

REPORT TO: POLICY & RESOURCES COMMITTEE – 20 FEBRUARY 2023

REPORT ON: RISK MANAGEMENT ANNUAL REPORT

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 32-2023

1.0 PURPOSE OF REPORT

To present to Policy and Resources Committee:

- The annual review of Risk Management
- Review of Risks in the Council's Corporate risk Register

2.0 RECOMMENDATIONS

It is recommended that Committee:

- Note the content of this report
- Remit this report to Scrutiny Committee for further consideration

3.0 FINANCIAL IMPLICATIONS

None.

4.0 BACKGROUND

4.1 Article VIII of the Minute of Meeting of the Policy and Resources Committee of 21 February 2022, Report No 62-2022 refers. This report presented a full review of the Council's Corporate Risk Register (CRR), and updates on the Risk Management Improvement Plan and work undertaken on horizon scanning for future risks.

4.2 Article V of the Minute of Meeting of the Policy and Resources Committee of 25 January 2021, Report No 47-2021 refers. This report presented a full review of the Council's CRR with reference to Service Risk Registers (SRRs) and the Council's Covid19 Recovery Risk Register (C19 RRR).

4.3 Article III of the Minute of Meeting of the Policy and Resources Committee of 27 January 2020, Report No 29-2020 and Article III of the Minute of Meeting of the Policy and Resources Committee of 10 December 2018, Report No 378-2018 refer. These reports provided Committee with summary reviews of the Council's CRR.

4.4 Article XV of the Minute of Meeting of the Policy and Resources Committee of 24 August 2020, Report No 193-2020 refers. This report presented the Council's C19 RRR.

5.0 RISK MANAGEMENT OVERVIEW

5.1 In undertaking reviews of the CRR, it is acknowledged that the nature of a risk at corporate level can vary significantly from similarly titled risks at a service level. However, the service level risks are an important guide to where underlying risks to the Council may lie and, as a result, due consideration is given to these when assessing the Council's corporate risks.

5.2 The CRR is reviewed regularly throughout the year by the Council's Leadership Team (CLT) and, separately, by the Council's Risk and Assurance Board (RaAB) (section 6.0 of this report refers) which meets every two months. A more in-depth review of critical risks is also undertaken outwith the RaAB by the Executive Director of Corporate Services (the Council's Senior Risk Officer), in conjunction with the Council's Corporate Risk Management Coordinator (CRMC). A detailed review of the CRR is covered more fully in Section 6.0 below with reference to Appendices A and B attached to this report.

5.3 The Covid-19 pandemic continued to have an impact over the past year, although to a lesser and reducing extent than previously, although the risk remains of further Covid-19 variants developing which could be equally or more transmissible than previous variants, potentially leading to more serious illness and placing further strain on the Council's services and resources. Notwithstanding the potential for this, a decision was taken at the RaAB to archive the C19 RRR, with consideration of risks contained in the C19 RRR reverting to a 'business as

usual' basis, i.e. a potential resurgence of Covid 19 is to be taken into consideration when risks are reviewed.

- 5.4 The Corporate Risk Management Working Group (RMWG) held its final meeting on 16 March 2022, having continued to meet quarterly throughout the pandemic. The RMWG has since been superseded by the RaAB which meets bi-monthly.

6.0 RISK AND ASSURANCE BOARD

- 6.1 Implementation of the Council's risk management improvement plan (RMIP) commenced in 2018 following recruitment of a Corporate Risk Management Coordinator and at that time a Risk Management Working Group (RMWG) was established to provide added rigour and ensure the RMIP was fully implemented. The final outstanding element of the RMIP was completed early 2022.
- 6.2 With the RMIP being complete and focus moving to ongoing maintenance and enhancement of risk management procedures which were introduced as part of the RMIP, the RMWG needed to re-focus. To enable this and continue efforts to enhance risk management and assurance levels, the RMWG was collapsed early in 2022 and immediately replaced by the new Risk and Assurance Board (RaAB). This has effectively assumed the responsibilities of the RMWG in addition to which further responsibility for assurance has been taken on.
- 6.3 The RaAB meets every two months, Chaired by the Executive Director of Corporate Services. Membership includes all Heads of Service and other relevant officers – the full membership is detailed within the Council's Risk Management Policy and Strategy (RMPS) which is presently under review – refer section 9.0 below.
- 6.4 The full remit of the RaAB is also contained in the RMPS and, among other things, this includes a requirement to discharge the remit previously attaching to the RMWG.

7.0 REVIEW OF THE COUNCIL'S CRR

- 7.1 As stated at 5.2 above, the CRR risks are regularly and rigorously reviewed, with assessed changes to the level of risk being updated to Pentana on an ongoing basis, along with new risks added and historic risks removed as considered appropriate.
- 7.2 A standard format of report is in use for reporting to the CLT, and a copy of this is attached at Appendix A. This uses the Council's standard five by five risk matrix to show the current and proposed residual risk assessments together with supporting narrative.
- 7.3 The Pentana risk report attached at Appendix B sets out the current CRR risk assessments and the control measures in place to mitigate the risks.
- 7.4 In recognition of the information contained in Appendices A and B, the following comments from 7.5 to 7.14 have been restricted to summary comments in relation to key aspects only. Note that residual scores are referenced in this report. However, both residual and inherent scores are detailed in Appendix B.
- 7.5 **DCC001 – Financial Sustainability:**
The impact score has consistently remained at 5 'EXTREME'. However, the likelihood score was increased at the January 2021 review from 2 'UNLIKELY' to 3 'POSSIBLE' and has since been increased to 4 'LIKELY'. Overall score 20 'VERY HIGH'. Finance remains a key factor underpinning the Council's ability to deliver services. Taking account of the recent Autumn Statement which indicates extreme financial constraints continuing at both national and local levels for a considerable period, together with the inflationary pressures seen in the aftermath of the Coronavirus pandemic, Brexit and the war in Ukraine, there appears no immediate prospect that the major factors driving this risk will ease.
- 7.6 **DCC004 – City Vision:**
This risk has historically been divided into three separate sub-risks: a) Children & Young People Development Risk; b) Lack of Economic Productivity / Sustainability; and c) Lack of Neighbourhood & Community Improvement. However, consideration is being given to realigning these to reflect the new Council and Corporate Plans. The risk register will be updated on completion of the review and following referral to the RaAB and CLT.

- 7.7 DCC007 – Information Governance
This risk remains in the overall 'HIGH' category with a score of 10, driven by the fact that any serious breach could have a very significant impact. However, and whilst the Impact score remains at 5 'EXTREME', with comprehensive control measures and monitoring procedures in place the Likelihood score has been reduced from 3 'POSSIBLE' to 2 'UNLIKELY'.
- 7.8 DCC008 – Workforce
Difficulties with recruitment, retention and associated loss of experienced members of the Council's workforce places considerable strain on officers and systems and comments in Appendix A reflect this. The financial constraints alluded to at 7.5 above do not assist. These issues have resulted in an increase to the Likelihood score from 3 'POSSIBLE' to 4 'LIKELY' and coupled with the Impact score of 4 'MAJOR' the overall risk score has increased from 12 to 16 and remains in the 'HIGH' category.
- 7.9 DCC013 – Fraud & Corruption
Whilst the Council will always have exposure to fraud and corruption, it is considered that the range of controls in place represent a good defence and the Likelihood score has been reduced to reflect this, from 4 'LIKELY' to 3 'POSSIBLE'. The Impact score remains unchanged and the overall score is reduced 12 'HIGH'.
- 7.10 DCC015 – Property
This risk was added to the CRR in 2021, and was split at that time into two sub-risks, 'Housing' and 'Other'. This position has been recently reviewed and the sub-risks revised. These are now expressed as:
- DCC015a – Delivery of General Fund Service(s) Affected by Loss of Critical Asset(s)
 - DCC015b – Delivery of HRA Service(s) Affected by Loss of Critical Assets
 - DCC015c – Delivery of the Council's Long-Term Objectives is Impacted by Insufficient Investments in Assets and Infrastructure
- The scoring of these revised risks for Likelihood and Impact alongside consideration of the control measures in place remains ongoing.
- 7.11 Risks added to the CRR during 2022
- DCC016 – Climate Change
 - DCC017 – Public Sector Reform
- Further comment on these follows at 7.12 to 7.14 below
- 7.12 DCC016 – Climate Change
It is forecast that there will be an increasing incidence of adverse and more extreme weather events, with associated impacts on the ability to deliver both Council and City plans. In response, the Council has declared a 'climate emergency' and is taking steps to address the associated risks. Given the extent of risk and potential impact, this has been formalised with the addition of Climate Change to the CRR. The inherent assessment of this risk is at the highest level, with the residual assessment being moved down a notch for both likelihood and impact to 4 'Likely' and 4 'Major' respectively pending further ongoing assessment.
- 7.13 DCC017 – Public Sector Reform
Public sector reform is viewed as a category of potential multiple risks, and for this reason has been established to 'hold' associated sub-risks. There is only one sub-risk at present but others will be added as and when it is considered appropriate. The risk presently added is outlined at 7.14 below.
- 7.14 DCC017a – National Care Service (NCS)
There remains considerable uncertainty over the final format of the NCS – its reach, structure, extent of staff and client impact, local relationships, funding, provision of support services etc. This lack of clarity results in a considerable risk to the Council in that the ultimate impact remains unknown. For this reason, it has been added to the CRR and scored as Likelihood 5 'Almost Certain' and Impact 5 'Extreme', overall 25 'VERY HIGH'. There are limitations on the Council's ability to mitigate the risk, with the main tools presently available being to influence both directly and through membership of appropriate external bodies alongside scenario planning in conjunction with consideration of potential impacts.
- 7.15 In summary the Council's corporate level risks, as set out in the CRR, are proactively managed and subject to active and ongoing regular review by the RaAB and the CLT.

8.0 COVID-19 RECOVERY RISK REGISTER (C19 RRR)

8.1 Almost three years into the Covid-19 pandemic, the Council's C19 RRR has been deactivated and the risks associated with a possible resurgence of Covid-19 are being considered alongside other risks at both Corporate and Service level.

9.0 RISK MANAGEMENT POLICY AND STRATEGY (RMPS)

9.1 The Council's RMPS was last presented to the 10 December 2018 meeting of the Policy and Resources Committee, Article III, Report No 378-2018, and was subsequently approved at the 13 February 2019 meeting of the Council's Scrutiny Committee, Article IV.

9.2 The RMPS includes a requirement that it "will be subject to at least one formal review during each administrative term, at intervals not exceeding five years."

9.3 A new administrative term commenced during 2022, the RMWG (referenced in the RMPS) has been replaced by the RaAB and four years have now passed since the RMPS was reported to Committee, and a review at this time is therefore considered appropriate.

9.4 This review has commenced but further consideration of certain aspects is required by the RaAB. Once this has been done it will be presented to CLT prior to being presented to Policy and Resources and Scrutiny Committees early in 2023.

10.0 POLICY IMPLICATIONS

This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

11.0 CONSULTATIONS

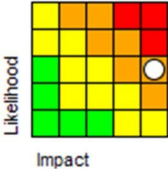
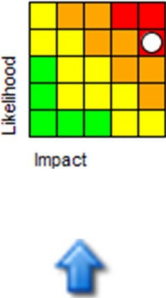
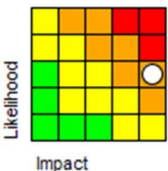
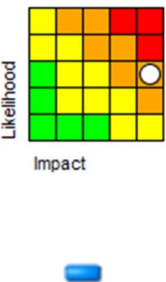
The Council Leadership Team was consulted in the preparation of this report.

12.0 BACKGROUND PAPERS

None.

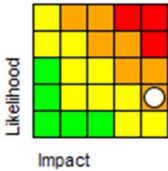
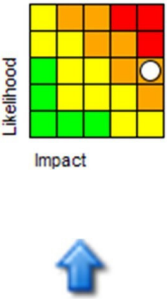
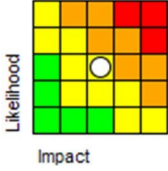
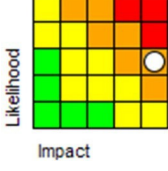
ROBERT EMMOTT
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

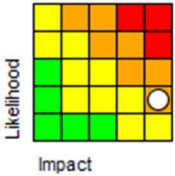
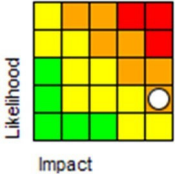
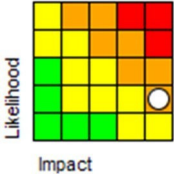
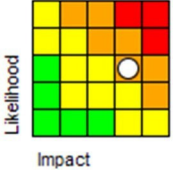
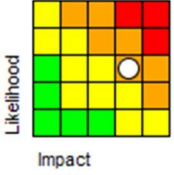
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Risk Code & Title	Risk Description	Residual Risk Assessment Current	Residual Risk Assessment Proposed
DCC001 Financial Sustainability	<p>Risk that the Council is unable to deliver priorities and meet financial obligations due to financial constraints arising from funding pressures and demand pressures</p> <p>Impact / Consequences</p> <ul style="list-style-type: none"> - Fail to deliver objectives - Maintaining sufficient revenue and capital resources to meet ambitions - Reputational damage of going concern issues - Lack of funding for capital and change programmes - Need to resort to short-term reactive measures - Failure to achieve Best Value <p>Rationale</p> <p>The projections in the Resource Spending Review, coupled with the potential impact of the creation of the National Care Service have increased the likelihood of this risk.</p>		
DCC002 Effectiveness of Partnerships	<p>Risk that partnerships are not effectively commissioned, contracted and monitored and fail to deliver expected results. Key partnerships include:</p> <ul style="list-style-type: none"> • L&CD • Tayside Contracts • Tayside Procurement Consortium - Tayside Scientific Services • Tayside Plan for Children, Young People and Families • Employability Partnership • Alcohol and Drugs Partnership <p>NB: IJB /DH&SCP is considered separately as risk DCC012 IJB/DHSCP</p> <p>Impact / Consequences</p> <ul style="list-style-type: none"> • Reputational damage • Risk of dispute arising between partners • Partnership breakdown causes or is caused by failure to deliver outcomes / priorities • Needs are not met in accordance with approved strategies and policies • Potential overspends / additional costs incurred • Partnerships do not deliver value for money <p>No Change</p>		


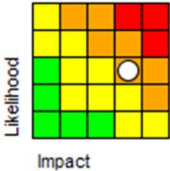
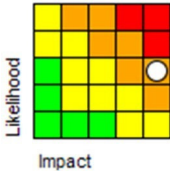
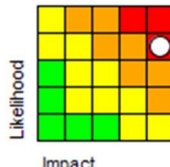
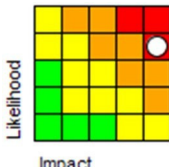
CORPORATE RISK REGISTER PROPOSED CHANGES


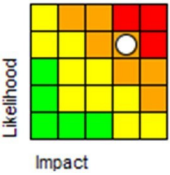
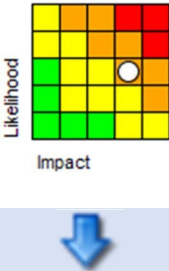
APPENDIX A

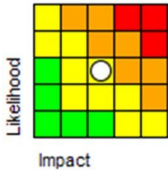
<p>DCC003 Resilience</p>	<p>Risk that the Council is unable to deliver critical services due to inadequate business resilience or cyber security arrangements. Risk that the Council cannot respond to or support emergencies in its area, or meet requirements of the Civil Contingencies Act 2004</p> <p>Impact / Consequences</p> <ul style="list-style-type: none"> - Allow physical, financial or emotional harm to come to citizens or stakeholders - Unable to deliver frontline services following disaster, failure or cyber security incident - Loss of information / records - Reputational impact - Unlawful disclosure of sensitive information - Financial cost and penalties <p>Rationale The longevity of the Covid outbreak, cost of living, and refugee pressures have increased the likelihood of this risk.</p>		
<p>DCC004 * City Vision</p>	<p>Comprises three sub-risks</p>	<p>It is proposed that these risks be updated to reflect the new Council and Corporate plans once agreed</p>	
<p>DCC004a Children & Young People Development Risk</p>	<p>Risk that our children and young people will not have the best start in life. Risk that Dundee will not be the best place in Scotland to grow up.</p> <p>Impact / Consequences</p> <ul style="list-style-type: none"> - Constant or deteriorating early years outcomes. - Attainment gap remains the same or is widening. - No improvement to physical, mental and emotional health for children & young people. - No improvement to health and wellbeing outcomes for children and young people who experience inequalities. - No improvement to the safety and protection of young people. 		<p>See DCC004 above</p>
<p>DCC004b Lack of Economic Productivity / Sustainability</p>	<p>Risk that the local economy, which is part of the Tay Cities Region, is not developed to become strong, sustainable and connected. Risk that the local economy is not more productive, smarter and fairer.</p> <p>Impact / Consequences</p> <ul style="list-style-type: none"> - Unable to close the jobs gap by increasing the number of people in Dundee in work to the Scottish average. - Unable to reduce unemployment. 		<p>See DCC004 above</p>

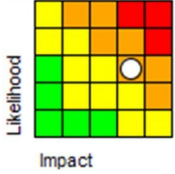
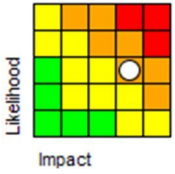
	<ul style="list-style-type: none"> - Productivity cannot be raised to the Scottish average. - Unable to improv community priority areas of traffic, parking and public transportation. 		
<p>DCC004c</p> <p>Lack of Neighbourhood & Community Improvement</p>	<p>Risk that stronger, more resilient, influential and inclusive communities and neighbourhoods are not created.</p> <p>Impact / Consequences</p> <ul style="list-style-type: none"> - Unable to improve quality of neighbourhoods - Unable to increase the level of community empowerment. - No improvement to the quality of housing, choice and affordability. - Unable to improve access to healthy, green and open spaces. - Transport connections to communities are not improved. - Unable to reduce levels of domestic abuse, crime and re-offending. - Unable to improve road safety. - Anti-social behaviour levels increase. 		<p>See DCC004 above</p>
<p>DCC005</p> <p>Governance</p>	<p>Risk that the Council's governance arrangements do not operate effectively in order to meet stakeholder and legislative requirements.</p> <p>Impact / Consequence</p> <ul style="list-style-type: none"> - Fail to deliver objectives - Unable to demonstrate Best Value - Inappropriate use of resources (from fraud or error) - Inadequate transparency - Poor decision making - Increased scrutiny <p>No Change</p>		
<p>DCC006</p> <p>Corporate Health & Safety</p>	<p>Risk that the Council has inadequate arrangements to protect those for whom it has a duty of care.</p> <p>Impact / Consequence</p> <ul style="list-style-type: none"> - Allow harm to come to citizens, tenants, staff or stakeholders - Reputational impact of failure - Legal intervention - Financial cost and liabilities - Impact on staff wellbeing <p>No Change</p>		

<p>DCC007</p> <p>Information Governance</p>	<p>Risk that the Council information is not governed in line with legislative requirements, including GDPR and FOI legislation.</p> <p>Impact / Consequences</p> <ul style="list-style-type: none"> - Allow confidential or sensitive information to be shared unlawfully - Reputational impact of failure - Legal intervention - Prosecution - Financial cost and liabilities - No suitable information available to support decision making <p>Rationale</p> <p>The Council has in place comprehensive control measures and monitoring arrangements which have reduced the likelihood of an extreme event.</p>		
<p>DCC008</p> <p>Workforce</p>	<p>Risk that there is inappropriate or insufficient staff resources to meet service demands and deliver the Council vision</p> <p>Impact / Consequences</p> <ul style="list-style-type: none"> - Fail to deliver objectives - Increased sickness absence - High vacancy level / inability to recruit - Reliance on contractors / agency staff - Loss of corporate knowledge from departures - Inadequate skills / experience - Lack of resources to deliver priorities - Impact on personal wellbeing - Loss of specialist skills to competitors <p>Rationale</p> <p>The Council is facing continued challenges in recruiting and retaining staff (including due to early retirement, competition and supply) which has increased the likelihood of this risk.</p>		
<p>DCC009</p> <p>Statutory & Legislative Compliance</p>	<p>Risk that the Council fails to operate in accordance with law, regulation and statutory guidelines</p> <p>Impact / Consequences</p> <ul style="list-style-type: none"> - Non compliance and legal challenge - Financial cost and liabilities 		

	<ul style="list-style-type: none"> - Obligations to vulnerable groups not met - Reputational impact - Ministerial or Regulatory action/censure - Failure to achieve Best Value <p>No Change</p>		
<p>DCC010</p> <p>Major Project Delivery</p>	<p>Risk that major projects are not delivered on time, to budget and do not provide the designed benefits.</p> <p>Impact / Consequences</p> <ul style="list-style-type: none"> - Fail to deliver objectives - Essential services not delivered - Financial cost and liabilities - Reputational impact <p>No Change</p> <p>The risk associated with the delivery of projects is not considered to have changed.</p>		
<p>DCC011</p> <p>Transformation</p>	<p>Risk that transformation and change impacts on business as usual activities, fails to deliver objectives and benefits or is insufficient in response to the changing external environment.</p> <p>Impact / Consequences</p> <ul style="list-style-type: none"> - Fail to deliver objectives/implement agreed changes - Financial cost and liabilities - Demand and expectations not met - Fail to achieve required savings - Reputational impact - Impact on staff wellbeing and culture <p>No Change</p> <p>There is an increased imperative to deliver savings through transformation but at this stage it is not considered that the risk has increased.</p>		
<p>DCC012</p> <p>IJB / DHSCP</p>	<p>Risk that the Dundee HSCP is unable to deliver statutory / essential services due to financial, workforce or governance issues</p> <p>Impact / Consequences</p> <ul style="list-style-type: none"> • Unable to meet aims within anticipated timescales 		

	<ul style="list-style-type: none"> • Unable to maintain spend within allocated resources • staffing issues impact on organisational priorities and operational delivery • adverse impact on staff engagement / buy-in • impact on staff morale and potential exposure to claims <p>No Change</p>		
<p>DCC013</p> <p>Fraud & Corruption</p>	<p>Risk that the council is exposed to all elements of fraud & corruption including those in the following categories:</p> <ul style="list-style-type: none"> ~ financial transactions including money laundering ~ human resources ~ procurement & contracting ~ property leases & land ~ IT / data ~ decision making <p>Impact / consequences</p> <ul style="list-style-type: none"> ~ financial loss to the council ~ failure to achieve best value ~ inappropriate awards of contracts ~ potential sub-standard service ~ potential legal challenge ~ adverse audit ~ reputational damage to the council ~ impact on staff morale ~ failure to comply with legislation / regulation ~ inappropriate influence / decision making ~ data loss / misappropriation ~ enabling serious organised crime <p>Rationale</p> <p>The Council is inevitably exposed to the risk of fraud and corruption. The range of controls implemented means that the likelihood of a significant incident should reduce from likely to possible.</p>		

<p>DCC014</p> <p>Brexit</p>	<p>Risk that the Council is unable to deliver key services / projects and that there is ongoing local and national economic impact due to Brexit, including from a lack of knowledge over associated implications and resultant difficulty in making specific focused preparations for potential impacts</p> <p>Impact / Consequences</p> <ul style="list-style-type: none"> ~ LGFS is adversely impacted ~ loss of key EU staff - partners / contractors ~ loss of EU funding in medium to longer term ~ potential for changes to legislation / regulation ~ wider economic issues due to impact of Brexit on the economy ~ potential procurement issues including increased cost of goods and services, and difficulties in procuring these ~ uncertain economic climate for businesses, impacts on economic growth, recruitment and investment decisions ~ potential reduction in supply of labour for key employers and sectors ~ increase in poverty / destitution / homelessness presentation due to Brexit on poorest local residents <p>Rationale</p> <p>This risk has materialised, with consequences now being managed. The individual impacts of Brexit are now reflected in specific risks including workforce, resilience and financial sustainability.</p>		<p>Remove from Corporate Risk Register</p>
<p>DCC015</p>	<p>The property risk is split into between Housing Stock and other property as below:</p>	<p>It is proposed that these risks be replaced by:</p> <ul style="list-style-type: none"> (a) the risk that General Fund services(s) cannot be delivered due to the loss of critical asset(s); (b) the risk that HRA services(s) cannot be delivered due to the loss of critical asset(s);and (c) the risk that there is insufficient investment in assets and infrastructure to support the delivery of the Council's long term objectives. 	
<p>DCC015a</p> <p>Property - Housing</p>	<p>The Council has a large-scale exposure to risk, as landlord of its Council Housing stock. This extends to around 12,500 Council owned residential properties.</p> <p>There is considerable ongoing risk associated to the above with, for example fire, vandalism and flood risks; property demand and affordability generally have been affected by the Covid-19</p>		<p>See DCC015 above</p>

	<p>pandemic; large scale one-off issues affecting multiple units (compliance of roofs with legislative / regulatory requirements). Climate change adds to the risk levels, with potential. for more frequent and intense storms resulting in increased incidence of damage and loss, and ongoing expectations of improving standards in respect of insulation, heating, cooling, quality.</p> <p>Impact / consequences</p> <ul style="list-style-type: none"> - Increased costs of compliance / protection / maintenance - Loss of income - Political / reputational damage of inadequate action - Inability to deliver service(s) - Insufficient / inadequate housing stock to meet demand - Increased H&S risks 		
<p>DCC015b</p> <p>Property - Other</p>	<p>This risk covers all property, other than housing stock, for which the Council has responsibility as owner-occupier, tenant and landlord. This extends to:</p> <ul style="list-style-type: none"> - educational establishments, with an extensive schools estate ; and - a further c£1bn property portfolio. <p>There is considerable ongoing risk associated to the above with, for example: the schools portfolio having suffered loss through fire damage; the Covid-19 pandemic having affected property demand and values, and accelerated changes in the make up of UK high streets. Climate change adds to the risk levels, with potential for more frequent and intense storms resulting in increased incidence of damage and loss, and ongoing expectations of improving standards in respect of insulation, heating, cooling, quality.</p> <p>Impact / consequences</p> <ul style="list-style-type: none"> - Increased costs of compliance / protection / maintenance - Loss of income - Loss of / damage to critical infrastructure - Political / reputational damage of inadequate action - Inability to deliver service(s) - Increased H&S risks 		<p>See DCC015 above</p>

FOLLOWING RISKS TO BE ADDED TO THE CORPORATE RISK REGISTER

CORPORATE RISK REGISTER PROPOSED CHANGES

APPENDIX A

DCC016 Climate Change	A new risk is proposed that the Council is unable to deliver the Council and Corporate plans due to the impact of climate change.	TBC	New risk
DCC017 Public Sector Reform	A new risk group is proposed called Public Sector Reform		
DCC017a National Care Service	A sub risk of Public Sector reform is proposed called National Care Service which reflects the impact on both the council and the services it delivers arising from the creation of the national Care Service	TBC	New risk

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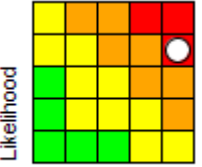
CRMC - Committee Risk Report

Report Type: Risks Report

Report Author: Colin Carmichael

Generated on: 18 January 2023




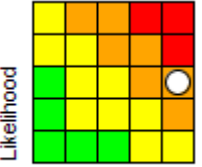
RISK CODE & TITLE	RISK DESCRIPTION	INHERENT RISK	CURRENT RISK	CONTROL MEASURES
DCC001 Financial Sustainability	<p>Risk that the Council is unable to deliver priorities and meet financial obligations due to financial constraints arising from funding pressures and demand pressures</p> <p>Impact / Consequences</p> <p>Fail to deliver objectives</p> <p>Maintaining sufficient revenue and capital resources to meet ambitions</p> <p>Reputational damage of going concern issues</p> <p>Lack of funding for capital and change programmes</p> <p>Need to resort to short-term reactive measures</p> <p>Failure to achieve Best Value</p>			<p>Budget setting and approval process.</p> <p>Capital Plan setting and approval process.</p> <p>Capital Investment Strategy approval.</p> <p>Capital and revenue monitoring.</p> <p>Approval of 3 year revenue budget.</p> <p>Option Appraisals/business cases requirements and approval process.</p> <p>Finance and Support Manager embedded in services.</p> <p>Capital Strategy Group scrutiny.</p> <p>Formal Timetable for revenue and capital monitoring</p> <p>Corporate Leadership Team approval and actions regarding revenue monitoring.</p> <p>Reserves Policy</p> <p>Medium Term Strategy</p>

RISK CODE & TITLE	RISK DESCRIPTION	INHERENT RISK	CURRENT RISK	CONTROL MEASURES
DCC002 Effectiveness of Partnerships	<p>Risk that partnerships are not effectively commissioned, contracted and monitored and fail to deliver expected results. Key partnerships include:</p> <ul style="list-style-type: none"> • L&CD • Tayside Contracts • Tayside Procurement Consortium – Tayside Scientific Services • Tayside Plan for Children, Young People and Families • Employability Partnership • Alcohol and Drugs Partnership <p>NB: IJB /DH&SCP is considered separately as risk DCC012 IJB/DHSCP</p> <p>Impact / Consequence:</p> <ul style="list-style-type: none"> • Reputational damage • Risk of dispute arising between partners • Partnership breakdown causes or is caused by failure to deliver outcomes / priorities • Needs are not met in accordance with approved strategies and policies • Potential overspends / additional costs incurred • Partnerships do not deliver value for money 			<ul style="list-style-type: none"> Statutory Consultation Process Joined-up vision & defined objectives Performance Management Framework Partnership Risk Strategy / Plan Governance Structure Partnership contract / Service Level Agreement Benchmarking / Market Testing Financial Monitoring Governance Structure Due Diligence & Financial Governance Monitoring Meetings Review Meeting & Reporting Quarterly Lead Officer Review Meeting 'Follow The Public Pound' Reporting


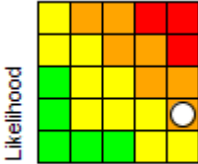
RISK CODE & TITLE	RISK DESCRIPTION	INHERENT RISK	CURRENT RISK	CONTROL MEASURES
DCC003 Resilience	<p>Risk that the Council is unable to deliver critical services due to inadequate business resilience or cyber security arrangements.</p> <p>Risk that the Council cannot respond to or support emergencies in its area, or meet requirements of the Civil Contingencies Act 2004</p> <p>Impact / Consequences</p> <ul style="list-style-type: none"> - Allow physical, financial or emotional harm to come to citizens or stakeholders - Unable to deliver frontline services following disaster, failure or cyber security incident - Loss of information / records - Reputational impact - Unlawful disclosure of sensitive information - Financial cost and penalties 			<p>Senior Officer Resilience Group.</p> <p>Emergency response procedures</p> <p>Local Resilience Partnership</p> <p>Corporate Generic Emergency and Business Continuity Plans.</p> <p>Care Provision Impact Analysis</p> <p>Debriefs to Learn Lessons</p> <p>Appointment of Resilience Officer</p> <p>ICT Disaster Plan</p> <p>Data Centre Back-Up</p> <p>Safety & Alarm Response Centre</p> <p>Weather Response Plans</p> <p>Communication Strategy</p> <p>Membership of Govt Cyber Security Team</p> <p>Scottish Government Cyber Essentials framework</p> <p>Cyber security Protection</p> <p>Cyber Penetration Testing</p> <p>Phishing testing / awareness procedures</p> <p>Payment Card Industry Standards Adherence</p> <p>Public Sector Network Accreditation</p> <p>Network Data Security</p>

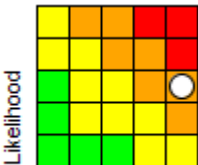

RISK CODE & TITLE	RISK DESCRIPTION	INHERENT RISK	CURRENT RISK	CONTROL MEASURES
DCC004 City Vision – to be archived	Risk / sub-risks to be replaced by new risk(s) – City Plan			Risk DCC004 and sub-risks a, b and c are being reviewed in order to realign with the current City Plan

RISK CODE & TITLE	RISK DESCRIPTION	INHERENT RISK	CURRENT RISK	CONTROL MEASURES
DCC004a Children & Young People Development Risk	<p>Risk that our children and young people will not have the best start in life.</p> <p>Risk that Dundee will not be the best place in Scotland to grow up.</p> <p>Impact / Consequences:</p> <ul style="list-style-type: none"> - Constant or deteriorating early years outcomes. - Attainment gap remains the same or is widening. - No improvement to physical, mental and emotional health for children & young people. - No improvement to health and wellbeing outcomes for children and young people who experience inequalities. - No improvement to the safety and protection of young people. 			<p>Per above</p> <p>Children and Families Executive Board Tayside Collaborative & Tayside plan Established Child Protection Committee Annual Reporting by Chief Social Work Officer Self Evaluation Framework</p> <p>Corporate Parenting Strategy and established Champions Board</p> <p>Establishment of Revised Framework For Attainment Outcomes</p> <p>Educational Services Management Group</p>

RISK CODE & TITLE	RISK DESCRIPTION	INHERENT RISK	CURRENT RISK	CONTROL MEASURES
<p>DCC004b Lack of Economic Productivity / Sustainability</p>	<p>Risk that the local economy, which is part of the Tay Cities Region, is not developed to become strong, sustainable and connected.</p> <p>Risk that the local economy is not more productive, smarter and fairer.</p> <p>Impact / Consequences:</p> <ul style="list-style-type: none"> - Unable to close the jobs gap by increasing the number of people in Dundee in work to the Scottish average. - Unable to reduce unemployment. - Productivity cannot be raised to the Scottish average. - Unable to improve community priority areas of traffic, parking and public transportation. 			<p>Per above</p> <ul style="list-style-type: none"> Active Monitoring of Local Economic Performance Regular reviews of Council Economic Strategy Adequate Resourcing Participation In Business Community Active participation in Tay Cities Deal Influencing of Government Policy Participation in Developing Scotland's Young Workforce Proactive Pursuit of New Business in Key Sectors Working With Skills Providers To Match Local Labour Demands Active Identification of Future Skills Needs

RISK CODE & TITLE	RISK DESCRIPTION	INHERENT RISK	CURRENT RISK	CONTROL MEASURES
DCC004c Lack of Neighbourhood & Community Improvement	<p>Risk that stronger, more resilient, influential and inclusive communities and neighbourhoods are not created.</p> <p>Impact / Consequences</p> <ul style="list-style-type: none"> - Unable to improve quality of neighbourhoods - Unable to increase the level of community empowerment. - No improvement to the quality of housing, choice and affordability. - Unable to improve access to healthy, green and open spaces. - Transport connections to communities are not improved. - Unable to reduce levels of domestic abuse, crime and re-offending. - Unable to improve road safety. - Anti-social behaviour levels increase. 			<p>Per above</p> <ul style="list-style-type: none"> Violence against Women Partnership Strategic Oversight Group Links to Chief Officers Group Systems In Place To Learn From Significant Incidents Well established Community Safety and Justice Executive Board Community Justice Outcome Improvement Plan Chief Social Work Officer Annual Report Community Safety Outcome Improvement Plan in place Local Multi Agency Tasking And Coordination (MATAC) Arrangements MATAC Oversight Group Community Safety Team Partnership Working Road safety Forum reinvigorated Fire Related Anti Social Behaviour Group

RISK CODE & TITLE	RISK DESCRIPTION	INHERENT RISK	CURRENT RISK	CONTROL MEASURES
DCC005 Governance	<p>Risk that the Council's governance arrangements do not operate effectively in order to meet stakeholder and legislative requirements.</p> <p>Impact / Consequence</p> <ul style="list-style-type: none"> - Fail to deliver objectives - Unable to demonstrate Best Value - Inappropriate use of resources (from fraud or error) - Inadequate transparency - Poor decision making - Increased scrutiny 			<ul style="list-style-type: none"> Publication of Governance Documents Integrated Impact Assessments Public Meetings Where Possible Report Checking Procedures Whistleblowing Policy Leader of Opposition Chairs Scrutiny Committee Annual Governance and Assurance Statement Chief Financial Officer checklist completion and review Integrity Group Risk and Assurance Board

RISK CODE & TITLE	RISK DESCRIPTION	INHERENT RISK	CURRENT RISK	CONTROL MEASURES
DCC006 Corporate Health & Safety	<p>Risk that the Council has inadequate arrangements to protect those for whom it has a duty of care.</p> <p>Impact / Consequence</p> <ul style="list-style-type: none"> - Allow harm to come to citizens, tenants, staff or stakeholders - Reputational impact of failure - Legal intervention - Financial cost and liabilities - Impact on staff wellbeing 			<ul style="list-style-type: none"> H&S Policy & Training Risk Assessments Benchmarking Four Year H&S Plan & Actions Annual H&S Reporting Induction Training H&S Team Outposting Trade Unions Liaison Individual Service H&S Procedures

RISK CODE & TITLE	RISK DESCRIPTION	INHERENT RISK	CURRENT RISK	CONTROL MEASURES
DCC007 Information Governance	<p>Risk that the Council information is not governed in line with legislative requirements, including GDPR and FOI legislation.</p> <p>Impact / Consequences</p> <ul style="list-style-type: none"> - Allow confidential or sensitive information to be shared unlawfully - Reputational impact of failure - Legal intervention - Prosecution - Financial cost and liabilities - No suitable information available to support decision making 	<p>Likelihood</p> <p>Impact</p>	<p>Likelihood</p> <p>Impact</p>	<p>Appropriate Policies In Place</p> <p>Annual accreditation to Public Service Network framework</p> <p>Cyber Essentials framework</p> <p>Cyber security Protection</p> <p>External Penetration Testing</p> <p>Payment Card Industry Standards Adherence</p> <p>Data Centre Back-Up</p> <p>Network Data Security</p> <p>Information Governance Manager Appointed</p> <p>Training</p>

RISK CODE & TITLE	RISK DESCRIPTION	INHERENT RISK	CURRENT RISK	CONTROL MEASURES
DCC008 Workforce	<p>Risk that there is inappropriate or insufficient staff resources to meet service demands and deliver the Council vision</p> <p>Impact / Consequences</p> <ul style="list-style-type: none"> - Fail to deliver objectives - Increased sickness absence - High vacancy level / inability to recruit - Reliance on contractors / agency staff - Loss of corporate knowledge from departures - Inadequate skills / experience - Lack of resources to deliver priorities - Impact on personal wellbeing - Loss of specialist skills to competitors 			<ul style="list-style-type: none"> Management Training Employee Support Recruitment Procedures Consistent Terms & Conditions Sickness Absence Monitoring Employee Reviews Talent Management Developing Young Workforce Strategic Frameworks Strategy Linkages Leadership Development Strategic Trade Union Forum

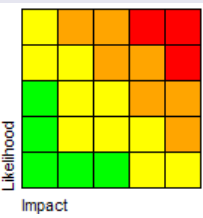
RISK CODE & TITLE	RISK DESCRIPTION	INHERENT RISK	CURRENT RISK	CONTROL MEASURES
DCC009 Statutory & Legislative Compliance	<p>Risk that the Council fails to operate in accordance with law, regulation and statutory guidelines</p> <p>Impact / Consequences</p> <ul style="list-style-type: none"> - Non compliance and legal challenge - Financial cost and liabilities - Obligations to vulnerable groups not met - Reputational impact - Ministerial or Regulatory action/censure - Failure to achieve Best Value 			<ul style="list-style-type: none"> Appointment of Legally Qualified Officers Monitoring Officer Appointed Monitoring of Legislative developments Professional Expertise Oversight Teams / Committees Risk and Assurance Board

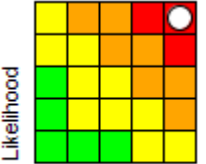
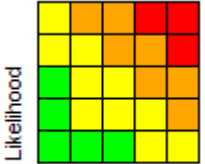
RISK CODE & TITLE	RISK DESCRIPTION	INHERENT RISK	CURRENT RISK	CONTROL MEASURES
DCC010 Major Project Delivery	<p>Risk that major projects are not delivered on time, to budget and do not provide the designed benefits.</p> <p>Impact / Consequences</p> <ul style="list-style-type: none"> - Fail to deliver objectives - Essential services not delivered - Financial cost and liabilities - Reputational impact 			<ul style="list-style-type: none"> Continued use of Project Boards Regular Project Reviews Project Management Resourcing Option Appraisals / Approval Process Procurement Route Selection Process Management Systems in Place Statutory consultation Capital Strategy Group Scrutiny Capital Plan setting and approval process Capital Investment Strategy approval Capital and revenue monitoring


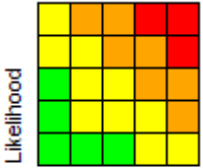
RISK CODE & TITLE	RISK DESCRIPTION	INHERENT RISK	CURRENT RISK	CONTROL MEASURES
DCC011 Transformation	<p>Risk that transformation and change impacts on business as usual activities, fails to deliver objectives and benefits or is insufficient in response to the changing external environment.</p> <p>Impact / Consequences</p> <ul style="list-style-type: none"> - Fail to deliver objectives/implement agreed changes - Financial cost and liabilities - Demand and expectations not met - Fail to achieve required savings - Reputational impact - Impact on staff wellbeing and culture 			<ul style="list-style-type: none"> Programme Review Programme Management Office Established Corporate Leadership Team Sponsorship & Scrutiny Review Procedures & Methodologies Alignment With Council & City Plan Priorities Budget Monitoring & Benefit Realisation In Place Capital Plan Management Workforce Plan Reporting & Scrutiny


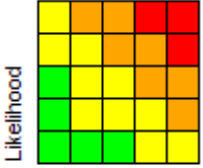
RISK CODE & TITLE	RISK DESCRIPTION	INHERENT RISK	CURRENT RISK	CONTROL MEASURES
DCC012 Integration Joint Board / Dundee Health and Social Care Partnership	<p>Risk that the Dundee HSCP is unable to deliver statutory / essential services due to financial, workforce or governance issues</p> <p>Impact / Consequences</p> <ul style="list-style-type: none"> • Unable to meet aims within anticipated timescales • Unable to maintain spend within allocated resources • staffing issues impact on organisational priorities and operational delivery • adverse impact on staff engagement / buy-in • impact on staff morale and potential exposure to claims 			<p>Financial Monitoring</p> <p>Management of Workforce employed by DCC</p> <p>Budget setting process</p> <p>Elected Member representation on Integration Joint Board</p> <p>Integration Joint Board Agendas and Minutes published on DCC website</p> <p>IJB Internal Audit Plans and Reports are reported to the Council's Scrutiny Committee</p> <p>Benefit also received from control measures deployed for risk DCC008</p>

RISK CODE & TITLE	RISK DESCRIPTION	INHERENT RISK	CURRENT RISK	CONTROL MEASURES
DCC013 Fraud & Corruption	<p>Risk that the council is exposed to all elements of fraud & corruption including those in the following categories:</p> <ul style="list-style-type: none"> ~ financial transactions including money laundering ~ human resources ~ procurement & contracting ~ property leases & land ~ IT / data ~ decision making <p>Impact / consequences:</p> <ul style="list-style-type: none"> ~ financial loss to the council ~ failure to achieve best value ~ inappropriate awards of contracts ~ potential sub-standard service ~ potential legal challenge ~ adverse audit ~ reputational damage to the council ~ impact on staff morale ~ failure to comply with legislation / regulation ~ inappropriate influence / decision making ~ data loss / misappropriation ~ enabling serious organised crime 			<ul style="list-style-type: none"> whistleblowing / fraud reporting policy & procedures registers of interests (members & officers) integrity group gifts gratuities & hospitality policy close working relationships policy Serious Organised Crime Group 'SOCG' - DETER action plan fraud guidelines annual governance statement self-assessment process, with central review of responses for efficacy / compliance Anti-Money Laundering procedures / reporting officer data matching processes & procedures including National Fraud Initiative revenue & capital monitoring systems access controls procurement / supplier controls active information sharing anti-bribery policy in place Compliance Groups formal reconciliation framework Ethical values framework (incorporates national code of conduct, whistleblowing, fraud etc) Control self-assessment and best practice guides

RISK CODE & TITLE	RISK DESCRIPTION	INHERENT RISK	CURRENT RISK	CONTROL MEASURES
<p>DCC015 Property & Infrastructure Assets</p>	<p>The Council holds significant levels of property and infrastructure assets valued at over £1bn. There are various risks associated with these assets, including (but not limited to) the need to support an adequate level of ongoing investment to maintain, improve and replace them; the potential for loss of critical assets; societal changes resulting in potential redundancy of certain assets / increased demand for others. There are key areas of potential impact within the Council associated to property and infrastructure risks, and for control and monitoring purposes this risk has been split into sub risks. These are assessed and reviewed individually.</p>			<p>Risk DCC015 and sub-risks a, b and c have been recently introduced as more relevant replacements for the previously noted property risks. The freshly stated risks are undergoing review and will be updated, including details of control measures in place, as part of the review exercise.</p>

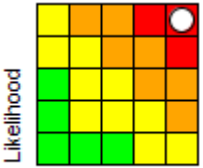
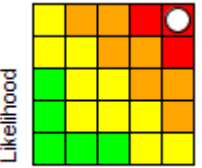
RISK CODE & TITLE	RISK DESCRIPTION	INHERENT RISK	CURRENT RISK	CONTROL MEASURES
<p>DCC015a Delivery of General Fund Service(s) Affected by Loss of Critical Asset(s)</p>	<p>Risk to service delivery due to the loss of a critical asset.</p> <p>The Council is reliant on the availability of assets as enablers for the delivery of key services. The Council's tenure varies between owner, tenant and landlord, and the assets are an eclectic mix from office accommodation, light industrial, schools and housing, to depots, parks and roads. The effect and timescale for recovery following complete or partial loss of a critical asset will vary dependent on the individual asset and the specific risk event.</p> <p>Impact / Consequences:</p> <ul style="list-style-type: none"> ~ loss of income / cost of alternative service provision ~ service interruption / loss ~ political risk ~ Inability to meet client expectations / interruption of statutory services delivery 			<p>Per above</p>

RISK CODE & TITLE	RISK DESCRIPTION	INHERENT RISK	CURRENT RISK	CONTROL MEASURES
DCC015b	Delivery of HRA Service(s) affected by Loss of Critical Asset(s)			Per above

RISK CODE & TITLE	RISK DESCRIPTION	INHERENT RISK	CURRENT RISK	CONTROL MEASURES
DCC015c	Delivery of the Council's Long Term Objectives is Impacted by Insufficient Investment in Assets & Infrastructure			Per above

RISK CODE & TITLE	RISK DESCRIPTION	INHERENT RISK	CURRENT RISK	CONTROL MEASURES
DCC016 Climate Change	<p>As a consequence of climate change, there is a risk that the Council may be unable to deliver the Council and Corporate plans. In response, the Council has declared a 'climate emergency'. Impact / Consequences:</p> <ul style="list-style-type: none"> - operational and reputational impacts - irregular weather patterns - increased flood risk due to more extreme rainfall alongside heightened drought conditions - property and infrastructure damage sustained from more extreme wind - danger to individuals from storm damage to infrastructure / property / vegetation - financial costs of storm damage - financial requirements to adapt buildings to cope with climate change - national public engagement programme - Scottish Government level Climate Change Plan and Energy Strategy - Annual carbon emissions reduction reporting - MSIP - 'supporting a fair and just transition to a net zero economy' 			<p>Dundee Climate Action Plan</p> <p>Dundee Climate Change Partnership</p> <p>Intention to meet Net-Zero Greenhouse Gas Emissions by 2045 or earlier</p> <p>Regional Transport Strategy</p> <p>Waste and Recycling Strategy Action Plan 2020-25</p> <p>Dundee Biodiversity Action Plan 2020-30</p> <p>Local Food Growing Strategy</p>

RISK CODE & TITLE	RISK DESCRIPTION	INHERENT RISK	CURRENT RISK	CONTROL MEASURES
DCC017 Public Sector Reform	<p>Ongoing public sector reform is anticipated, with this taking various forms and having the potential to impact any part of the Council. For this reason, various sub-risks will be used to reflect the different areas of risk as these are identified.</p>			<p>DCC017 has been established as an area of risk, and will hold associated sub-risks.</p> <p>One sub-risk has been added to date – DCC017a National Care Service.</p>

RISK CODE & TITLE	RISK DESCRIPTION	INHERENT RISK	CURRENT RISK	CONTROL MEASURES
DCC017a National Care Service	<p>The creation of a new National Care Service (NCS) represents a risk to the Council, it's staff and to service users. Specifically, the uncertainty surrounding how the NCS will eventually be structured, including the interface with Local Authorities such as resource provision, funding and provision / funding of support services.</p> <p>Impact / Consequences:</p> <ul style="list-style-type: none"> ~ impact on the ability to improve outcomes for service users ~ service disruption ~ staff concerns – employment position unclear / potential recruitment and retention difficulties ~ uncertainty likely to exacerbate already 'fragile' position in terms of recruitment and retention ~ lack of clarity over future of the essential Chief Social Work Officer role ~ inability to reasonably plan for ongoing service provision ~ lack of clarity over future of Integrated Children's Services – at time of writing (10/2022) a national working group has been established to consider this, but this is at a very early stage. ~ as yet unknown impact on support services currently provided by the Council ~ financial impact ~ reduction to / loss of local input ~ uncertainty over longer term occupation of Council owned / leased HSCP premises? 			<p>Influencing through membership of / association with external bodies</p> <p>Scenario Planning</p> <p>Ongoing Consideration of the impact on support services and actions which may be required to rationalise / protect these</p>