

REPORT TO: POLICY & RESOURCES COMMITTEE – 21 February 2022

REPORT ON: RISK MANAGEMENT ANNUAL REPORT

REPORT BY: EXECUTIVE DIRECTOR, CORPORATE SERVICES

REPORT NO: 62-2022

1.0 PURPOSE OF REPORT

To present to Policy and Resources Committee:

- The annual review of Risk Management
- An update on implementation of the Risk Management Improvement Plan
- Work undertaken on horizon scanning for future risks

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 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 Corporate Risk Register (CRR) with reference to Service Risk Registers (SRRs) and the Council's Covid19 Recovery Risk Register (C19 RRR).

4.2 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.

4.3 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 requires to be given to these when assessing the Council's corporate risks.

5.2 In recognition of the above, service level risks are 'related' to CRR risks. This relationship between the CRR and service level risks is mapped in Pentana and set out in the report attached at Appendix A.

5.3 The CRR was last reviewed by the Council's Corporate Management Team (CMT) on 7 December 2021, in conjunction with the Council's Corporate Risk Management Coordinator (CRMC). Following on from this, the CRR will continue to be reviewed by the CMT and the CRMC on a bi-monthly basis. A detailed review of the CRR is covered more fully in Section 6.0 below

5.4 The Covid-19 pandemic continues to have an impact, with several 'variants of concern' having developed including the recent highly transmissible Omicron variant which resulted in extended workplace and wider restrictions.

- 5.5 The risk remains of further Covid-19 variants developing which could be equally or more transmissible, potentially leading to more serious illness and placing further strain on the Council's services and resources.
- 5.6 With this in mind, a separate C19 RRR continues to be maintained, and a holistic review of this was undertaken mid-2021. As a result of this review, the number of risks on the C19 RRR reduced from 21 to 14, all of which have been, and continue to be, subject to regular individual review by Senior Officers. The C19 RRR risks are set out in the report attached at Appendix B.
- 5.6 The Corporate Risk Management Working Group (CRMWG) has met quarterly throughout the pandemic, and continues to do so.
- 5.7 A major piece of work has recently been undertaken by the CRMWG in conjunction with Zurich, in relation to risk horizon scanning and is covered more fully at section 8.0 of this report.
- 5.8 The CRMC has also represented the Council on the Tayside IJBs' Risk Management Working Group alongside representatives from NHS Tayside, Angus Council, Perth & Kinross Council, and the Tayside IJBs. The key output of this group has been a new joint Tayside IJBs Risk Management Strategy, attached at Appendix C.

6.0 REVIEW OF THE COUNCIL'S CRR

- 6.1 Following on from the full review of the Council's CRR undertaken and reported to Policy and Resources (P&R) Committee in January 2021 and the Scrutiny Committee in February 2021, the changes to risk scoring and further actions recommended at that time were subsequently implemented.
- 6.2 The risk assessments have since remained unchanged, and CRR risks are now being reviewed by the CMT on a bi-monthly basis. Any changes to risk assessments will be made as a result of these ongoing reviews and reported to both P&R and Scrutiny Committees as part of the normal Committee reporting cycle for risk.
- 6.3 The Pentana risk report attached at Appendix A sets out the current CRR risk assessments and how these relate to the associated service level risks, and the following comments from 6.4 to 6.11 have therefore been restricted to key aspects only. Note that residual scores and assessments are used in this Committee report. However, both residual and inherent scores are detailed in the appendix.
- 6.4 **DCC001 – Financial Sustainability:**
Likelihood score increased at the January 2021 review from 2 'UNLIKELY' to 3 'POSSIBLE' and has since remained at this level. Impact remained at 5 'EXTREME'. Overall score 15 'HIGH'. Finance is a key component in the Council's ability to maintain services and has been identified as a risk across all service areas, varying in assessment from 'MODERATE' to 'VERY HIGH', reflecting a genuine concern over the risk financial constraints pose to the Council and delivery of its services going forward.
- 6.5 **DCC002 – Effectiveness of Partnerships:**
Likelihood score increased at the January 2021 review from 2 'UNLIKELY' to 3 'POSSIBLE'. Two particular key risk factors to the Council are the Integration Joint Board (IJB) / Dundee Health and Social Care Partnership (HSCP) and Leisure & Culture Dundee, both of which have been impacted by the pandemic, and both of which are reliant on Council support. These partners feature as specific risks on the Council's C19 RRR, being assessed as 'HIGH' and 'VERY HIGH' respectively. Related service level risks are assessed either 'MODERATE' or 'HIGH'.
- 6.6 **DCC004a – Children & Young People Development:**
As at January 2021 there was considerable divergence in the assessment of this risk in the CRR, at service level and in the C19 RRR. Further consideration was given to this and following discussion with responsible Officers, the risk assessment at service level was reduced. This has led to improved alignment.

- 6.7 DCC005 – Governance
There are no equivalent risks at service level and following further consideration this is considered reasonable, with significant differences between governance arrangements at corporate and service levels.
- 6.8 DCC006 – Corporate Health & Safety
Likelihood score increased at the January 2021 review from 2 ‘UNLIKELY’ to 3 ‘POSSIBLE’, and impact score from 3 ‘MODERATE’ to 4 ‘HIGH’. This resulted in an overall assessment score of 12 ‘HIGH’. The C19 RRR is something of an outlier with an overall assessment of 20 ‘VERY HIGH’ for Health & Safety, and at odds with the assessed risk at both corporate and service levels. This will be subject to further consideration when next reviewed, with consideration to be given to the current and anticipated trend of the Covid-19 pandemic.
- 6.9 DCC010 – Major Project Delivery
In addition to three risks at service level being related, there are a further three project risk registers held in Pentana which have also been related to the CRR risk. The overall CRR assessment remains at 15 ‘HIGH’ following the likelihood score having been elevated from 2 ‘UNLIKELY’ to 3 ‘POSSIBLE’ in January 2021. Major projects can come with significant levels of risk for the Council including reputational, financial and ability to deliver essential services and it remains appropriate that this risk continues to be fully recognised and managed.
- 6.10 DCC012 – IJB / DHSCP
Dundee HSCP represents a direct and potentially significant risk to DCC, and maintains its own separate risk registers in the Council’s Pentana system. These include a Covid-19 risk register where two thirds (13) of the risks are considered ‘VERY HIGH’, and the remaining six ‘HIGH’. Taking these and the HSCP’s ‘business as usual’ risks into account, the current assessment of ‘VERY HIGH’ in the CRR remains appropriate.
- 6.11 RISKS ADDED TO THE CRR DURING 2021
Following the risk management reports to the Policy and Resources and Scrutiny Committees in January and February 2021 respectively, risks DCC013 ‘Fraud and Corruption’, DCC014 ‘Brexit’ and DCC015 ‘Property’ were added to the CRR. These remain at the scores as initially assessed. DCC014 ‘Brexit’ remains subject to a separate risk register and reporting, while DCC015 ‘Property’ is currently undergoing further discussion with Service representatives to get a better ‘feel’ for the underlying property portfolio risks, as these are quite diverse – i.e. housing, schools, commercial premises.
- 6.12 In summary the Council’s corporate level risks, as set out in the CRR, are now subject to ongoing regular review by the CMT and are proactively managed.

7.0 REVIEW OF THE COUNCIL’S C19 RRR

- 7.1 Almost two years into the Covid-19 pandemic, the Council’s C19 RRR remains in place and continues to be actively reviewed taking account of the incidence and seriousness of new variants of Coronavirus, and the Council’s growing experience in responding to these.
- 7.2 A review of the C19 RRR was undertaken by the CRMWG in June 2020 and subsequently followed up by the Executive Director of Corporate Services (the Council’s Senior Risk Officer) and the CRMC. Actions taken as a result of this review are set out in 7.3 to 7.5.
- 7.3 The following risks have all been removed from the C19 RRR and are considered alongside other mainstream risks:
C19RR08 – Governance
C19RR09 – Information Governance
C19RR15 – Further & Higher Education
- 7.4 In considering both the stage reached in the Covid-19 pandemic and experience gained, it was considered appropriate for the following risks to be consolidated into a single risk C19RR21 ‘Economic Impact’:
C19RR16 – Business Support
C19RR17 – Unemployment / Homelessness / Inequalities
C19RR18 – Crime Levels
C19RR19 – Leisure, Culture & Entertainment (excluding Leisure & Culture Dundee)

7.5 The net effect of the above is to reduce the number of risks on the C19 RRR from 20 to 14, all of which continue to be reviewed regularly.

8.0 RISK HORIZON SCANNING EXERCISE

8.1 Using the consultancy service available from the Council's insurance provider, Zurich, the CRMC engaged with their Senior Risk Management Consultant during 2021 to seek assistance in undertaking a risk horizon scanning exercise.

8.2 This exercise took the form of a survey issued to officers nominated by members of the RMWG and Heads of Service. The survey was issued to around 130 officers and 73 responses were received during December 2021 and January 2022. This represents a response rate of 56%, and responses were received from all Council Services and key partners.

8.3 The survey consisted of 30 multiple choice questions based around seven key risk areas, drawing out responses from respondents on their perception of the potential impact and likelihood of risk across these key risk areas:

- Communities
- People, Health & Wellbeing
- Leadership & Resilience
- Politics and the Economy
- Financial Sustainability
- Partners and Supply Chain
- Climate Emergency

8.4 The responses received have been broken down by Zurich to detail the top five risks in terms of anticipated likelihood, and also potential impact. A combined impact and likelihood score is then arrived at to give the perceived top five horizon risks overall, and these are set out in the table below:

| Rank | Description | Commentary |
|-----------------|--|---|
| 1 st | Increased demand for services from vulnerable people. | This scored highly across all bar one Service, and was in fact the highest scoring response from the HSCP, Corporate Services and Children & Families Service. |
| 2 nd | A sudden increase in costs due to inflation in prices or another factor. | Features within the top five for five Services / partners. Whilst second overall, this risk did score as their highest with both Leisure & Culture Dundee (LACD) and Neighbourhood Services. In the case of LACD, it was equal highest scoring. |
| 3 rd | An increase in demand for services | Features within the top five for four Services / partners, and is equal highest scoring for Neighbourhood Services. |
| 4 th | A further widening of the existing inequalities gap in the city | Features within the top five for four Services / partners, but is not scored highest in any Service / partner |
| 5 th | An increase in mental ill-health within the community | Features within the top five for three Services /partners and is not the highest for any, although is a close second for the HSCP. |

8.5 The risk scoring was undertaken in line with the Council's standard scoring matrix, and the average scores generated for each of the foregoing top five risks would place them squarely in the 'HIGH' category.

8.6 The foregoing is a brief summary of the survey output headlines. At time of writing the survey output had just been received, and further analysis and consideration of this will be carried out.

8.7 The survey results and next steps will be discussed further at the next meeting of the RMWG, which is planned for March 2022.

9.0 RISK MANAGEMENT IMPROVEMENT PLAN UPDATE

- 9.1 The only remaining item from the Risk Management Improvement Plan at the last update was to complete development of a new e-learning module. This has now been done.
- 9.2 With the module now complete, consideration has been given by the RMWG as to who should be required to complete it as part of their compulsory learning, and it is proposed to restrict this to senior officers, officers with responsibilities for risks in Pentana (as 'Assigned To', 'Managed By' and 'Administered By' officers), and any other officers where it is considered appropriate by Heads of Service.
- 9.3 Whilst not a specific requirement of the Improvement Plan, it is intended during 2022 to look at developing a further two e-learning modules. Firstly, for inclusion in the induction process for new employees to the Council, and secondly a more advanced module for senior officers.

10.0 POLICY IMPLICATIONS

This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

11.0 CONSULTATIONS

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

12.0 BACKGROUND PAPERS

None.

ROBERT EMMOTT
EXECUTIVE DIRECTOR, CORPORATE SERVICES

09 February 2022

CRMC - 1 DCC Corporate RR

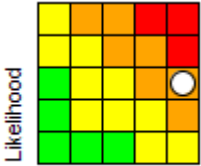
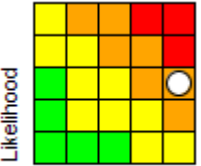
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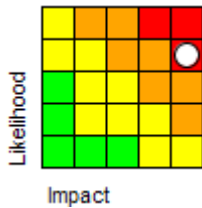
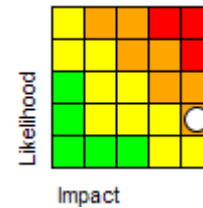
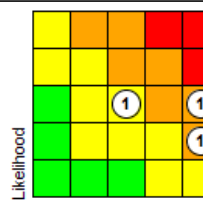
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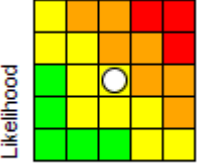
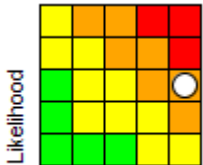
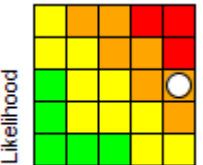


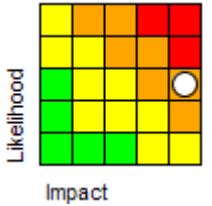
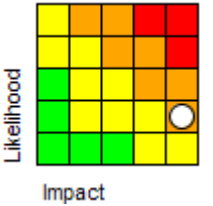
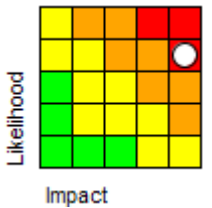
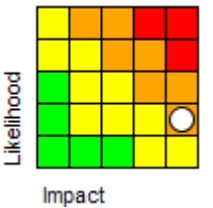
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| 1. COUNCIL CORPORATE RISKS - DCC Corporate Level Risk Register | The Council's high level Corporate Risk Register. Risks held directly within this register are the key high level risks to delivery of the Council's strategic goals. | | <p>A 4x4 risk matrix grid. The vertical axis is labeled 'Likelihood' and the horizontal axis is labeled 'Impact'. The grid contains the following numerical scores in its cells:</p> <table border="1"> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td>2</td> <td>1</td> </tr> <tr> <td></td> <td></td> <td>2</td> <td>2</td> <td>6</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>4</td> </tr> </table> | | | | | | | | | 2 | 1 | | | 2 | 2 | 6 | | | | | 4 | | | |
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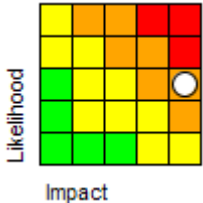
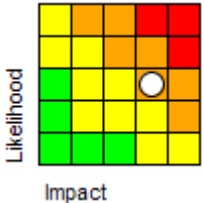
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|---------------------------------|---|---------------|---------------|---|---------------------|---------------------|
| DCC001 Financial Sustainability | <p>Risk that the Council is unable to deliver priorities and meet financial obligations due 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 | | | C19RR01 Financial Stability - Expenditure | 25 | 15 |
| | | | | C19RR02 Financial Stability - Income | 20 | 20 |
| | | | | C19RR06 Procurement | 20 | 20 |
| | | | | C19RR20 Covid 19 - Further Waves | 16 | 9 |
| | | | | C19RR21 Economic Impact | 25 | 12 |
| | | | | CDDP004 Financial | 25 | 12 |
| | | | | CDDP012 Economic Downturn | 20 | 12 |
| | | | | CDPE002 Finance | 20 | 9 |
| | | | | CDPE009 Economic Downturn | 20 | 12 |
| | | | | CDRT006 Finance | 25 | 9 |
| | | | | CDRT017 Economic Downturn | 20 | 9 |
| | | | | CFCJ002 Funding | 25 | 9 |
| | | | | CFED010 Financial Management & Sustainability | 20 | 8 |
| | | | | CSCF009 Finance - Planning | 25 | 15 |
| | | | | CSCF010 Finance - Management | 25 | 15 |
| | | | | CSCS001 Budget / Finance | 20 | 15 |
| | | | | CSHB004 Finance | 20 | 12 |
| | | | | NSCo003 Finance / Sustainability | 20 | 15 |
| | | | | NSCS004 Budgets | 12 | 6 |
| | | | | NSEN004 Resourcing / Finance | 20 | 12 |
| NSHC001 Finance | 20 | 12 | | | | |

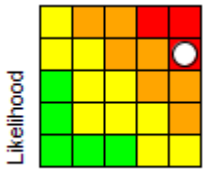

| Risk Code & Title | Risk Description | Inherent Risk | Residual Risk | Related Risks Code & Title | Inherent Risk Score | Residual Risk Score |
|--------------------------------------|---|--|---|--|---------------------|------------------------------|
| DCC002 Effectiveness of Partnerships | <p>Risk 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 |  <p>Likelihood</p> <p>Impact</p> |  <p>Likelihood</p> <p>Impact</p> | C19RR03 Third Sector Service Providers | 25 | 8 |
| | | | | C19RR13 IJB / HSCP | 25 | 16 |
| | | C19RR14 Leisure & Culture Dundee | 25 | 20 | | |
| | | C19RR20 Covid 19 - Further Waves | 16 | 9 | | |
| | | CDPE005 Partnerships | 20 | 9 | | |
| | | CDRT007 Suppliers / Partners | 12 | 8 | | |
| | | CFCJ007 Partnerships / External Providers | 25 | 15 | | |
| | | CFED004 Supplier / Partner Failure | 9 | 9 | | |
| | | CSCS006 Suppliers / Service Providers | 16 | 8 | | |
| | | CSIT010 Failure of External ICT Suppliers To Deliver Required Agreed Service | 16 | 9 | | |
| | | NSCS007 Suppliers / Partnerships / Contracts | 12 | 8 | | |
| | | NSEN017 Partners / Suppliers | 16 | 12 | | |
| | | | | | | NSHC007 Partners & Suppliers |

| Risk Code & Title | Risk Description | Inherent Risk | Residual Risk | Related Risks Code & Title | Inherent Risk Score | Residual Risk Score |
|----------------------------|---|--|--|--|---------------------|---------------------|
| 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 |  |  | C19RR20 Covid 19 - Further Waves | 16 | 9 |
| | | | | CDDP010 Climate Change / Environment | 25 | 20 |
| | | | | CDPE014 Climate Change / Environment | 20 | 12 |
| | | | | CDRT010 Severe Weather | 20 | 9 |
| | | | | CFCJ012 Failure of Critical Services | 20 | 9 |
| | | | | CFED003 Failure of Critical Services | 9 | 12 |
| | | | | CFED007 Critical Incidents | 20 | 20 |
| | | | | CSIT002 Failure to provide regular maintenance and/or timely incident resolution for software & hardware | 16 | 6 |
| | | | | CSIT004 Failure to Protect The Council From a Cyber Attack | 25 | 16 |
| | | | | CSIT006 Failure To Restore Critical Business Services on a Timely Basis Following An Outage | 20 | 6 |
| | | | | CSIT013 Failure To Protect The Estate & Assets | 25 | 5 |
| | | | | CSIT015 Failure To Resolve Incidents | 16 | 6 |
| | | | | NSCS010 Emergency Response | 25 | 10 |
| NSEN010 Emergency Response | 25 | 12 | | | | |
| NSHC010 Emergency Response | 25 | 12 | | | | |
| DCC004 City Vision | | |  | | | |

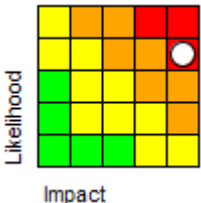
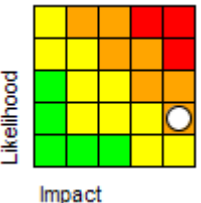
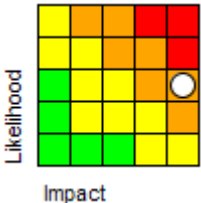
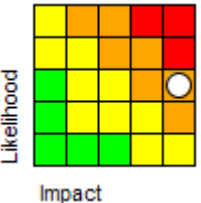
| Risk Code & Title | Risk Description | Inherent Risk | Residual Risk | Related Risks Code & Title | Inherent Risk Score | Residual Risk Score |
|--|--|--|---|---|---------------------|---------------------|
| DCC004a Children & Young People Development Risk | <p>Risk that our children and young people 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>Likelihood</p> <p>Impact</p> |  <p>Likelihood</p> <p>Impact</p> | C19RR11 Education & Wellbeing | 25 | 9 |
| | | | | C19RR20 Covid 19 - Further Waves | 16 | 9 |
| | | | | CEH002 Ineffective implementation of Fairness and Child Poverty Action Plan | 12 | 12 |
| | | | | CFCJ013 Children & Young People Development | 20 | 16 |
| | | | | CFED012 Children & Young People Development | 20 | 12 |
| DCC004b Lack of Economic Productivity / Sustainability | <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>Likelihood</p> <p>Impact</p> |  <p>Likelihood</p> <p>Impact</p> | C19RR20 Covid 19 - Further Waves | 16 | 9 |
| | | | | CDDP012 Economic Downturn | 20 | 12 |
| | | | | CDPE009 Economic Downturn | 20 | 12 |
| | | | | CDRT017 Economic Downturn | 20 | 9 |

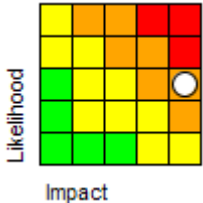
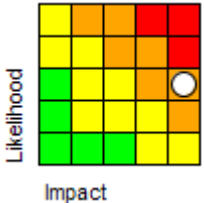
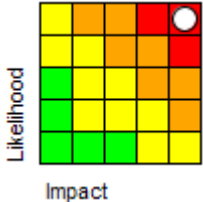
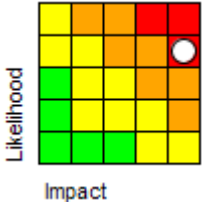
| Risk Code & Title | Risk Description | Inherent Risk | Residual Risk | Related Risks Code & Title | Inherent Risk Score | Residual Risk Score |
|---|---|--|---|----------------------------------|---------------------|---------------------|
| DCC004c Lack of Neighbourhood & Community Improvement | <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. |  |  | C19RR20 Covid 19 - Further Waves | 16 | 9 |
| 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 |  |  | | | |


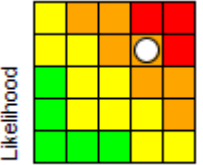
| Risk Code & Title | Risk Description | Inherent Risk | Residual Risk | Related Risks Code & Title | Inherent Risk Score | Residual Risk Score |
|----------------------------------|---|--|---|--|---------------------|---------------------|
| DCC006 Corporate Health & Safety | Risk that the Council has inadequate arrangements to protect those for whom it has a duty of care. Impact / Consequence - Allow harm to come to citizens, tenants, staff or stakeholders - Reputational impact of failure - Legal intervention - Financial cost and liabilities - Impact on staff wellbeing |  |  | C19RR10 Health & Safety | 25 | 20 |
| | | | | C19RR20 Covid 19 - Further Waves | 16 | 9 |
| | | | | CDDP014 Health & Safety | 25 | 15 |
| | | | | CDPE016 Health & Safety | 25 | 10 |
| | | | | CDRT011 Health & Safety | 25 | 8 |
| | | | | CFCJ004 Harm (to / caused by service user) | 25 | 15 |
| | | | | CFED005 Health & Safety | 25 | 15 |
| | | | | CSCS005 Health & Safety (Staff / Clients Under Threat, incl at venues) | 20 | 12 |
| | | | | CSHB006 Health & Safety / Protection (Internal & External) | 25 | 16 |
| | | | | NSCo008 Health & Safety | 25 | 12 |
| | | | | NSCS008 Health & Safety | 20 | 6 |
| | | | | NSEN009 Health & Safety Procedures / Training | 20 | 12 |
| | | | | NSHC006 Health & Safety | 20 | 12 |

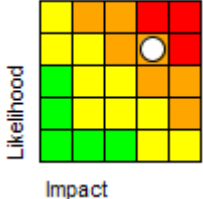
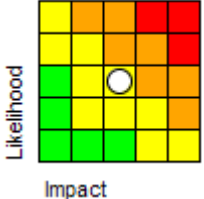
| Risk Code & Title | Risk Description | Inherent Risk | Residual Risk | Related Risks Code & Title | Inherent Risk Score | Residual Risk Score |
|--------------------------------|---|--|---|----------------------------|---------------------|---------------------|
| DCC007 Information Governance | <p>Risk 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 |  |  | CDDP013 Data Protection | 20 | 12 |
| | | | | CDPE011 Data Protection | 20 | 12 |
| | | CDRT015 Information Governance | 9 | 6 | | |
| | | CEHL021 CEHL - Information Governance | 20 | 8 | | |
| | | CFCJ008 Data Protection / Information Governance | 25 | 12 | | |
| | | CFED006 Information Governance | 15 | 12 | | |
| | | CSCF028 Data Protection / Information Governance | 25 | 15 | | |
| | | CSCS002 Information / GDPR / Confidentiality | 25 | 15 | | |
| | | CSDL003 Data Protection | 25 | 15 | | |
| | | CSHB002 Data Protection / Access / Management | 25 | 6 | | |
| | | CSIT004 Failure to Protect The Council From a Cyber Attack | 25 | 16 | | |
| | | CSIT005 Failure to Protect Sensitive Data | 16 | 9 | | |
| | | CSIT009 Failure to Control IT User Access | 20 | 6 | | |
| | | CSIT013 Failure To Protect The Estate & Assets | 25 | 5 | | |
| | | CSIT014 Control Failures | 16 | 9 | | |
| | | NSCS005 Information Governance | 20 | 6 | | |
| NSEN018 Information Governance | 25 | 12 | | | | |
| NSHC008 Information Governance | 25 | 12 | | | | |

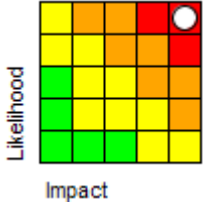
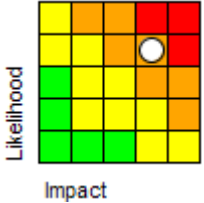
| Risk Code & Title | Risk Description | Inherent Risk | Residual Risk | Related Risks Code & Title | Inherent Risk Score | Residual Risk Score |
|----------------------------|---|---------------|---------------|---|---------------------|---------------------|
| DCC008 Workforce | <p>Risk that there 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 | | | C19RR05 Demand Levels | 20 | 12 |
| | | | | C19RR12 Staff | 16 | 9 |
| | | | | C19RR20 Covid 19 - Further Waves | 16 | 9 |
| | | | | CDDP003 Staff | 20 | 12 |
| | | | | CDPE003 STAFF (recruitment / retention / succession planning / skills gaps) | 20 | 9 |
| | | | | CDPE004 STAFF (engagement / management / communications) | 16 | 9 |
| | | | | CDRT004 Staffing | 20 | 6 |
| | | | | CFCJ001 Staff | 25 | 9 |
| | | | | CFED008 Workforce | 15 | 12 |
| | | | | CSCF005 Staff - Recruitment / Retention | 20 | 20 |
| | | | | CSCF006 Staff - Management / Engagement / Policy | 20 | 12 |
| | | | | CSCS004 Staff - Levels / Training | 20 | 20 |
| | | | | CSDL002 Staff | 25 | 16 |
| | | | | CSHB001 People | 20 | 9 |
| | | | | CSIT008 Over-reliance On Key Individuals With Key Knowledge Or experience | 12 | 9 |
| | | | | NSCo002 Workforce | 16 | 16 |
| | | | | NSCS002 Staff - Resourcing | 20 | 8 |
| | | | | NSCS003 Staff - Competency (loss of key staff) | 20 | 6 |
| | | | | NSEN014 Staff - Resourcing | 25 | 16 |
| | | | | NSEN015 Staff - Competency (loss of key staff) | 20 | 12 |
| NSHC002 Staff - Competency | 20 | 9 | | | | |
| NSHC003 Staff - Resources | 25 | 12 | | | | |

| Risk Code & Title | Risk Description | Inherent Risk | Residual Risk | Related Risks Code & Title | Inherent Risk Score | Residual Risk Score |
|---|---|---|--|---|---------------------|---------------------|
| 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 |  |  | CDDP007 Compliance with Legislation / Regulation / Guidance | 20 | 12 |
| | | | | CDPE008 Legislation / Regulation | 20 | 20 |
| | | | | CDRT008 Legislative / Regulatory Compliance | 16 | 9 |
| | | | | CFCJ006 Demand-Led Services / Legislation | 25 | 12 |
| | | | | CFED011 Statutory / Regulatory Compliance | 25 | 12 |
| | | | | CSCS007 Compliance | 25 | 10 |
| | | | | CSDL006 Regulatory / Legislative Compliance | 20 | 10 |
| | | | | CSHB005 Legal / Legislative | 10 | 8 |
| | | | | CSIT007 Failure To Comply With Legislation / Regulations | 12 | 6 |
| | | | | NSCo007 Legal / Regulatory Compliance | 15 | 20 |
| | | | | NSCS009 Compliance | 25 | 10 |
| | | | | NSEN008 Legal / Regulatory Compliance | 25 | 15 |
| | | | | NSHC004 Compliance | 25 | 9 |
| 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 |  |  | CDDP006 Waterfront | 25 | 9 |
| | | | | CFCJ014 Transformation / Major Project Delivery | 25 | 16 |
| | | | | CFED013 Transformation / Major Project Delivery | 20 | 12 |
| | | | | CX-R IHMS - Risk Register Phase 1 | | |
| | | | | Mosaic001 Mosaic Adult Finance Go Live | | |
| | | | | TM Total Mobile - Risk Register | | |

| Risk Code & Title | Risk Description | Inherent Risk | Residual Risk | Related Risks Code & Title | Inherent Risk Score | Residual Risk Score |
|--------------------------|---|--|---|---|---------------------|---------------------|
| 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 |  |  | CEHLO22 Transformation | 15 | 9 |
| | | | | CFCJ014 Transformation / Major Project Delivery | 25 | 16 |
| | | | | CFED013 Transformation / Major Project Delivery | 20 | 12 |
| | | | | CSCF031 Transformation / Change | 25 | 12 |
| | | | | CSCS009 Transformation / Change Management | 12 | 6 |
| | | | | CSHB010 Transformation & Change Management | 16 | 12 |
| | | | | CSIT011 Failure To Modernise | 16 | 6 |
| | | | | CSIT012 Failure to Manage Change | 20 | 9 |
| | | | | NSCo005 Future Delivery Model | 25 | 12 |
| DCC012 IJB / DHSCP | <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 |  |  | 3.a HSC IJB / HSCP | | |
| | | | | C19RR13 IJB / HSCP | 25 | 16 |

| Risk Code & Title | Risk Description | Inherent Risk | Residual Risk | Related Risks Code & Title | Inherent Risk Score | Residual Risk Score |
|----------------------------|--|--|---|----------------------------|---------------------|---------------------|
| 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 |  |  | C19RR07 Fraud / Corruption | 20 | 16 |
| | | | | CDDP015 Fraud & Corruption | 20 | 12 |
| | | | | CDPE017 Fraud & Corruption | 20 | 8 |
| | | | | CDRT013 Fraud | 20 | 6 |
| | | | | CEHL013 Fraud Risk | 4 | 6 |
| | | | | CFCJ015 Fraud & Corruption | 25 | 16 |
| | | | | CFED014 Fraud & Corruption | 25 | 9 |
| | | | | CSCF011 Fraud & Corruption | 25 | 12 |
| | | | | CSCS008 Fraud & Corruption | 25 | 15 |
| | | | | CSDL007 Fraud & Corruption | 15 | 3 |
| | | | | CSHB009 Fraud & Corruption | 25 | 12 |
| | | | | NSCo012 Fraud & Corruption | 25 | 15 |
| | | | | NSCS011 Fraud & Corruption | 25 | 10 |
| NSEN020 Fraud & Corruption | 25 | 8 | | | | |
| NSHC012 Fraud & Corruption | 25 | 12 | | | | |

| Risk Code & Title | Risk Description | Inherent Risk | Residual Risk | Related Risks Code & Title | Inherent Risk Score | Residual Risk Score |
|-------------------|--|--|---|----------------------------|---------------------|---------------------|
| DCC014 Brexit | <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 |  |  | CDDP005 Brexit | 16 | 15 |
| | | | | CDPE010 Brexit | 20 | 20 |
| | | | | CDRT009 Brexit | 16 | 4 |
| | | | | CSCF013 Brexit | 20 | 16 |
| | | | | CSDL005 Brexit | 25 | 9 |
| | | | | NSCS006 Brexit | 12 | 6 |
| | | | | NSEN019 Brexit | 12 | 16 |
| | | | | NSHC011 Brexit | 16 | 9 |

| Risk Code & Title | Risk Description | Inherent Risk | Residual Risk | Related Risks Code & Title | Inherent Risk Score | Residual Risk Score |
|-------------------|---|--|---|---|---------------------|---------------------|
| DCC015 Property | <p>The Council has a large-scale exposure to property risk, as owner-occupier, tenant and landlord. This extends to:</p> <ul style="list-style-type: none"> - educational establishments, with an extensive schools estate ; - around 12,500 Council owned residential properties; 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) - Insufficient / inadequate housing stock to meet demand - Increased H&S risks |  |  | C19RR04 Property | 16 | 12 |
| | | | | C19RR20 Covid 19 - Further Waves | 16 | 9 |
| | | | | CDDP006 Waterfront | 25 | 9 |
| | | | | CFCJ005 Premises | 20 | 6 |
| | | | | CFED002 Loss of educational Establishment | 25 | 10 |
| | | | | CSCF012 Waterfront | 25 | 20 |
| | | | | NSEN005 Property /Asset Management | 20 | 12 |
| | | | | NSHC009 Property Management (Council Housing) | 20 | 12 |

CRMC - Covid 19 Recovery RR

Report Type: Risks Report

Report Author: Colin Carmichael

Generated on: 19 January 2022



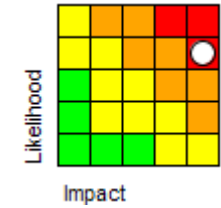
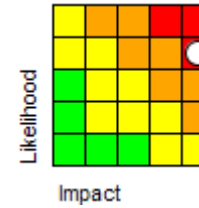
| Risk Code & Title | Risk Description | Inherent Risk Score | Residual Risk Score |
|---------------------------------------|--|---------------------|---------------------|
| 2.d - COVID 19 Recovery Risk Register | Register of risks to the Council's recovery from the Covid 19 pandemic | | |

| Risk Code & Title | Risk Description | Inherent Risk Score | Residual Risk Score |
|---|---|---------------------|---------------------|
| C19RR01 Financial Stability - Expenditure | <ul style="list-style-type: none"> * Risk that financial measures established to address Covid 19 related issues place an unsustainable drain on resources beyond the immediate crisis ending, with insufficient alternative income received to address the funding gap * Risk that 2020/21 (and beyond) budgeted savings are not achieved, leading to over-budget expenditure * DH&SCP costs escalate in the long term due to Covid 19, leading to a further draw on DCC (& NHS) funding Impact / Consequences: <ul style="list-style-type: none"> * Significant funding gap * Inability to meet budgeted commitments * Extreme 2021/22 funding pressures * Inability to provide some services at all * Capital programme requires to be reviewed * Going concern status in doubt * Increased level of write offs * Inability to continue established contracts | | |

| Risk Code & Title | Risk Description | Inherent Risk Score | Residual Risk Score |
|-------------------|------------------|---------------------|---------------------|
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C19RR02 Financial Stability – Income

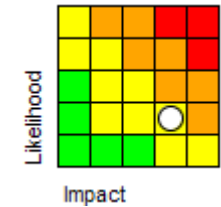
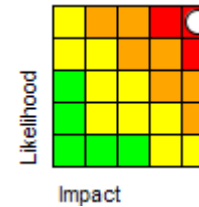
* Income originally budgeted at pre-crisis levels is seen to reduce significantly, e.g. LGFS, Council Tax, NDR, commercial rents, domestic rents, commercial income (car parks, planning etc.) etc.
 Impact / Consequences:
 * Significant funding gap
 * Inability to meet budgeted commitments
 * Extreme 2021/22 funding pressures
 * Inability to provide some services at all
 * Capital programme requires to be reviewed
 * Going concern status in doubt
 * Increased level of write offs
 * Inability to continue established contracts



| Risk Code & Title | Risk Description | Inherent Risk Score | Residual Risk Score |
|-------------------|------------------|---------------------|---------------------|
|-------------------|------------------|---------------------|---------------------|

C19RR03 Third Sector Service Providers

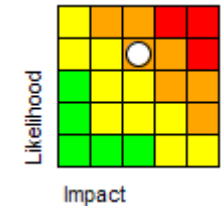
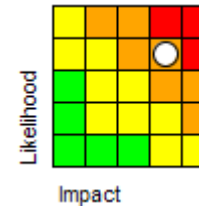
* Financial instability / potential collapse of key providers leading to difficulty in ensuring short / medium term service provision
 Impact / Consequences:
 * Inability to source essential services
 * Financial expectations of third sector cannot be met
 * Increased cost of service provision
 * Additional burden on internal services
 * Quality of service reduces



| Risk Code & Title | Risk Description | Inherent Risk Score | Residual Risk Score |
|-------------------|------------------|---------------------|---------------------|
|-------------------|------------------|---------------------|---------------------|

C19RR04 Property

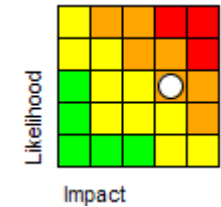
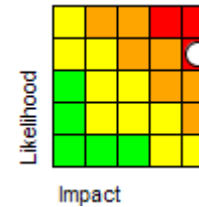
* Office accommodation unable to house pre-Covid 19 staffing levels due to social distancing requirements * Backlog of repairs and maintenance - budgetary issues, rising costs based on current market forces & legislation changes * Timescales and resource for preparation of property for post Covid 19 occupation * Increased market uncertainty and downturn in developer interest in property & land deals * Slow restart to construction sites and rising material costs * Difficulty marketing and selling surplus properties * Defaulting of tenant leases due to post Covid 19 economic conditions * Difficulty letting vacant commercial properties * Continuity of external service contractors for H&S statutory contracts
 Impact / Consequences:
 * A proportion of staff will be unable to return to their regular workplace * Compressed funding requirement to catch up on overdue works * Reduction in sales value of surplus properties * Security of unoccupied properties * Reconfigurations required to existing premises * Loss of rental income due to business failures
 *Downward pressure on capital and rental values due to market conditions *Increased holding costs, eg rates, utilities, security, due to greater level of voids



| Risk Code & Title | Risk Description | Inherent Risk Score | Residual Risk Score |
|-------------------|------------------|---------------------|---------------------|
|-------------------|------------------|---------------------|---------------------|

C19RR05 Demand Levels

* Risk that demands placed on customer facing and internal services remain considerably above established pre-C19 levels, placing added strain on already hard pressed services, staff and finances * Backlogs in external bodies place additional demands on Council resources as they attempt to catch up (e.g. sheriff court, DWP)
 Impact / Consequences:
 * Insufficient trained staff to meet demand * Poor quality of service * Complaint levels escalate, exacerbating the situation * Staff morale suffers * Increased absence levels

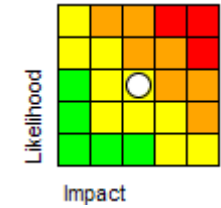
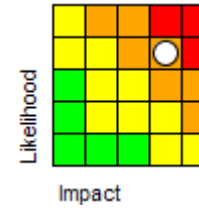


| Risk Code & Title | Risk Description | Inherent Risk Score | Residual Risk Score |
|-------------------------------|--|---------------------|---------------------|
| C19RR06 Procurement | <ul style="list-style-type: none"> * Risk that historical commercial suppliers of goods and services are no longer available due to business failure / other commitments or some other reason Impact / Consequences: * Inability to source essential goods & services * Supply / demand pushes up the cost of goods & services * Increased incidence of fraud / price manipulation * Increased risk of non-compliant contracts / spend | | |
| C19RR07 Fraud / Corruption | <ul style="list-style-type: none"> * Risk that Covid 19 related fraud attempts will continue into 'recovery' period (albeit perhaps with a different slant) Impact / Recovery: * Financial loss * Reputational damage * Staff morale suffers * Failure to give Best Value | | |
| C19RR10 Health & Safety | <ul style="list-style-type: none"> * Risk to the health & safety of staff, clients and other stakeholders due to Covid 19-19 related issues, including: - Inadequate protective measures - Ineffective implementation of protective measures - Inadequate response / PPE availability to cope with resurgence of infection including changing guidance / regulation (see 20. below) - Concentration on Covid 19 H&S results in other H&S shortcomings Impact / Consequences: * HSE investigation / action * Political and reputational damage * Injury or death of staff / public * Legal action - compensation / fines * Impact on mental health of staff / public * Teams over-stretched assisting with Covid 19 work | | |
| C19RR11 Education & Wellbeing | <ul style="list-style-type: none"> * Educational attainment is impaired due to the severe disruption to school based lessons * Lockdown restrictions result in increased instances of abuse and neglect * Increased risk of placement breakdown for Looked After Children as a result of additional pressures and constraints on providing support * Risk to seamless transitions between nursery / primary / secondary / tertiary * Potential teacher shortages due to smaller class sizes * Delay to full implementation of 1140 hrs of Early Learning and Childcare (ELC) (NB: albeit statutory requirement now 600 hrs, DCC remain committed to 1140 as far as possible) Impact / Consequences: * Failure to achieve attainment targets * Attainment ground lost against peer group * Children do not receive the best start in life * Children are inadequately educated for SQA examination syllabus * SIMD children disproportionately affected * Attainment gap increases * Child protection referrals increase * Inability to accommodate smaller class sizes * Not all children will receive 1140 hr of ELC | | |

| Risk Code & Title | Risk Description | Inherent Risk Score | Residual Risk Score |
|----------------------------------|---|---------------------|---------------------|
| C19RR12 Staff | <ul style="list-style-type: none"> * Risk of longer term mental / physical wellbeing impact on staff * Difficulties in recruitment * Ongoing H&S risks from continuing Covid 19 threat * Capacity issues * Ad-hoc removal of equipment to home working environment * Increased Covid 19 spread / 2nd wave of infection * Annual leave build-up as a result of new Covid 19 specific guidance refer financial risks above Impact / Consequences: <ul style="list-style-type: none"> * Staff morale suffers * Increased absence levels * Reputational risk * Litigation risk if infection spread through inadequate PPE / procedures * Issue resourcing services adequately * Lack of control over equipment / equipment loss * Large scale shielding of teams * Staff shortages due to a/l c/f issues * Financial cost of essential overtime | | |
| C19RR13 IJB / HSCP | Covid 19 related pressure on resources (financial / staff) will have a 'tail', resulting in ongoing medium / longer term pressure on the H&SCP and by association on the Council refer financial expenditure risks above Impact / Consequences: <ul style="list-style-type: none"> * Ongoing physical and mental stress on staff * Staff morale suffers * Increased absence levels * Reputational risk * Extreme financial pressure * Potential for multiple legal actions | | |
| C19RR14 Leisure & Culture Dundee | <ul style="list-style-type: none"> * Prolonged delay in reopening facilities coupled with added H&S protective measures leads to reduced usage and income / increased costs * Reduced confidence levels in facilities resulting in very slow take up of re-opened facilities * Risk of infection at LaCD facilities and risk of the financial impact of a second wave and potential return to lockdown Impact / Consequences: <ul style="list-style-type: none"> * Extreme financial pressure on LaCD and Council * Staffing levels out of line with 'new normal' workload requirements and income * Litigation risk if infection spread through inadequate Covid 19 H&S procedures | | |
| Risk Code & Title | Risk Description | Inherent Risk Score | Residual Risk Score |

C19RR20 Covid 19 - Further Waves

- * Lockdown restrictions easing results in further waves (potentially of different / more infectious and deadly variants) and resurgence of the virus
- Impact / Consequences:
 - * Return to lockdown with workplace / travel / social etc restrictions
 - * Increase in illness, deaths, social distancing etc
 - * Basically, back to where we were at start of initial lockdown
 - * Increased anxiety levels / mental health concerns



| Risk Code & Title | Risk Description | Inherent Risk Score | Residual Risk Score |
|-------------------|------------------|---------------------|---------------------|
|-------------------|------------------|---------------------|---------------------|

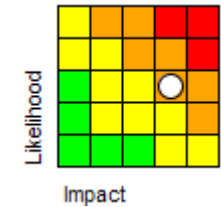
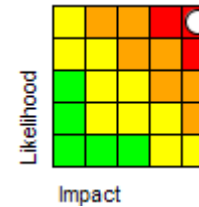
C19RR21 Economic Impact

C19RR21 Economic Impact represents a merger of four original risks identified at the inception of the C19 Recovery Risk Register, and which have now been deactivated:
 C19RR16 Business Support
 C19RR17 Unemployment / Homelessness / Inequalities
 C19RR18 Crime Levels
 C19RR19 Leisure, Culture & Entertainment (excl LaCD)

- Businesses fail or struggle to survive / recover across multiple sectors (incl. retail, leisure, hospitality, commercial)
- Reduced economy results in less discretionary spend
- Locally severe economic impact

Impact / Consequences:

- Higher levels of long-term unemployment
- Increased levels of homelessness & inequality
- Increased SIMD inclusion / income & health disadvantages worsen
- 'High Streets' becomes less attractive due to reduced retail offering
- Businesses & venues struggle / fail
- Impact on city as a destination – diminished tourism/leisure spend
- Increased call on Council funds to support neighbourhoods & businesses
- Negative impact on quality of life for residents





Integration Joint Boards

Risk Management Strategy

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The Risk Management Approach and Vision

- 1.1 The Integration Joint Boards (IJBs) are committed to a culture where the workforce is encouraged to develop new initiatives, improve performance and achieve goals safely, effectively and efficiently by appropriate application of good risk management practice.
- 1.2 In doing so the aim is to provide safe and effective care and treatment for patients and clients, and a safe environment for everyone working within the IJBs and others who interact with the services delivered under their direction.
- 1.3 The IJBs believe that appropriate application of good risk management will prevent or mitigate the effects of loss or harm and will increase success in the delivery of objectives, better clinical, care and financial outcomes, achievement of targets and fewer unexpected problems.
- 1.4 They purposefully seek to promote an environment that is risk 'aware' and strive to place risk management information at the heart of key decisions. This means that the IJBs can take an effective approach to managing risk in a way that addresses significant challenges and enable positive outcomes.
- 1.5 The IJBs promote the pursuit of opportunities that will benefit the delivery of their Strategic and Commissioning Plans. Opportunity-related risk must be carefully evaluated in the context of the anticipated benefits for patients, clients and the achievement of strategic aims.
- 1.6 The IJBs will receive assurance reports, including internal and external audit reports, not only on the adequacy but also the effectiveness of its risk management arrangements and will consequently value the contribution that risk management makes to their wider governance arrangements. The IJB's will share the findings of such reports with each other to ensure consistency of good practice across the Tayside region in line with information sharing protocols.
- 1.7 The IJBs, through the following risk management strategy, have established a Risk Management Framework, (which covers risk policy, procedure, process, systems, risk management roles and responsibilities).

Key benefits of effective risk management:

- appropriate, defensible, timely and best value decisions are made;
- risk 'aware' not risk 'averse' decisions are based on a balanced appraisal of risk and enable acceptance of certain risks in order to achieve a particular goal or reward;
- supports delivery of key aims and objectives – priorities and outcomes
- high levels of morale and productivity;
- better use and prioritisation of resources;
- high levels of user experience/ satisfaction with a consequent reduction in adverse events, claims and/ or litigation; and
- a positive reputation established for the Integration Joint Boards.

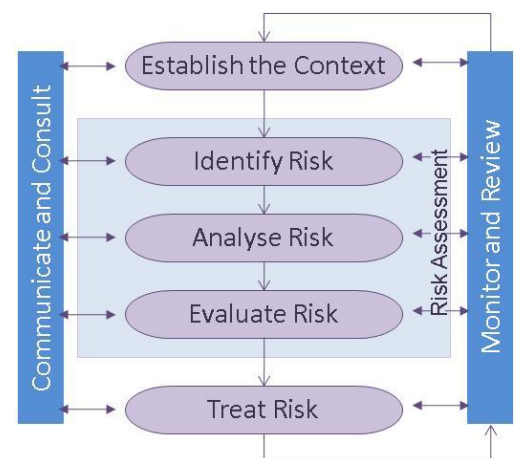
Strategy - Implementing the Strategy

1. Introduction

- 1.1 The primary objectives of this strategy will be to:
- promote awareness of risk and define responsibility for managing risk within the IJBs;
 - establish communication and sharing of risk information through all areas of the IJBs;
 - initiate measures to reduce the IJBs exposure to risk and potential loss through the design & implementation of robust portfolios of internal controls.; and,
 - establish standards and principles for the efficient management of risk, including regular monitoring, reporting and review.
- 1.2 This strategy takes a positive and holistic approach to risk management. The scope applies to all risks, such as relating to the clinical and care environment, employee safety and wellbeing, business risk, opportunities or threats and the risk to delivery of strategic and commissioning plans.
- 1.3 **Strategic risks** represent the potential for the IJBs to achieve (opportunity) or fail to meet (threat) its desired outcomes and objectives as set out within their Strategic Plans, and typically these risks require strategic leadership in the development of activities and application of controls to manage the risk.
- 1.4 **Operational risks** represent the potential for impact (opportunity or threat) within or arising from the operational services delivered by the Local Authority and Health Board, as commissioned through the Strategic Commissioning Plan and Directions by the IJB. As the providers of the operational health and social care services, the Local Authority and Health Board have responsibility for making appropriate arrangements in relation to the management, monitoring and reporting of operational risks. On a day to day basis these risks will be managed with the respective risk management frameworks of the Local Authority and Health Board, by the IJB's Chief Officer acting in their capacity as the Local Authority / Health Board Director for the relevant operational services. Where operational risks are such that they may have an impact on the deliverability of the IJB's Strategic Commissioning Plan however, they also require to be reflected and managed as a strategic risk within the IJB risk management framework.
- 1.5 This document represents the risk management framework to be implemented across the Joint Boards and will contribute to their wider governance arrangements.

2. Risk management process

- 2.1 Risk Management is about the culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects¹ It is proactive in understanding risk and uncertainty, it learns and builds upon existing good practice and is a continually evolving process that has an important role in ensuring that defensible and beneficial decisions are made.
- 2.2 The IJBs embed risk management practice by consistent application of the risk management process shown in the diagram on the right, across all areas of service delivery and business activities.
- 2.3 IJBs will ensure arrangements are in place for the reporting of risks as part of the monitoring and review process.



¹ Australia/ New Zealand Risk Management Standard, AS/NZS 4360: 2004

- 2.4 The IJB's risk management framework harnesses the activities that identify and manage uncertainty, allows it to take opportunities and to take managed risks not simply to avoid them, and systematically anticipates and prepares successful responses. A key consideration in balancing risks and opportunities, supporting informed decision-making and preparing tailored responses is to establish the IJB's risk appetite in relation to its strategic risks.
- 2.5 Risk appetite provides a framework which enables an organisation to make informed management decisions. By defining a risk appetite IJBs will clearly set out thresholds around which risks can be tolerated and hence where the IJB is willing to operate, the extent to which risks need to be managed and at which point they should be escalated. Consideration may also be given to the optimal or target range within which risks should sit and where the IJB aims to operate. These thresholds are for IJBs to determine and although there are advantages to statutory partners having similar appetites this may not be possible to achieve. Variance in this regard, although accepted as a practical reality, needs to be borne in mind when considering the nature of identified risks, how they are similarly identified and within partner bodies and then how they are managed/controlled accordingly.

The benefits of adopting a risk appetite include:

- Supporting informed decision-making;
 - Reducing uncertainty;
 - Improving consistency across governance mechanisms and decision-making;
 - Supporting performance improvement;
 - Focusing on priority areas within an organisation;
 - Informing spending review and resource prioritisation processes.
- 2.6 When developing its risk appetite, an organisation needs to consider a range of issues, including the norms of the environment and the sectors in which it operates, its own culture, as well as governance and decision-making processes. It also needs to consider its ability to implement this risk appetite.

3. Application of good risk management across the IJB activities

- 3.1 Standard procedures (3.1 – 3.9) will be implemented across all areas of activity that are under the direction of the IJBs in order to achieve consistent and effective implementation of good risk management.
- 3.2 Risk management information will (wherever possible) be used to guide major decisions alongside other factors that require consideration as part of an impact assessment. All decision papers will overtly reference risk and any links to the IJB Strategic Risk Register.
- 3.3 Development, escalation and horizon scanning of risk involving key stakeholders and subject experts who have knowledge and experience of the activity or process under consideration.
- 3.4 Appropriate ownership of risk: IJB Strategic risks will be owned by/assigned to and managed by those individual/s who are best placed to oversee the risk and manage the development of any new risk controls required by the Chief Officer of the relevant IJB in conjunction with Senior Management from NHS Tayside and the Local Authority.
- 3.5 Consistent application of the agreed risk matrix to analyse risk in terms of likelihood of occurrence and potential impact, taking into account the effectiveness of risk control measures in place. The risk matrix to be used is attached in Appendix 1.
- 3.6 Consistent response to risk that is proportionate to the level of risk and risk appetite..

- 3.7 Implementation and maintenance of risk registers as a means of collating risk information in a consistent format allowing comparison of risk evaluations, informed decision-making in relation to prioritising resources and ease of access to information for risk reporting.
- 3.8 The Integrated Joint Board or delegated Committee will routinely receive risk management reports from the Chief Officer or Chief Financial Officer for agreement or approval at least bi-annually.
- 3.9 The IJB or delegated Committee shall receive an annual Risk Management Report which provides an overt conclusion of the adequacy and effectiveness of the IJB's risk management arrangements and the application of this risk management strategy.
- 3.10 As noted in sections 2 and 4 above, the Chief Officer shall prepare local procedures which allow for detailed review, response and escalation of operational risks which take account of other governance and management structures operated by the IJB and its partners including in particular, arrangements for Clinical and Care, Staff and Information Governance.

Risk Leadership and Accountability

4. Governance, roles and responsibilities

- 4.1 Integration Joint Boards and/or delegated Committee
Members of the Integration Joint Boards, including as members of the appropriate delegated Committee are responsible for:
- oversight of the IJBs risk management arrangements including seeking assurance that these are effective;
 - receipt, review and scrutiny of reports on strategic risks and any key operational risks that require to be brought to the IJBs attention; and,
 - ensuring that all IJB Board and Standing Committee papers adequately explain associated risks and overtly refer to the IJB Risk Register where relevant
- 4.2 Chief Officer
The Chief Officers have overall responsibility for the IJBs risk management framework, ensuring that suitable and effective arrangements are in place to manage the risks relating to the functions within the scope of the IJB. The Chief Officers will keep the Chief Executives of the IJBs partner bodies (Council and Health) informed of any significant existing or emerging risks that could seriously impact the IJB's ability to deliver the outcomes of their Strategic Plans or the reputation of the IJB and vice versa.
- 4.3 Chief Financial Officer
The Chief Financial Officer will be responsible for ensuring financial risks are identified and mitigating actions identified for the consideration of the IJB and delegated Committees as appropriate.
- 4.4 HSCP Senior Management Team
Members of the Senior Management Team are responsible (either collectively, or by nominating a specific member of the team) for:
- supporting the Chief Officer in fulfilling their risk management responsibilities;
 - arranging professional risk management support, guidance and training from partner bodies;
 - receipt and review of regular risk reports on strategic, shared key operational risks and escalating any matters of concern to the IJB Chief Officer; and,
 - ensuring that the standard procedures set out in section three of this strategy are actively promoted across their teams and within their areas of responsibility.

4.5 Individual Risk Owners/Risk Managers

It is the responsibility of each risk owner/manager to ensure that:

- risks assigned to them are analysed in keeping with the agreed risk matrix both for probability / likelihood and consequence / impact taking into account existing controls and the potential likelihood and consequences after treatment of the risk
- data on which risk evaluations are based are robust and reliable;
- risks are defined clearly to make explicit the scope of the challenge, opportunity or hazard and the consequences that may arise;
- the whole risk is reviewed not only in terms of likelihood and impact of occurrence, but takes account of any changes in context that may affect the risk;
- controls that are in place to manage the risk or which are proposed are proportionate to the context and level of risk and are effective in practice
- risks are recorded using the relevant electronic risk management recording system framework .

4.6 All persons working under the direction of the IJB within the HSCP

Risk management should be integrated into daily activities with everyone involved in identifying current and potential risks where they work. Individuals have a responsibility to make every effort to be aware of situations which place them or others at risk, report identified hazards and implement safe working practices developed within their service areas. This approach requires everyone to:

- understand the risks that relate to their roles and activities;
- understand how their actions relate to their own, their patient's, their services user's/ client's and public safety;
- understand their accountability for particular risks and how they can manage them;
- understand the importance of reporting incidents and/ or near misses to allow lessons to be learned and contribute to ongoing improvement of risk management arrangements; and,
- understand that good risk management is a key part of the IJB's culture.

4.7 Partner Bodies

Partner bodies will continue to operate appropriate Risk Management processes for operational risk and Chief Executives of the partner bodies will ensure that processes will be put in place to alert the IJB of any strategic or operational risks which are likely to impact on the delivery of the IJB's Strategic and Commissioning Plan. The partner bodies will provide formal assurance to the IJB on the operation of their Risk Management arrangements and of the adequacy and effectiveness of key controls which could impact on the achievement of IJB objectives. The IJB will provide reciprocal assurance, including to other IJB's in their capacity as being responsible for hosted services, on its Risk Management processes and key controls.

It is the responsibility of relevant specialists including those from the partner bodies, (such as risk managers/coordinators) to attend meetings where appropriate to consider the implications of risks and provide relevant advice. However ultimate responsibility for risk remains with the individual designated risk owners / risk managers within the HSCPs.

Resourcing Risk Management

5. Resourcing the risk management framework

- 5.1 Much of the work on developing and leading the ongoing implementation of the risk management framework for the Integration Joint Boards will be resourced through the Senior Management Team's arrangements (referred to in 4.4). The IJBs will work with partner bodies to ensure that the risk management function of the IJB's is adequately supported in accordance with the Integration Scheme

- 5.2 In order to facilitate the continued development and embedding of consistent risk management approaches and principles across the Tayside IJB's, a Tayside Risk Management Working Group has been established which consists of risk management leads from each of the IJB's, local authorities and NHS Tayside.
- 5.3 Where risks impact on a specific partner body and new risk control measures require to be developed and funded, it is expected that this will be taken forward by the partner organisation, within current resource where possible under the direction of the IJB and normal budget setting and financial management processes.

Training, Learning and Development

6 Risk management training and development opportunities

- 6.1 To effectively implement this policy and strategy, it is essential for people to have the competence and capacity for managing risk and handling risk judgements with confidence, to focus on learning from events and past experience in relation to what has worked well or could have been managed better, and to focus on identifying opportunities to improve systems and processes.
- 6.2 Training is important and is essential in embedding a positive risk management culture across all activities under the direction of the IJBs and in developing risk management maturity. The Senior Management Teams will regularly review risk management training and development needs and source the relevant training and development opportunities required through the respective partner bodies. These training requirements will include officers and IJB members as appropriate.
- 6.3 The majority of risk-related courses/ training will be delivered through resources already available to the IJB through the partner body risk management functions, including provision of risk management training to reflect integrated service arrangements. Wherever possible the IJBs will ensure that any additional risk management training requirements and costs will be kept to a minimum.

Monitoring and Reporting

7 Monitoring risk management activity and performance

- 7.1 Measuring, managing and monitoring risk management performance is key to the effective delivery of key objectives.
- 7.2 The IJBs operate in a dynamic and challenging environment. A suitable system is required to ensure risks are monitored for change in context and scoring so that appropriate response is made as appropriate as reflected in the features of good risk management outlined in section 3.
- 7.3 Monitoring will include formal review of the IJBs risk profile at Senior Management Team level on at least a quarterly basis taking into account all relevant strategic, operational and shared risks.
- 7.4 The HSCP Senior Management team will consider risks associated with items on their management team agenda and will consider whether any items should be added to partner bodies operational risk registers and / or considered for inclusion in the IJB's Strategic Risk Register.

- 7.5 Measuring, managing and monitoring risk management performance is key to the effective delivery of key objectives. The IJB will therefore set and monitor key performance indicators for its Risk Management processes to be reported formally at least annually as per of the annual Risk Management Report with regular reporting to the appropriate delegated committee.
- 7.6 Performance data linked to the Strategic Plans will be presented to inform the identification of new risks and / or highlight where existing risks require more attention and provides a conclusion on whether the information within the risk register required amendment.
- 7.7 Reviewing the IJBs risk management arrangements on a regular basis will also constitute a 'Plan/ Do/ Study/ Act review cycle that will shape future risk management priorities and activities of the IJB, inform subsequent revisions of this policy and strategy and drive continuous improvement in risk management across the IJB.

Communicating Risk Management

8 Communicating, consulting on and reviewing the risk management framework

- 8.1 Effective communication of risk management information across the IJBs, HSCPs NHS and Local Authority is essential to developing a consistent and effective approach to risk management.
- 8.1 Copies of this policy and strategy will be widely circulated via the Senior Management Teams and will form the basis of any risk management training.
- 8.2 This policy and strategy will be reviewed as a minimum once every 3 years led by the IJBs with support from the NHS and Local Authority to ensure that it reflects current standards and best practice in risk management and fully reflects the Integration Joint Boards business environment.

Appendix 1 - Risk Matrix

| | | | | | | |
|-------------------------------|-------------------------------------|---------------------------------------|---------------------------------------|---|--------------------------------------|---|
| Impact/Consequences | Critical/Extreme (5) | 5 | 10 | 15 | 20 | 25 |
| | Major (4) | 4 | 8 | 12 | 16 | 20 |
| | Significant/Moderate (3) | 3 | 6 | 9 | 12 | 15 |
| | Marginal/Minor (2) | 2 | 4 | 6 | 8 | 10 |
| | Negligible (1) | 1 | 2 | 3 | 4 | 5 |
| | | Very Low/Rare (1) | Low/ Unlikely (2) | Low to High/ Possible (3) | High/ Likely (4) | Very High/ Almost Certain (5) |
| Likelihood/Probability | | | | | | |

Appendix 2 - Definitions

It is acknowledged that terminology in common use can, and does, vary across organisations. Variations in terminology between the organisations contributing to this document are set out in the table below to permit a read-across between the contributing bodies, and to provide a common definition for these as appropriate.

| | TERMINOLOGY IN USE | | | |
|--|---------------------------|---------------------------|--|--|
| Angus IJB | Dundee IJB | PKC IJB | NHS | Common Definition |
| Inherent risk (without mitigation) | Inherent Risk | Inherent Risk | Risk Exposure Rating – No Controls | The level of risk in the absence of all but the most basic of control measures |
| Residual risk (with mitigation) | Residual Risk | Residual Risk | Risk Exposure Rating – Current Controls | The level of risk at the current stage of implementation of control measures (also referred to as controlled risk) |
| Target Risk | Target Risk | Target Risk | Risk Exposure Rating – Planned/Proposed Controls | The level of risk which it is expected to be achieved with full and effective implementation of available control measures |
| N/A | Risk Universe | N/A | N/A | Refers to all of the organisation's risks |
| Risk Register | Risk Register | Risk Register | Risk Register | Comprehensive database containing the organisation's risks at both Corporate / strategic and Service / operational levels |
| Strategic Risks | Strategic Risks | Strategic Risks | Strategic Risks | Risks which have the potential to impact high level / strategic objectives usually held at executive level |
| Operational Risks | Operational Risks | Operational Risks | Service Level Risks | Risks which may impact on the day to day delivery of services usually held at service level |
| Project Risks | Project Risks | Project Risks | Project Risks | Risks which impact directly on the delivery of individual projects |
| Current Controls. Datix/Pentana/ ADASTRA | Control Measures | Existing Controls | Current Controls | The things we do to influence the likelihood of a risk event happening and / or to mitigate the level of impact of a risk event if it does occur |
| | Pentana | Datix (operational risks) | Datix | A software solution used under licence, to maintain Risk Registers electronically. Also used for some partner and project Risk Registers and for action and performance management |

| TERMINOLOGY IN USE | | | | |
|--|------------------|--|--|--|
| Angus IJB | Dundee IJB | PKC IJB | NHS | Common Definition |
| Identification of 'emerging risk' | Horizon Scanning | Emerging Risk | Horizon Scanning | A medium to long term view seeking to identify risks which are 'on or over the horizon', with the intention to assess and where appropriate mitigate against them |
| Current Pending Treated/Archived Closed Rejected | '5 T's' | Take Treat Transfer Terminate | Current Pending Treated/Archived Closed Rejected | <p>These are the responses to risk, how we propose to deal with it in headline terms, and consist of:</p> <ul style="list-style-type: none"> • Terminate – remove the risk completely • Transfer – e.g. to a partner or through insurance • Tolerate – accept the risk as-is • Treat – implement actions or / and put in place control measures <p>The standard '4 T's' in common usage are as above. However, this can be expanded to '5 T's' to also include:</p> <ul style="list-style-type: none"> • Take Opportunities – where, for example, there is scope to take increased risk in order to gain added benefit / reward |
| N/A | N/A | N/A | Risk Category | Select from: Compliance/Legislative/Regulatory Quality (of care)/Clinical Reputational Resource Financial Resource Workforce |
| Risk Owner | Risk Owner | Risk Owner | Risk Owner | This is the person who is ultimately responsible for the risk and who will be the subject matter expert |
| Risk Manager | Risk Manager | Risk Manager | Risk Manager | This is the person who has day to day operational management of the risk and who will be responsible for monitoring the risk and coordinating any actions needed to manage the risk |
| Risk Review Date | Due Date | Review Date | Risk Review Date | This is the date by which the next review must take place |
| Likelihood | Probability | Probability | Likelihood | Frequency of the event occurring |
| Consequence or Impact | Impact | Impact | Consequence | Impact on the organisation should an identified risk occur |
| Risk Exposure Rating | Risk Score | Risk Exposure Rating | Risk Exposure Rating | Outcome based on likelihood x consequences. Determines whether a risk is red, amber, yellow or green. |
| Risk Appetite | Risk Appetite | Risk Appetite | Risk Appetite | |