

**REPORT TO:** Audit and Governance Committee

**MEETING DATE:** 9 September 2014

**BY:** Chief Executive

**SUBJECT:** Corporate Risk Register

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## **1 PURPOSE**

- 1.1 In keeping with the Council's risk management strategy, the Corporate Risk Register has been updated following a review by the Corporate Risk Management Group on behalf of and in consultation with the Council Management Team.
- 1.2 The Corporate Risk Register was approved by Cabinet on 12<sup>th</sup> June and is now presented to the Audit and Governance Committee for discussion, comment and noting.

## **2 RECOMMENDATIONS**

- 2.1 It is recommended that the Audit and Governance Committee notes the Corporate Risk Register for 2014.
- 2.2 In doing so, the Audit and Governance Committee is asked to:
  - note that the relevant risks have been identified;
  - note that the significance of each risk is appropriate to the current nature of the risk;
  - note that the total profile of corporate risk can be borne by the Council at this time in relation to the Council's appetite<sup>1</sup> for risk; and,
  - recognise that, although the risks presented are those requiring close monitoring and scrutiny throughout 2014, many are in fact longer term corporate risks for the Council that are likely to be a feature of the risk register over a number of years.
  - note that the Council Management Team will review risks in the Corporate Risk Register on a regular basis.

## **3 BACKGROUND**

- 3.1 In presenting the proposed Corporate Risk Register 2014 to the Committee for discussion, comment and noting, the Council Management Team would wish to draw the Committee's attention to one specific matter. All risks have been

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<sup>1</sup> How much risk the council can bear, or could be willing to take in pursuit of an opportunity (if it were judged to be (1) worthwhile pursuing and (2) the council was confident in its ability to achieve the benefits and justify the risk).

evaluated using the standard (5x5) risk matrix which involves multiplying the likelihood of occurrence of a risk (scored 1-5) by its potential impact (scored 1-5). This produces an evaluation of risk as either 'low (1-4)', 'medium' (5-9), 'high' (10-19) or 'very high' (20-25).

- 3.2 The Council's response in relation to adverse risk or its risk appetite is such that:
- Very High risk is unacceptable and measures should be taken to reduce, transfer or treat the risk to a more tolerable position;
  - High risk may be tolerable providing the Council is assured that adequate and effective control measures are in place;
  - Medium risk is tolerable with control measures that are cost effective;
  - Low risk is broadly acceptable without any further action to prevent or mitigate risk.
- 3.3 The 2014 Corporate Risk Register includes one Very High risk, eight High risks and five Medium risks.
- 3.4 In accordance with the Risk Management Strategy 'Very High' and 'High Risks' identified in the Corporate Risk Register will be subject to closer scrutiny by the Council Management Team, the Cabinet and the Audit and Governance Committee.

#### **4 POLICY IMPLICATIONS**

- 4.1 In noting this report the Council will be ensuring that risk management principles, as detailed in the Corporate Risk Management Strategy are embedded across the Council.

#### **5 EQUALITIES IMPACT ASSESSMENT**

- 5.1 This report is not applicable to the well being of equalities groups and an Equalities Impact Assessment is not required.

#### **6 RESOURCE IMPLICATIONS**

- 6.1 Financial – The recurring costs associated with the measures in place for each risk are proportionate to the level of risk. The financial requirements to support the Corporate Risk Register for 2014 should be met within the proposed budget allocations. Any unplanned and unbudgeted costs that arise in relation to any of the corporate risks identified will be subject to review by the Corporate Management Team.
- 6.2 Personnel – There are no immediate implications.
- 6.3 Other – Effective implementation of this register will require the support and commitment of the Risk Owners identified within the register.

## 7 BACKGROUND PAPERS

### 7.1 Appendix 1 – Corporate Risk Register

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<b>DATE</b>	28 <sup>th</sup> August 2014

# East Lothian Council Corporate Risk Register (V16: 27<sup>th</sup> May 2014)

Risk Ref.	Risk Description	Existing Risk Control Measures	Assessment of Current Residual Risk			Planned Additional Risk Control Measures	Assessment of Predictive Risk			Risk Owner	Timescale for Completion / Review Frequency
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ELC CR 1	<p><b>Resourcing</b></p> <p>The Council is facing considerable financial pressures arising from the extended period of public finance constraint, at best "flat cash" revenue support grant awards and the freeze in Council Tax.</p> <p>Therefore, over the medium term it is highly likely that the Council's main funding income will remain static. At the same time it will have specific cost pressures to deal with. These include:</p> <p>(1) demographic change and social-economic pressures - increasing pupil and elderly numbers;</p> <p>(2) general inflationary pressures;</p> <p>(3) specific cost pressures such as the affordability of the increasing number of high-cost individual care packages; and</p> <p>(4) potential financial costs associated with legislative changes such as a number of environmental issues.</p> <p>Efficient Workforce Management, VERS, restructuring and budget restrictions could result in the services not being able to maintain a level of staff to allow the service currently provided to continue in its present form. Staff morale could be adversely affected because of increasing workload and unrealistic expectations.</p> <p>The shape of the work force will continue to change as greater efficiency, productivity and more streamlined ways of working are embedded.</p> <p>If the council's financial pressures were not to be successfully planned for and managed effectively over the medium to longer term (i.e. the next 3 and possibly up to 7 years), there would be a serious risk of unplanned/ reactive budget realignments with significant adverse impact on availability and quality of both front-line services and required investment in the Council's infrastructure and asset base.</p>	<p>The Council has well developed short to medium term financial planning arrangements. These include:</p> <ul style="list-style-type: none"> <li>• Three year General Services revenue budgets;</li> <li>• Seven year General Services capital plan budgets;</li> <li>• Ten year Housing Revenue Account revenue and capital budgets.</li> </ul> <p>In addition, it has cost control and financial management arrangements for managing in year budget performance. Both of which provide mitigating controls in terms of the immediate financial risk and pressures the Council is faced with.</p> <p>Partnership working with Midlothian Council and other partners is being developed to increase capacity to provide services within existing resources.</p> <p>Longer-term modelling is deemed to be of limited value as the public sector financial environment is unlikely to be stable in other than the short and medium term. The focus is on creating a programme of short and medium term organisational change that can be adapted to match the Council's position as that emerges.</p> <p>The Chief Social Work Officer also has a role to play in overall performance improvement and the identification and management of corporate risk in so far as they relate to social work services.</p> <p>Communication between CMT and all employees regarding the impact of change.</p> <p>All VERS decisions were made following business impact assessments, with support given only to those applications with minimum business impact. The impact of VERS and Efficient Workforce Management was reported to Audit &amp; Governance Committee, 20<sup>th</sup> May</p> <p>CMT is working with Service Managers on service reviews to redesign services within resources.</p>	4	5	20	<p>CMT/Managers continue to follow the financial strategy i.e. cost control/ cost minimisation to ensure delivery of agreed savings. This is also being monitored closely through the Chief Executive's new Budget Review Group.</p> <p>Through the Corporate Asset Group, the Council implement will implement the approved Asset Management Strategy and related action plan.</p> <p>CMT will continue to monitor the impact of council restructuring and service re-design</p> <p>Further consideration will be given to increasing income where possible</p> <p>Staff communications is being reviewed to ensure that staff engagement improves</p> <p>The Workforce Development Plan is a key part of the Council's response to increasing financial pressures. It aims to support transformational change, build and sustain leadership and management capacity, sustain a skilled, flexible and motivated workforce and develop the workforce for the future.</p>	3	4	12	<p>Chief Executive</p> <p>Depute Chief Executive – Resources and People Services</p> <p>Head of Council Resources</p> <p>Council Management Team</p>	<p>Financial Pressures and VERS/restructuring risks combined to create this new risk in April 2014.</p> <p>Risk further reviewed by CMT in May 2014 and current score increased from 15 to 20.</p> <p>Further review planned throughout 2014.</p>

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ELC CR 2	<p><b>Duty of Care</b></p> <p>The Council has a responsibility to provide care and support for the people of East Lothian. Any breach of this duty of care may compromise health, safety and wellbeing, impacting on, for example, the protection of children and adults.</p> <p>Failure to fulfil the duty of care could also result in serious harm/death to an individual/s, prosecution, having to pay compensation and have a negative impact on the reputation of the Council.</p> <p>The duty of Care is at the heart of the Council's approach to risk management.</p> <p>The likelihood of this risk occurring is influenced by a range of factors including for example:</p> <p>(1) Complexity of partnership arrangements in the care sector;  (2) Number of vulnerable people in East Lothian;  (3) Levels of deprivation in East Lothian;  (4) Increased population and more complex service demands presented by an increasing number of service users whilst resources have reduced.</p> <p>The introduction of Self Directed Care and the increased uptake of Direct Payments may present new challenges in relation to the service user choice and the application of PVG checks.</p> <p><b>Adult Wellbeing:</b> More than half of the care provided is purchased from private and voluntary sector agencies. The risks associated with purchased care are well understood and monitored through contract compliance and monitoring of care providers in association with the Care Inspectorate.</p> <p><b>Children's Wellbeing:</b> Duty of care operates in individual agency and partnership working with other universal and specialist agencies, some of which operate under contractual/service level agreements, all of which operate under defined professional standards of practice, policies and procedures and directly with families and carers all of which is monitored in association with Care Inspectorate and other inspection agencies.</p>	<p><b>Corporately</b></p> <p>There is an HR policy in place on procedures laid down by Disclosure Scotland and the Protecting Vulnerable Groups scheme and training sessions are in place for all managers and staff to make them aware of the policy and processes to be followed to comply with the PVG scheme.</p> <p>For Social Work and Health Services the Council follows safe recruitment procedures as described by the Care Inspectorate.</p> <p>Details of the posts which are subject to the Disclosure process are published on the Council intranet.</p> <p>Risk assessments and risk management are central to the care planning process.</p> <p>Frameworki and service specific systems are used to identify and record risk factors in a structured and consistent manner.</p> <p>E-Learning for all employees: GIRFEC, Child Protection and Adult Protection.</p> <p>Adult Wellbeing and Children's Wellbeing also have control measures in place</p>	4	4	16	<p>Implementation of Action Plans following on from Child Protection (single and multi-agency) and SWIA/Care Inspectorate inspections.</p> <p>Staged Assessment and Intervention practices continue to embed in multi-agency working practices. New obligations of the Children &amp; Young People Bill introducing the 'Named Person' role will be further implemented during 2014/15.</p> <p>East and Midlothian Public Protection Committee (EMPPC) is being established (June 2014) There will be one standing sub-group which will focus on Performance and Quality across all areas and both partnerships and will have responsibility for developing and implementing a consistent framework for self evaluation, audit and scrutiny.</p> <p>Systems are being developed to take forward an integrated, "lifespan" approach to all aspects of public protection. This approach will provide innovative opportunities for a cohesive response and will support operational staff in partner agencies to safeguard and improve outcomes for the most vulnerable children and adults at risk of harm.</p> <p>Inspection of Services for Children took place in November 2013 and the Care Inspectorate's report on such was published on 10 April 2014. A multi-agency improvement plan will be developed by June 2014 and this will be reflected in the work of the Critical Services Oversight Group (CSOG), the ELP/RPP and also in the review of the Integrated Children's Services Plan.</p>	3	4	12	<p>Depute Chief Executive – Partnerships and Community Services</p> <p>Depute Chief Executive – Resources and People Services</p> <p>Director of East Lothian Health and Social Care Partnership</p> <p>Critical Services Oversight Group</p>	Risk reviewed and updated April/May 2014 with further review planned throughout 2014/15.

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ELC CR 3	<p>Information Security and Data Protection</p> <p>Failure to have comprehensive council wide Information Security Management measures in place will put at risk the availability, integrity and confidentiality of the councils information and may cause a Council wide failure of central I.T. systems (incl. Telephony) caused by a malicious attack by hackers, virus, trojan, disclosure of information or Fire/Flood event.</p> <p>The Cabinet Office has introduced zero tolerance for all LA's connected to the PSN network. All Scottish LA's use the PSN to register Births, Marriages &amp; Deaths and connection to DWP for benefit provision. We have to re-accredit to this network every year and must meet stringent requirements. Failure to do so would mean disconnection from the PSN.</p> <p>Breach of the Data Protection Act, other confidentiality requirements, any relevant laws or duty of care through the loss or wrongful transmission of information (including information stored electronically) could result in</p> <ul style="list-style-type: none"> <li>- harm to individuals;</li> <li>- legal action;</li> <li>- fines of up to £500,000.</li> <li>- requirement to pay compensation;</li> <li>- adverse publicity;</li> <li>- damage to reputation.</li> </ul>	<p>ISO 27001:2013 is the international standard for management of Information and I.T. Security. East Lothian Council uses this standard as the framework for its Information &amp; I.T. Security Management system. This includes objectives, overall policy framework, internal audit, organisation and management support and treatment, training and awareness, risk assessment, measurement of effectiveness, management review, non-conformity management and continual improvement.</p> <p>As part of the security controls required by the standard to mitigate risks, several control areas are set out :</p> <ul style="list-style-type: none"> <li>Information security policy;</li> <li>Information security organisation;</li> <li>Human resources security;</li> <li>Asset management;</li> <li>Access controls and managing user access;</li> <li>Physical &amp; Environmental security of all sites/equipment</li> <li>Secure communications, Data handling and Data Protection (including paper documents etc);</li> <li>Secure acquisition, development, and support of information systems;</li> <li>Security for suppliers and third parties;</li> <li>Information Security Incident management;</li> <li>Business continuity/disaster recovery (to the extent that it affects information security) – I.T. disaster recovery plan in place;</li> <li>Compliance - ELC takes measures to avoid breaches of law, statutory, regulatory or contractual obligations (incl. DP Act and Public Records Act).</li> </ul> <p>There is a Council IS Forum hosted by the IT Security Officer. IS, DP and Records Management Awareness training now forms part of our induction process for new employees. Data Protection and Information Security awareness training is mandatory for all employees and must be renewed every two years.</p>	4	4	16	<p>Information Security and Data Protection training now mandatorily part of induction completed August 2013 while existing employee roll out is to start July 2014 for IS training.</p> <p>Online system is being updated and allows for reporting on who has completed training and when.</p> <p>Regular IT health checks of PSN requirements on the existing infrastructure will be carried out quarterly commencing June 2014. New systems being introduced to our infrastructure will be risk assessed and security checked before introduction to ensure they meet criteria.</p> <p>The Data Protection Officer has started an ongoing series of "health checks"/audits with various Council departments to ensure compliance and to improve practice.</p> <p>The Council's Records Management Plan is to be adopted later in 2014 and will be a 5 year plan covering how the Council manages its records and will include links to our existing information security and data protection policies.</p>	3	4	12	<p>Depute Chief Executive – Resources and People Services</p> <p>Head of Council Resources</p>	<p>Information Security and Data Protection risks combined to create this new risk in April 2014.</p> <p>Risk to be reviewed in November 2014 following commencement of employee training roll out, PSN checks and adoption of Council Record Management plan.</p>
ELC CR 4	<p>Climate Change</p> <p>As the incidence of flooding and coastal erosion increases as an impact of Climate Change, there is an increased risk of disruption to road and path networks, impact on public safety, damage to roads, property, harbours and natural heritage sites and an associated increase in claims against the Council.</p>	<p>Flooding and drainage issues are considered when processing planning applications. Inspection regimes and good housekeeping measures in place and working effectively.</p> <p>The Severe Weather Response Plan has been developed over the past few years and ensures a co-ordinated and consistent multi-agency response across the county. Emergency surface water, coastal and river flood procedures in place and have proven effective.</p> <p>Shoreline Management Plan has been produced and Flood Risk Management Strategy and Plans are being prepared to meet the requirements of the Flood Risk Management (Scotland) Act 2009.</p>	4	4	16	<p>The Council is working with the Community Councils to promote and progress "Resilient Communities" as per the Scottish Government initiative "Ready Scotland".</p> <p>Improved communication with vulnerable groups regarding access and assistance during severe weather events.</p> <p>ELC have commissioned Flood Studies for Haddington and Musselburgh and are to engage a consultant to further develop Flood Protection works on the River Tyne</p>	3	3	9	<p>Depute Chief Executive – Partnerships and Community Services</p> <p>Depute Chief Executive – Resources and People Services</p>	<p>Risk reviewed March 2014</p>

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		Flooding advice is given on the Council website and directs people to the relevant pages on the SEPA website.				and Esk, The implementation of Flood Protection Works is reliant on funding availability.					
ELC CR 5	<p>Duty of Care to Council Staff (Health &amp; Safety)</p> <p>East Lothian Council has a duty of care to all its employees across the full range of services and those who can be affected by the Council's activities.</p> <p>Any breach of this duty of care may affect the health, safety and wellbeing of the Council's employees leading to increased sickness absence, pressures on service delivery with the added potential for claims against the Council for incidents involving employees or non-employees.</p> <p><u>Lone Working</u></p> <p>Failure of the Council to provide employees with an effective Lone Working Policy &amp; Practice and the appropriate training could result in injury or death to those employees resulting in H&amp;S prosecution, civil insurance liability, reputational risk, increased sickness absence, pressures on service delivery and also potential claims against the Council.</p> <p><u>Safe Driving at Work</u></p> <p>"Health and Safety Law applies to on the road work activities as to all work related activities and the risks should be managed within a health and safety management system". Failure to implement a Safe Driving at Work (SDAW) Policy and Guidance to ensure that the Council meets current Health &amp; Safety guidelines and the Corporate Manslaughter and Corporate Homicide Act 2007 could result in the Council facing a significant fine and/or legal action if a serious road accident were to take place involving any driving operation undertaken by employees or Elected Members using personal, Council or hired vehicles, as well as any volunteers, agency workers or other authorised parties driving Council fleet vehicles, in connection with Council business.</p>	<p>Quarterly Joint Health and Safety Committees oversee the Health and Safety Agenda of Council. This is supported by Departmental committees examining health and safety at a department level.</p> <p>All Health and Safety Training needs identified from project plans and Risk Assessment Findings.</p> <p>Safety Management System is in place and is supported by audit and inspection programme across all areas of the Council.</p> <p>Managing attendance and Managing sickness Absence Policies in place. Training for managers in managing attendance and sickness absence in place.</p> <p>Quarterly reviews of Occupational Health Service referral levels take place. Monthly Occupational health contract and work level review takes place along with a review of service need and demands.</p> <p><u>Lone Working</u></p> <p>Information on Lone Working Policy is part of the Service Level Induction process. All employees have received training on the use of the ELC lone working system. Specific procedures are in place in services with a high level of lone working such as Children's Wellbeing and Revenues, including risk assessments and electronic diaries and signing in/out books.</p> <p><u>Safe Driving at Work</u></p> <p>A Safe Driving at Work policy and a Guidance Manual has been drafted by the SDAW Group to ensure that safe driving principles are embedded across the Council. The draft policy will be issued for consultation and once approved will be publicised to all staff and implemented.</p> <p>Arrangements in place to ensure the reporting and recording of all accidents and incidents arising from work related driving as well as identifying and implementing remedial actions following road traffic accidents.</p> <p>Council vehicles used in the course of Council activities properly maintained and fit-for-purpose. All Council vehicles to be maintained in accordance with VOSA publication "Guide to Maintaining Roadworthiness".</p>	3	5	15	<p><u>Duty of Care towards Council staff (including Health &amp; Safety)</u></p> <p>H&amp;S Policy, Management Arrangements, Approved Guidance and Training Suite being created which builds into a H&amp;S competency framework which will then be audited.</p> <p>Training will be identified from Risk Assessments and delivered timeously and built into H&amp;S competency framework.</p> <p><u>Children's Wellbeing</u></p> <p>Lone Working policy and procedures continue to embed within Children's Wellbeing managers and admin staff ensuring that front line employees adhere to Lone Working controls.</p> <p>Senior Management Group will take over functions of Lone Working Group in monitoring use and reviewing current procedures.</p> <p><u>Revenues</u></p> <p>Re-introduce mobile technology with GPS tracking.</p> <p><u>All</u></p> <p>The Council is working towards creating a Potentially Violent Clients Register which will enable the sharing of information relating to potentially violent clients across customer facing teams which in turn allows managers to identify and implement appropriate control measures protecting employees from harm.</p> <p><u>Safe Driving at Work</u></p> <p>Implement and continually review Policy and Guidance through the Safe Driving at Work Group.</p>	2	5	10	<p>Head of Children's Wellbeing</p> <p>Head of Adult Wellbeing</p> <p>Service Manager – Revenues</p> <p>SDAW Group</p> <p>Depute Chief Executive – Partnerships and Community Services</p>	<p>Risks on Lone Working, Safe Driving at Work and Duty of Care amalgamated into one Duty of Care (H&amp;S of employees) Risk in May 2014 at the request of CMT.</p> <p>To be fully reviewed December 2014 following implementation of SDAW Policy and Guidance during 2014.</p>

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ELC CR 6	<p>Development Plan</p> <p>Failure to maintain an up-to-date Local Development Plan could lead to a shortfall in the effective 5 year housing land supply to meet the needs of our growing population and a lack of control over planning decisions due to planning by appeal. This could lead to unplanned development at odds with the Council's planning strategy for East Lothian, and consequent reputational damage. It could also contribute towards the Council not being able to achieve its Council Plan objectives – Growing our Economy and Growing our Communities – and related Single Outcome Agreement objectives.</p> <p>The Local Development Plan is also required to support and guide the provision of infrastructure required to meet the needs of our growing population and growing economy.</p>	<p>Staffing levels and other resources are stretched in fulfilling the task.</p> <p>Preparation of Main Issues Report and Local Development Plan is a Policy &amp; Projects Business Plan objective (ongoing review). Details are set out in the Local Development Plan Scheme with timescales.</p> <p>ELC and SESplan Development Plan Schemes commit to a programme of Development Plan review (reviewed annually).</p> <p>SESplan Joint Committee, Project Board and Steering Group guide joint authority preparation of Strategic Development Plan for Edinburgh and SE Scotland.</p> <p>Community Planning Partnership liaison and involvement through East Lothian Strategic Land Use Planning Group.</p>	5	3	15	<p>Delay to the MIR will be contained by maintaining existing LDP timescale, achieved by shortening consultation timescales from 12 weeks to 6 (statutory minimum)</p> <p>Detailed timeline being drawn up for MIR/consultation/LDP key stages, including internal consultation and allocation of tasks to staff</p>	2	3	6	Planning Manager	<p>Monthly</p> <p>Fortnightly</p>
ELC CR 7	<p>Public Sector Reform</p> <p>Major elements of public sector reform have been or are being implemented including:</p> <ul style="list-style-type: none"> <li>The creation of a national police force and a national fire service;</li> <li>Integration of Health and Social Care and creation of a new H&amp;SC Partnership;</li> <li>Review of Community Planning;</li> <li>New legislative duties in relation to procurement, community empowerment, regulation, and children and young people.</li> </ul> <p>These reforms create uncertainty, additional workload for senior staff, a requirement to restructure services and create new accountability, governance and partnership arrangements.</p> <p>There is continuing uncertainty about the future governance of Scotland, the future structure and governance of local government and the public sector and continuing pressure on public finances. The cost of implementing changes arising from legislation is not always fully reflected in Scottish Government funding.</p> <p>Whilst these risks are dealt with in detail in service risk registers there is a corporate level risk that the Council will not have the resources to fund these changes or the capacity to prepare for all these reforms simultaneously.</p>	<p>Effective working relations with key partners including Lothian &amp; Borders Police, Lothian &amp; Borders Fire and Rescue Service, East Lothian CHP and the voluntary sector are being further developed through regular meetings to prepare for public sector reform.</p> <p>The Council Management Team and Council / Cabinet receive regular reports on the implications of the reform proposals and on the Council's preparations.</p> <p>Planning processes are led by the Chief Executive.</p> <p>Responses to the Scottish Government on consultations around public sector reform are prepared and submitted as required. Financial and resource scoping is carried out as required.</p> <p>Systems for operational, performance and financial management and scrutiny are being prepared.</p> <p>The new Community Planning Partnership structure established in September 2013 provides a more strategic focus for the CPP.</p> <p>The Single Outcome Agreement Development Plan prioritises early intervention, tackling inequalities, joint resourcing, and joint asset management.</p> <p>The scrutiny and accountability arrangements for Police and Fire services, shared between Council and the Safe and vibrant Communities Partnership were established in April 2013.</p> <p>The Shadow Health and Social Care Partnership was established in April 2013 and work is progressing on developing the Integration Plan and Commissioning Strategy for the Partnership in line with the guidance and timetable.</p> <p>The milestones will be closely monitored by the HSCP Board and Officers of East Lothian Partnership on a</p>	4	3	12	<p>Continue to monitor developments in the Public Sector Reform agenda and Scottish Government's legislative programme and develop responses to exploit potential benefits from, or mitigate potential negative impacts of, different future scenarios</p> <p>CMT and elected members will work together to ensure that the Council is prepared for future public sector reform and the differing scenarios for future governance arrangements.</p>	3	3	9	Chief Executive	<p>Risk reviewed and refreshed April/May 2014.</p> <p>Ongoing action.</p> <p>Risk to be reviewed Feb 2015.</p>



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			L	I	L x I		L	I	L x I		
		monthly basis and effective action will be agreed to ensure any misalignment from the agreed milestone is addressed. This will be evidenced by the minutes of meetings which will include an action plan that identifies who is responsible, a timeframe for completion and details of remedial actions.									
ELC CR 8	<p>Welfare Reform</p> <p>The UK Government is introducing a range of measures to reform the welfare system and reduce the budget for welfare benefits by at least £11 billion annually. It has been estimated (Scottish Local Government Forum Against Poverty, Sept 2010) that the changes could result in the loss of £8m - £9.5m annually from welfare benefits paid to East Lothian residents.</p> <p>The changes could lead to:</p> <ul style="list-style-type: none"> <li>• Increase in rent arrears from reduced Housing Benefits and possible increase in evictions</li> <li>• increased pressures on tenancy support and rent collection teams</li> <li>• increase in homeless presentations, placing even more pressure on already stretched resources for temporary accommodation</li> <li>• increase in Council Tax arrears and non-payment of Council Tax</li> <li>• increase in caseload for Adult Wellbeing and Children's Wellbeing staff dealing with vulnerable people affected by cuts in benefits</li> <li>• increase in caseload and demand for services from the Welfare Rights Service</li> <li>• loss of income the Council currently receives for administering Housing Benefits</li> </ul>	<p>The Council has received several update reports and will continue to be updated.</p> <p>The Council has established a Welfare Reform Task Group to plan for changes to the welfare system. The Task Group has a detailed action plan to ensure that the Council takes the necessary measures to prepare for welfare system changes.</p> <p>The work of the group has been based around communications; data sharing; training; and migration to the new benefits system such as the establishment of the Scottish Welfare Fund.</p> <p>The Task Group and workstreams are meeting regularly and will continue to report back to the Council Management Team and to the Council. Key actions that have been completed include:</p> <ul style="list-style-type: none"> <li>• establishing processes and procedures for distributing the Scottish Welfare Fund</li> <li>• revising the Discretionary Housing Payments policy and distributing the additional allocation to tenants affected by the new single occupancy rules</li> <li>• providing training for Council staff on welfare reforms</li> <li>• providing information about welfare reforms to the general public through the Council website (e.g. the welfare reform videos), Living newspaper and Homefront magazine</li> <li>• successfully applying for funding from the Scottish Legal Aid Board for Tenancy Support Officers.</li> </ul>	4	3	12	<p>The Council's Welfare Reform Task Group is revising and updating its Action Plan and will continue to implement the plan to mitigate the impact of welfare reform.</p> <p>An action to mitigate the impact of welfare reform on rent arrears will be developed and progress will be monitored by a senior level task group chaired by the Depute Chief Executive – Partnerships and Community Services</p>	3	3	9	Depute Chief Executive – Resources and People Services Welfare Reform Task Group	<p>Risk reviewed April 2014. Current score reduced from 16 to 12 and predicted score reduced from 12 to 9.</p> <p>Risk is under constant review by the group.</p>

Risk Ref.	Risk Description	Existing Risk Control Measures	Assessment of Current Residual Risk			Planned Additional Risk Control Measures	Assessment of Predictive Risk			Risk Owner	Timescale for Completion / Review Frequency
			Likelihood	Impact	Total		Likelihood	Impact	Total		
			L	I	L x I		L	I	L x I		
ELC CR 9	<p>Public Protection</p> <p>East and Midlothian Public Protection Committee (EMPPC) is being established with effect from June 2014 to replace the current Adult Protection Committee, Child Protection Committee, Offender Management Committee and Violence Against Women Partnership and to ensure robust links with Midlothian and East Lothian Drug and Alcohol Partnership (MELDAP).</p> <p>A failure in this new committee or any problem caused by the increased complexity of its work or it being unable to fulfil its statutory duties/duty of care could result in a service user suffering harm or detriment. This would result in reputational damage to and increased scrutiny of the Social Work service.</p> <p>If a service area is given higher priority than another area then people may be left at risk of harm.</p>	<p>Policies and procedures are in place.</p> <p>Governance and scrutiny arrangements in place through Critical Services Oversight Group (CSOG).</p> <p>Established performance monitoring and reporting mechanisms.</p>	3	4	12	<p>Review all policies, procedures and governance arrangements in light of integrated Public Protection model.</p> <p>Develop co-ordinated approach across all areas,</p> <p>Implementation of revised Public Protection structure will strengthen governance and scrutiny.</p>	2	4	8	<p>Public Protection Team Manager</p> <p>Senior Manager Operations</p> <p>Head of Adult Wellbeing</p> <p>East and Midlothian Public Protection Committee</p>	Risk created May 2014 and to be reviewed following establishment of committee.
ELC CR 10	<p>Severe Weather</p> <p>There is a risk that an extended period of very cold weather or snow such as that which occurred in November to December 2010, will lead to a demand for gritting and clearing of footpaths in all areas which exceeds normal capacity and supplies of salt.</p> <p>This could result in travel disruption, difficulties for people in accessing services, failure to maintain refuse collection timetable and school closures at short notice as well as a possible increase in insurance claims related to pothole damage.</p>	<p>The Infrastructure Winter Maintenance Plan has been in place for some time and ensures that main transport routes are treated as priority.</p> <p>The Council Severe Weather Response Plan has been developed over the past few years and ensures a co-ordinated and consistent multi-agency response across the county.</p> <p>There is a claims protocol in place within the Insurance section.</p> <p>Council's Salt Barn has a capacity of 8,000 tonnes to meet demand arising from severe cold weather.</p> <p>Snow clearing equipment has been supplied to Primary Schools and Community Councils on request. A number of grit bins are provided to enable self-help gritting of adopted roads and footways.</p> <p>Winter Maintenance Duty officers trained as Winter Service Supervisors to City and Guilds level.</p>	3	3	9	<p>Training and awareness sessions for staff.</p> <p>The Council is working with the Community Councils to promote and progress "Resilient Communities" as per the Scottish Government initiative "Ready Scotland".</p> <p>Several Community Councils have started to create their own emergency response plans. A workshop, hosted by East Lothian Council, to further progress Resilient Communities, for the benefit of Community Councils, will take place in October 2014.</p>	3	3	9	Depute Chief Executive – Partnerships and Community Services	Risk reviewed March 2014

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			L	I	L x I		L	I	L x I		
ELC CR 11	<p>Energy and Carbon Management</p> <p>There is a risk of reputational harm (in terms of corporate social responsibility) and the potential for significant unbudgeted costs and financial penalties if the Council does not meet Climate Change (Scotland) Act 2009 (CC(S)A 2009) statutory obligations (increasing cost of Carbon Credits).</p> <p>Examples of this risk include:</p> <ul style="list-style-type: none"> <li>• More expensive travel due to increase fuel costs and taxes</li> <li>• Rising energy costs due to oil and gas price increases and Carbon Reduction Commitment (CRC)</li> <li>• Less energy security due to potential UK and worldwide resource constraints for fuel and electricity.</li> </ul>	<p>A Carbon Management Plan (2009-14, extended to 2015) is in place, which aims to achieve emissions and cost reductions set out by the Scottish Government and the Council. Progress is reported annually, and includes a number of energy efficiency and management projects.</p> <p>The current carbon management plan covers the period 2009-14. It was agreed at the Carbon Management Board meeting in December 2012 that the current CMP would be extended to 2014/15.</p> <p>The Council is on target to meeting the 25% reduction target. However, the Climate Change (Scotland) Act interim carbon target is 42% reduction by 2020. It will become increasingly harder and more costly to meet the target, as the easy wins have been identified and implemented.</p>	3	3	9	Review and update the Carbon Management Plan 2016-2020	3	3	9	Depute Chief Executive – Partnerships and Community Services	Risk reviewed March 2014
ELC CR 12	<p>Standards in Public Life</p> <p>Failure of corporate governance or to meet standards in public life.</p> <p>Failure of the Council's corporate governance or of officer or members to meet standards in public life could result in reputational damage.</p>	<p>The main internal controls are the Council's Code of Corporate Governance, the Annual Governance Statement, Standing Orders, Scheme of Administration and Financial Regulations. Standing Orders (the Schemes of Administration and Scheme of Delegation) were extensively revised and approved by Council in August 2013. Other changes include the role of statutory officers and job outlines for senior officers.</p> <p>The conduct of elected members and employees is governed by Codes of Conduct. The Audit and Governance Committee also has a role in promoting good governance. The Council's Monitoring Officer and legal advisers provide advice as required.</p> <p>A programme of briefings for Elected Members has been established during 2013 with an event scheduled at least once every two months during the current committee session (2013/14). Briefing topics include: Code of Conduct, Health Inequalities and Suicide in East Lothian.</p> <p>The Council is developing its links with the Local Area Network of audit and inspection agencies and with its Auditors.</p>	3	3	9	<p>Dates have already been earmarked for briefings to Elected Members to continue during the session 2014/15. The majority of the briefings will be delivered by external professionals such as Audit Scotland and the Standards Commission.</p> <p>Elected Members will have a further opportunity to participate in the Improvement Service's CPD programme.</p>	2	3	6	Depute Chief Executive – Resources and People Services	<p>Risk reviewed March 2014.</p> <p>Actions ongoing through 2014/15.</p> <p>Risk to be reviewed March 2015.</p>
ELC CR 13	<p>Business Continuity</p> <p>Non availability of:</p> <ul style="list-style-type: none"> <li>• premises, through fire, flood or other incident;</li> <li>• key staff or significant numbers of front-line staff for any reason including a Pandemic; and/ or</li> <li>• systems (IT, telephony, power failure etc)</li> </ul>	<p>Business Continuity Framework Plan in place and regularly reviewed. This corporate document reflects information from each service continuity plan and contains information required to prioritise relocation of council services and restoration of critical services.</p> <p>Business Continuity Plans are produced by all service areas, giving details of minimum levels of staff, alternate locations, exercise and review dates and version control.</p>	2	4	8	<p>An IT Disaster Recovery Plan to be written which will cover Disaster Recovery arrangements for the Council's main data centres (JMH &amp; Penston House).</p> <p>Management Information software has been purchased and will assist in the maintenance and review process of all plans once fully</p>	2	3	6	Depute Chief Executive – Partnerships and Community Services Depute Chief Executive – Resources	Fuel shortages risk included within Business Continuity risk in April 2014 and new risk reviewed and updated with amended planned measures reducing predicted score

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			L	I	L x I		L	I	L x I				
	<ul style="list-style-type: none"> <li>any form of transportation due to a fuel shortage</li> </ul> <p>The occurrence of any of these will have an adverse effect on the Council to function fully and to carry out our statutory requirements.</p>	<p>IT –specific disaster recovery arrangements in place for the critical systems – e-mail and social care. These have duplicate services in place off site which can be brought into action if we lost the main data centre at JMH.</p> <p>For single server failure - there are over 100 systems now running on virtual servers which automatically fall over to another server if there are hardware issues.</p> <p>Controls that are in place to prevent and limit the effects of IT system unavailability including firewalls, anti-virus software, system/ data backup routines, and resilience in the form of a back-up generator for the main data centre at JMH.</p> <p>The Council has a Fuel Plan in place and is able to call a Fuel Group at anytime. Fuel supply held at our depots and can be sourced externally from local fuel service stations and through shared services with other Local Authorities.</p>				operational.	Regular monitoring of current fuel stock and assessment of any weather predictions, political developments or industrial action etc that may affect fuel availability.				and People Services	from 8 to 6.	
ELC CR 14	<p>Equality</p> <p>Failure to meet duties and legislative requirements of the Single Equality Act 2010</p> <p>The Single Equality Act 2010 and related guidance places a general duty on public authorities to be active in promoting equality, eliminating unlawful conduct and fostering good relations. It also places specific duties on public authorities to</p> <ul style="list-style-type: none"> <li>report on mainstreaming the equality duty</li> <li>publish equality outcomes and report progress</li> <li>assess and review policies and practices</li> <li>gather and use employee information</li> <li>publish gender pay gap information</li> <li>publish statements on equal pay</li> <li>consider award criteria and conditions in relation to public procurement</li> <li>publish in a manner that is accessible.</li> </ul> <p>There is a risk that the Council may not be able to meet its general or specific duties and in particular at a time when difficult budget decisions are having to be made that there will be cuts in services or increases in charges that have a disproportionate impact on people who may need those services most because of their equality background.</p> <p>The Council would be open to legal challenge of not meeting its duties and in particular of not carrying out adequate assessment of impact of policies and budget decisions.</p>	<p>ELC Equality Plan in place and available online</p> <p>A new Combined Impact Assessment Process has been developed with Midlothian Council and NHS Lothian to support the Council to meet its legal duties.</p> <p>HR is capturing the employment monitoring information required under the Act and reporting it appropriately.</p> <p>E Learning equalities modules are available on Learn Pro and 'Get in on the Act' guides to the Council's legal responsibilities are available for all employees and Elected members.</p>	2	4	8	Embedding of new Combined Impact Assessment procedure across all Council services, including new online learning modules and face to face briefings.	Equality Impact Assessment carried out as part of the budget preparation process.	Equality indicators included as part of the Performance Framework and SOA indicator set	1	4	4	Depute Chief Executive – Partnerships and Community Services	Risk reviewed and refreshed March 2014, to be further reviewed December 2014.

<b>Original date produced (Version 1)</b>	13 April 2011		
<b>File Name</b>	East Lothian Council Corporate Risk Register		
<b>Original Author(s)</b>	Scott Kennedy, Risk Officer		
<b>Current Revision Author(s)</b>	Scott Kennedy, Risk Officer		
<b>Version</b>	<b>Date</b>	<b>Author(s)</b>	<b>Notes on Revisions</b>
1	13/04/2011	S Kennedy	Original Version
2	05/12/2011	S Kennedy	2 <sup>nd</sup> version made available to BoD for review
3	23/08/2012	S Kennedy	Draft version updated
4	15/11/2012	S Kennedy	Updated following BoD meeting and Strategy update
5	07/12/2012	S Kennedy	Updates received from services following BoD recommendations
6	18/12/2012	S Kennedy	Updated with additional risks.
7	04/01/2013	S Kennedy	Updated following consideration by CMT
8	09/05/2013	S Kennedy	EP & BC Risks updated
9	31/07/2013	S Kennedy	Data Protection Risk Added
10	01/11/2013	S Kennedy	Welfare Reform Risk updated (no change to score)
11	04/03/2014	S Kennedy	New Corporate Risks added on Safe Driving at Work, VERS, Fuel Shortages and Lone Working
12	March/April 2014	S Kennedy	All risks reviewed, refreshed and scores updated where required.
13	11/04/2014	S Kennedy	New Corporate Risk on Integration of Health & Social Care and Adult Wellbeing added.
14	25/04/2014	S Kennedy	Amendments following consultation with CMT and Risk Authors
15	01/05/2014	P Vestri	Amendments following review of latest draft by Chief Executive and Depute Chief Executives.
16	27/05/2014	S Kennedy	Final amendments following consultation with CMT and Risk Authors including addition of Development Plan and Public Protection risks

<b>Risk Score</b>	<b>Overall Rating</b>
<b>20-25</b>	<b>Very High</b>
<b>10-19</b>	<b>High</b>
<b>5-9</b>	<b>Medium</b>
<b>1-4</b>	<b>Low</b>