events) that, should it/they occur, will have an effect upon our objectives*". Risk, therefore, must involve some degree of uncertainty. Reporting on aspects of the Council's performance, or on issues which are currently occurring, are therefore, by definition, outside the scope of this report.
- 3.5 Some risk and associated mitigation measures lie outside the control of the Council. The Council's risk management framework seeks to reduce the Council's exposure to risk where practicable and proportionate, recognising that some mitigation measures may be the responsibility of third parties.

- 3.6 The CLT Risk Update was last presented to the GRBV Committee on 13<sup>th</sup> August 2019.

## 4. Main report

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- 4.1 The information in this report and presented in the appendix reflects the Council's top risks and the key controls in place to mitigate them, as at 6<sup>th</sup> November 2019.
- 4.2 During the last quarter, risks including new and emerging threats and uncertainties have been reviewed at Risk Management Groups, Service Management Teams and Risk and Assurance Committees within each Directorate. The top risks have been escalated to the CLT Risk and Assurance Committee for oversight and scrutiny, in accordance with the Council's risk management framework.

### Key points

- 4.3 As a result of positive progress in embedding improvements there has been a reduction in the Health and Social Care risk. Health and Safety issues raised by the Trades Unions (including to Council), and the need to ensure robust and sustained health and safety management across the Council is reflected in the revised scores. Another change to the CLT risk profile has been to reduce the current risk around medium term financial planning. Whilst the Council monitors this closely, and clearly the overall financial settlement to the Council is outwith the Council's control, prudent planning, based on a number of assumptions, is being carried out.
- 4.4 Significant uncertainty continues to remain around Brexit, with discussion around national, political and economic impacts evolving on a daily basis. Directorates and Divisions continue to appraise the risks to their own areas whilst CLT is actively monitoring the risks across the Council from a corporate perspective. The Council's cross-party Brexit Working Group continues to meet to consider impacts to the Council and the City. Alongside the separate risks, as reported last quarter there remains an overarching risk that the impact of Brexit upon the City is that Edinburgh may become less attractive to invest in which in turn would have a negative impact upon our economy.
- 4.5 The Elections risk has now been dropped from the CLT Risk Register as a General Election has now been called and planning delivery of this is well underway. Nevertheless, we recognise in the updated Brexit risk that alongside the uncertainties of Brexit an ongoing risk remains that electoral events may still arise at short notice.

## 5. Next Steps

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- 5.1 Continuous and consistent ongoing use of the Council's risk management framework aims to ensure that risks to, and within, the Council are effectively managed, reviewed and updated.

- 5.2 The Corporate Risk Team will continue to introduce improvements designed to improve elements of the risk management framework where appropriate.

## **6. Financial impact**

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- 6.1 Although each risk may have an associated financial impact, there is no direct financial impact arising specifically from this report.
- 6.2 Control measures to mitigate risk may have an associated cost which is to be funded from existing budgets in the first instance.

## **7. Stakeholder/Community Impact**

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- 7.1 Taking decisions while understanding all relevant risks helps to improve performance across the whole Council, helping ensure better outcomes for all our citizens and communities.
- 7.2 Considering and managing risks appropriately aims to ensure that resources are used effectively, while aiming to ensure the Council remains compliant with all applicable legislation.

## **8. Background reading/external references**

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- 8.1 Corporate Leadership Team Risk Update: report to GRBV 13<sup>th</sup> August 2019
- 8.2 Enterprise Risk Management Policy
- 8.3 Council's Risk Appetite Statement

## **9. Appendices**

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Appendix 1 – CLT Top Risks with Key Controls and Further Actions as at 6 November 2019

# CLT Risk Register as at 6<sup>th</sup> November 2019

Top risks prioritised by current score		Original risk		Key Controls	Current risk		Further Actions	Target risk		Change in current score
<i>(denotes previous position in the register)</i>		I	L		I	L		I	L	
1	<p><b>Health and Safety</b></p> <p>(10) As a result of potential gaps in training, management or understanding, deliberate or accidental actions, there is a risk of non-compliance with legislative requirements and/or the Council's health and safety policies or operational procedures. This could lead to an incident resulting in regulatory breaches, harm to staff, service users or members of the public, subsequent liability claims, fines and associated reputational damage.</p>	5	4	<p>Council Health and Safety Policy and Council Asbestos, Fire Safety and Water Safety Policies are available to all and set out roles and responsibilities.</p> <p>H&amp;S corporate training programme includes the Council's induction programmes for all staff and new leaders; guidance/advice available on the Council's intranet; and, for example, Asbestos awareness training.</p> <p>IOSH Leading Safely courses delivered to the Wider Leadership Team.</p> <p>Rolling H&amp;S audit programme identifies areas and actions for improvement.</p> <p>H&amp;S risks and issues reported to CLT on a weekly basis, H&amp;S is a standing CLT agenda item.</p> <p>H&amp;S performance is measured and reported to the CLT Risk and Assurance Committee quarterly, Council H&amp;S Group and Service-level H&amp;S Groups. Actions for improvement agreed as appropriate.</p>	4	4	<p>Progress implementation of Corporate Health and Safety Strategy 2018-2020</p> <p>Progress implementation of Directorate level Health and Safety Plans.</p> <p>Continue delivery of Health and Safety Audit Programme.</p> <p>Review all operational procedures to ensure all requirements are understood and adhered to.</p> <p>Review the level of resources and technical capabilities for the management of asbestos.</p> <p>Identify all assets that may contain asbestos in properties such as schools.</p> <p>Ensure investigations are carried out for all relevant incidents.</p>	4	1	↑
2	<p><b>Medium-term financial planning (to 2022)</b></p> <p>(2) Due to reduced funding available for Local Government, increasing demand for health social care services, challenges in achieving planned revenue and/or capital savings, public perception of (and reaction to) proposed changes, competing priorities, the requirement to ring-fence particular budgets, unknown financial impacts of the Scottish Child Abuse Inquiry and potential legislative changes following Brexit, the Council could find it more difficult to successfully undertake medium-term financial planning. The effects of this could include additional unplanned in-year financial pressures, and failure to achieve the Council's medium-to-long term objectives across all areas of service delivery.</p>	4	5	<p>Engagement and lobbying with other local authorities through COSLA (Convention of Scottish Local Authorities) to Scottish Government and Ministers.</p> <p>Budget-setting protocol in place at IJB and HSCP level.</p> <p>Good financial control in accordance with legislation and the Council's Financial Regulations to deliver planned capital and revenue budgets.</p> <p>Controls in place to monitor budgets and identify overspends.</p>	4	3	<p>Continue to pursue opportunities to integrate risk analysis into budget planning.</p> <p>Achieve the outcomes and savings as detailed in the Council's Change Strategy.</p> <p>Ensure Council and EIJB budgets approved by start of financial year.</p> <p>Prioritise budgets in line with key council objectives.</p> <p>Address underlying service pressures-on a sustainable basis.</p>	3	2	↓

<p><b>3</b> (3)</p>	<p><b>Asset management (property assets)</b></p> <p>Due to the age, condition and size of the Council's operational estate, there is a risk that properties are not of a sufficiently safe and sustainable standard for their continued use, potentially resulting in structural failures and/or negative health and safety consequences for staff, service users or members of the public. Associated with this, the Asset Management Strategy requires that decisions are made to close and dispose of properties in a planned manner. The risk associated with the implementation of the strategy is that closure decisions may not be made in a timely manner, resulting in additional cost pressures for both the capital and revenue budgets and consequently demographic pressures cannot be responded to adequately by the property portfolio, particularly for education and health and social care services.</p>	<p><b>5</b></p>	<p><b>5</b></p>	<p>Asset Management Works programme with 5 year investment to achieve improved safety and sustainability for Council operational properties.</p> <p>Planned preventative maintenance (PPM) regimes</p> <p>Progress against Asset Management Strategy reported regularly to Finance and Resources Committee.</p> <p>H&amp;S inspections undertaken regularly.</p> <p>Cyclical condition surveys every 3-5 years.</p> <p>Statutory compliance testing in place</p> <p>Fire Safety, Asbestos and Water Safety Standing Groups chaired by Head of Property and Facilities Management meets regularly to discuss issues</p> <p>Asset Management Board (operational group) meetings monthly and is chaired by the Executive Director of Resources, with senior representation from all directorates.</p> <p>Service Design change programme underway.</p>	<p><b>4</b></p>	<p><b>3</b></p>	<p>Continued delivery of the 5 year Asset Management Works programme.</p> <p>Asset Management Strategy (2015-2019) to be developed into new Council Property Strategy detailing how Council's property will be managed, maintained and used to deliver savings. This new Council Property Strategy will be a subset of the overall Corporate Asset Strategy 2014-2019 (currently being refreshed).</p> <p>Procurement of major, estate wide, PPM contracts underway.</p> <p>Full deployment and implementation of CAFM (computer aided facility management) and opportunities to converge other asset management systems into CAFM, along with a business case for sufficient resource to exploit CAFM fully is being developed.</p> <p>Edinburgh Partnership Land Commission approach, led by the Chief Executive and supported by SFT to develop broader approach to public asset mapping and consolidation across the City.</p>	<p><b>2</b></p>	<p><b>2</b></p>	
<p><b>4</b> (4)</p>	<p><b>Programme and Project Delivery</b></p> <p>Due to availability of appropriately-skilled project and programme management resource, there is a risk that the Council is unable to ensure the effective management and successful delivery, on time and on budget, of its challenging and ambitious plan for major programmes and projects. This risk also outlines the need for the Council to prioritise and deploy project delivery resource effectively, according to business needs, ensuring that benefits are realised and learning is shared effectively across all delivery activity. The Council has a large number of projects and programmes in various stages of progress – these include the Granton waterfront development,</p>	<p><b>5</b></p>	<p><b>5</b></p>	<p>Oversight of major programmes and projects by the relevant Executive Committees and the Governance, Risk and Best Value Committee (every six months)</p> <p>CLT Change Board provides robust monthly portfolio management and oversight for all programmes and projects, including review of business cases and project closedown benefits realisation and evaluation reports.</p>	<p><b>4</b></p>	<p><b>3</b></p>	<p>All significant change programmes are required to have an approved business case detailing resources and skills required to deliver.</p> <p>Further Internal Audit of Portfolio Governance Framework planned for 2019/20.</p>	<p><b>3</b></p>	<p><b>3</b></p>	

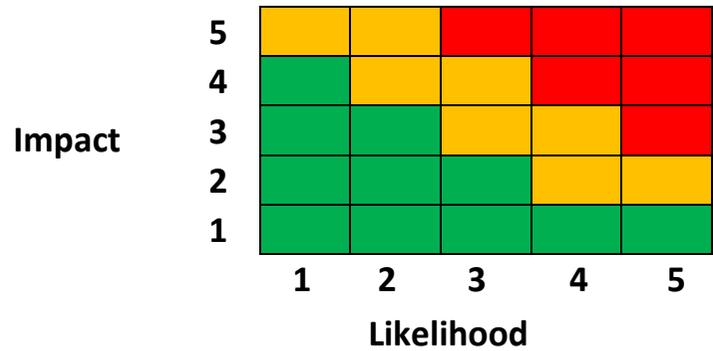
	the housebuilding programme, IT Device Refresh programme, and trams to Newhaven.			Internal Audit recommendations relating to Change Management delivered, and project management training rolled out. Integrated impact assessments in place More funding has been agreed for major projects as well as additional project management resource appointed to develop and enable delivery of Change Strategy business cases.						
5 (7)	<b>Housebuilding programme</b> Due to longer term funding uncertainties and constraints, capacity levels within the house-building industry, availability of suitable land and sites within Edinburgh and uncertainties around planning assumptions used in financial models (demographics, demand, economics) there is a risk to the successful delivery of the Council's housebuilding programme. This could result in knock-on impacts to the Council's income and reputation as well as the Council's ability to effectively tackle the homelessness and/or temporary accommodation situations.	4	3	Short, medium and long-term planning through the Housing Revenue Account (HRA) planning process involving input from appropriate functions including Finance, Legal and Risk Project and risk management in place across the programme. Reviewed and reported on by Change Board.	4	3	Development of the new Local Development Plan ("City Plan 2030") in accordance with timetable outlined in the Development Plan Scheme. Adoption anticipated May 2021.	2	1	↑
6 (6)	<b>Response to a major incident</b> A sudden high impact event causes harm to people and damages infrastructure, systems or buildings. This could be as a result of weather, electronic or physical attack or accident. Impacts could include buildings, staff and/or systems being non-operational for a time, resulting in a reduced ability to deliver services. Also part of this risk is that a failure to deliver an appropriate level of service in response to a sudden operational requirement may lead to harm to people and reputational damage to the Council.	5	3	Council Business Continuity and Emergency Plans in place. All Chief Officers have been briefed about the Council's Incident Management response arrangements and on-call responsibilities and an effective on-call rota system operates throughout the year. Information Technology Disaster Recovery (IT DR) arrangements in place with regular testing undertaken. Regular liaison and partnership working between the Council and other responder organisations at a local and national level including contingency planning for major events Externally contracted services include DR and business continuity provisions. Lessons learned from key events including winter weather.	3	4	Consider opportunities to improve command, control and communication structures in relation to incident response both by the Council and in tandem with multi-agency partners.	3	2	↑

<p><b>7</b> (1)</p>	<p><b>Health and Social Care</b></p> <p>There is a risk that increased demand for services and demographic changes outside planned forecasts result in significant financial pressures which, when compounded by historic funding arrangements and traditional service models, could result in the Council failing to deliver its responsibilities under the Public Bodies (Joint Working) (Scotland) Act 2014 in relation to health and social care services delegated from the Integration Joint Board (IJB). Potential impacts could include harm to people, safeguarding breaches, inappropriate or insufficient care packages being offered and significant reputational damage to the Council with additional impact on funding of other Council budgets.</p>	<p><b>4</b></p>	<p><b>5</b></p> <p>Regular scrutiny of health and social care performance by Governance, Risk and Best Value Committee (GRBV).</p> <p>Partnership working across NHS Lothian, the Council and the IJB ensures planning for demand and finance is taken into account.</p> <p>IJB Audit Programme in place takes a risk based approach.</p> <p>Head of Strategic Planning responsible for longer-term planning.</p> <p>Strategic Plan for 2019-2022 issued and implementation commenced.</p> <p>Budget setting protocol in place. Budget set for this year.</p>	<p><b>3</b></p>	<p><b>3</b></p>	<p>Work in progress to establish effective risk management and escalation processes within localities.</p> <p>Implement actions following the review of governance arrangements carried out with support from the Good Governance Institute.</p> <p>Enhanced financial controls to be developed and introduced.</p> <p>3 year transformation planning underway.</p> <p>We have an agreed transformation programme agreed with resources allocated for this by the IJB.</p>	<p><b>2</b></p>	<p><b>3</b></p>	
<p><b>8</b> (5)</p>	<p><b>Information and data</b></p> <p>There is a risk that if our cyber defences and information security processes are unable to defend the Council against emerging threats this will increase the probability of malicious or non-malicious action leading to loss of data, information and its confidentiality, integrity and availability as well as impacting upon our compliance with legal and regulatory obligations.</p>	<p><b>4</b></p>	<p><b>4</b></p> <p>Cyber Information Security Steering Group (CISSG) chaired by the Executive Director of Resources to monitor delivery against the Scottish Government's Public Sector Action Plan on Cyber Resilience and reviews corporate cyber and information security risks.</p> <p>Cyber Essentials certification in place.</p> <p>Information Technology Disaster Recovery (IT DR) arrangements in place.</p> <p>Suite of information governance and security policies, procedures and e-learning in place, supported by Cybersecurity campaigns and refreshed ICT Acceptable Use Policy.</p> <p>IT Security Managed Service procured with requirements to adopt NCSC (National Cyber Security Centre) and ISO best practice approaches and improve security defences, monitoring and awareness of the security threat landscape.</p> <p>GDPR implementation tracked by the Information Governance Unit.</p>	<p><b>3</b></p>	<p><b>3</b></p>	<p>Work underway for the achievement of Cyber Essentials Plus certification.</p> <p>PSN Code of Connection accreditation submission for 2019 being finalised.</p> <p>Implement SharePoint technology to improve security and storage arrangements across the ICT estate.</p> <p>Complete device refresh programme across the Council's IT estate.</p> <p>Cybersecurity Manager takes up post end of November.</p>	<p><b>3</b></p>	<p><b>3</b></p>	

				Information sharing agreements in place with partner organisations. Laptop and media encryption. Password Guidance aligned to National Cyber Security Centre guidelines approved and being rolled out.						
9 (8)	<b>Brexit</b> Due to the political environment and uncertainties around Brexit and its outcomes, there are a number of risks to the Council, as well as to the City's economy, which could include supply chain disruption, price rises, workforce shortages and increased likelihood of electoral events and serious organised crime. Should they materialise these could result in unforeseen financial and service delivery pressures, increased pressure on social care services (due to adverse effects on citizens and resettlement of UK citizens) and in turn could impact upon the delivery of the housing investment programme and our ability to sustain delivery of business as usual in the face of a prolonged response to the impacts of Brexit.	4	5	Corporate approach to identifying the risks supported by and resulting in contingency planning at corporate, service area and key function levels. Cross-party Brexit Working Group oversees Council preparedness and considers potential impacts to the wider City, e.g. economic, employment and impacts on vulnerable people. Council involved in multi-agency preparation, including exercises, at national, regional and local resilience partnership level. Scottish Resilience Partnership monitoring readiness of all Category 1 responders (which includes local authorities). Plans aligning with EHSCP who report on preparedness to Integrated Joint Board. CAGM team and key functions working with suppliers / key agencies and contract managers on Brexit readiness.	3	3	Ensure continued monitoring, participation and joint working with other national and local agencies. Ensure arrangements are refined as the situation develops. Continue to review and monitor workforce implications. EUSS factsheet to be developed for relevant frontline staff. Welfare Reform Group considering food insecurity impacts. Activate communications plans as required.	3	2	↔
10 (9)	<b>Sustainability</b> Due to the Council's agreed position on Climate Emergency and the decision to go Carbon Neutral by 2030, coupled with potential changes in legislation, increased media attention and public focus upon global issues, the Council will need to undertake significant changes and these will have significant financial and practical consequences. This could result in increased budget pressures, increased media interest, and reputational damage if the Council is perceived to be acting in a non-sustainable manner.	4	4	Strategy and Communications provide continuous monitoring of legislative changes and communication to managers through regular updates. Well-established planning and strategy-setting processes. Public engagement (formal and informal).	3	3	Plans put in place to implement Council decisions.	2	2	↔
11 (11)	<b>Public safety (pedestrian/vehicle collision)</b> Due to increasing footfall in key locations and number of cyclists on the road, combined with the volume of traffic on the city's roads, there is an increased possibility of a collision between a	4	5	Use of Temporary Traffic Regulation Orders as necessary	4	2	Continue to monitor and consider whether any additional actions are required	4	2	↔

	pedestrian, cyclist and/or vehicle. This could result in serious injury (mental and/or physical) or death, liability claims against the Council, and associated negative publicity for the city.			Public Safety team provide public safety advice and information internally and externally Multi-agency planning for delivery of events through an Events Planning and Operations Group Corporate Health and Safety Policy Public liability insurance policy Working with festival and event organisers on event location and planned footfall distribution Continue to incorporate lessons learned from relevant events			Work being undertaken following recent tram case judgements involving cyclists.			
<b>12</b> (13)	<b>Public response to political decisions</b> As a result of the requirement to take challenging long-term decisions in line with budgets and forecasts, combined with the increased use of social media across society, there is a chance that legal and legitimate decisions end up being changed due to public opinion altering. This could result in decisions being made quickly and out with long-term strategies, plans and targets, with associated impacts upon budgets, performance, and ability to meet legislative requirements.	<b>3</b>	<b>3</b>	Robust, evidence-based decision making in line with Council procedures Proper planning and integrated impact assessments in place Public engagement through formal consultation processes Social media accounts providing a more informal means of engagement with citizens	<b>3</b>	<b>2</b>	Improve social media scanning for potential issues. Enhanced consultation, for example as part of budget setting.	<b>3</b>	<b>2</b>	↔

# Risk assessment and scoring guidance



	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Impact</b>	Limited	Minor	Moderate	Major	Extreme
Effect on outcomes	Minimal	Minor, short term	Part failure to achieve	Significant failure to achieve	Unable to achieve
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Likelihood</b>	Remote	Possible	Reasonable	Likely	Almost certain
Frequency	Less than once in 10 years	Once in 5-10 years	Once in 3-5 years	Once in 1-3 years	In the next year