



Glasgow City Council

Operational Performance and Delivery Scrutiny
Committee

Report by Director of Governance and Solicitor to the Council

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Item 5

21st November 2018

ALEO RISK MANAGEMENT

Purpose of Report:

To provide the Committee with an update on the top risks to the Council arising from the operation of the Arm's Length External Organisations (ALEOs) model and the top risks across each of the ALEOs.

Recommendations:

The Committee is asked to note the contents of the report.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes No consulted: Yes No

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1. INTRODUCTION

- 1.1 The purpose of this report is to provide risk management information in relation to the Arm's Length External Organisations (ALEOs) established by the Council.
- 1.2 This report is structured in two sections:
- Section 2 – risks to the Council arising from use of the ALEO model, and
 - Section 3 – ALEO specific updates on the top five risks facing the organisation.
- 1.3 Information within Section 2 is derived from the Risk Register maintained by the Council's Corporate Governance section. Section 3 is comprised of information provided by each of the ALEOs. As individual entities, each operates its own Board, to which Elected Members are appointed, and its own constitutional and governance frameworks. The role of the Board, supported by appropriate sub-committees where relevant, is to monitor and oversee the operation of these arrangements in furtherance of the strategic objectives of the organisation. This includes oversight of risk management.
- 1.4 The information within this report is provided to Committee as part of the ALEO Governance Framework implemented by the Council and to ensure oversight and scrutiny of the risks managed across the ALEOs, as part of the Council Family.

2. RISKS TO THE COUNCIL OF THE ALEO STRUCTURE

- 2.1 The Council has set up a number of ALEOs, including charities and Limited Liability Partnerships (LLPs). The risks that may arise from such a structure are monitored alongside the Council's Corporate Risk Register, which was most recently reported to the Finance and Audit Scrutiny Committee on 7 November 2018.
- 2.2 These risks are reviewed on an ongoing basis where an assessment is made of the likelihood and potential impact of the risks materialising. This is informed by:
- Reviewing each ALEO's organisational Risk Register which provides insight into matters of strategic and operational importance and areas of uncertainty;
 - Information obtained and discussed as part of the ALEO Governance Framework, including the Governance Management Group meetings held with each ALEO on a six-monthly basis to consider risks, issues and financial and operational performance;
 - Considering the Council's Strategic Plan 2017 to 2022 and areas where services are delivered by an ALEO, and
 - Engagement with the ALEOs and horizon scanning to identify emerging changes or issues that may have an impact on the Council Family operating model.

- 2.3 Table 1 overleaf sets out the top five risks posed by the ALEO structure to the Council and the identified mitigating actions.
- 2.4 The top risks were last reported to Committee in May 2018. This showed the position as at 31 March 2018 and was based upon the Corporate Risk Management Policy and Strategy in place at that time. Following the introduction of the Council's new [Corporate Risk Management Framework](#) in April 2018, the Risk Register was refreshed to allow risks to be reviewed; redefined; closed; added, and re-assessed and for the revised risk assessment matrix, as set out at Illustration 1, to be applied. This refresh provided a re-baselining of assessed risk scores. When these risks are next reported to Committee, any changes from the current position will be recorded.

Illustration 1 – Corporate Risk Assessment Matrix

PROBABILITY	Almost certain	5	5	10	15	20	25
	Likely	4	4	8	12	16	20
	Possible	3	3	6	9	12	15
	Unlikely	2	2	4	6	8	10
	Rare	1	1	2	3	4	5
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Critical

- 2.5 For each risk in Table 1, the overall risk rating is shown and the residual scoring is also noted i.e. scoring after the application of control and mitigating. The residual scores for probability and impact, which form the overall residual risk score, are also set out.

Table 1: Top Risks to the Council by Virtue of the ALEO Model

Risk Description	Mitigating Action	Risk Rating	Change in Risk Score	Reason for Change
<p>1. RISK: ALEO financial performance may adversely impact the Council.</p> <p>CAUSE: Economic conditions; lack of planning and/or inability to execute savings and efficiency initiatives; failure to return budgeted surpluses to Council; lack of effective financial management.</p> <p>EFFECT: Unplanned financial contributions from the Council; service reductions to make good on overspend, or pressure on Council Tax; sustained or increasing budget pressures across the Council Family; duplication and inefficiencies.</p>	<ul style="list-style-type: none"> The budget process identifies budget saving targets for ALEOs and a budget service planning process is in place. The Executive Director of Financial Services and the Director of Finance and Business Services engage with ALEOs on an ongoing basis regarding financial performance. Finance is a standing item on the agenda of the Governance Management Group. ALEO financial performance is reported to and scrutinised by FASC on a quarterly basis. ALEOs have suitably experienced and qualified finance teams. Internal and external audit arrangements are in place across the ALEOs. Spending controls including recruitment and re-prioritisation of service delivery. 	<p>Medium RI = 3 RP = 3 RR = 9</p>	<p>Refreshed</p>	<p>N/A</p>
<p>2. RISK: Elected Members appointed to ALEO Boards may encounter, or be perceived to face, conflicts of interest.</p> <p>CAUSE: Appointment of Elected Members to ALEO Boards; insufficient or ineffective safeguards, including training.</p> <p>EFFECT: Elected Members may feel compromised; potential breaches of the Councillors' Code of Conduct; reputational damage to the individual and the Council.</p>	<ul style="list-style-type: none"> The Councillor's Code of Conduct sets out principles that Elected Members must follow when appointed to ALEO Boards. This is provided to all Elected Members upon election / induction. Training is provided to Elected Members on the Code and specifically around appointment to ALEO Boards and the threats that may present and how these should be managed. This training is also provided again upon induction to ALEO Boards. 	<p>Medium RI = 2 RP = 3 RR = 6</p>	<p>Refreshed</p>	<p>N/A</p>

Risk Description	Mitigating Action	Risk Rating	Change in Risk Score	Reason for Change
	<ul style="list-style-type: none"> The Council's Monitoring Officer oversees the delivery of training and provides guidance to Elected Members. Ultimately, it is the responsibility of Elected Members to act if they feel conflicted. Guidance on how to do so is provided by the Council. 			
<p>3. RISK: Adverse media attention / coverage. CAUSE: Perceived or actual issues with service delivery; service quality or governance / management issues in ALEOs. EFFECT: Potential reputational damage to the Council.</p>	<ul style="list-style-type: none"> Media coverage of ALEOs is monitored to assess potential impact on Council. Established working relationships between ALEOs and Council Communications staff. The Council operates a well-established ALEO Governance Framework which ensures regular engagement, scrutiny and performance management. Internal Audit provide an audit service to the majority of ALEOs. ALEOs attend the Extended Council Management Team. 	<p>Medium RI = 3 RP = 2 RR = 6</p>	<p>Refreshed</p>	<p>N/A</p>
<p>4. RISK: ALEO organisational instability. CAUSE: Unexpected or significant changes to ALEO Boards and / or senior management teams. EFFECT: Reputational damage; lack of strategic oversight and direction within the ALEO, potentially leading to an adverse impact on service delivery, governance and performance which may affect service users, citizens and other parts of the Council Family.</p>	<ul style="list-style-type: none"> Elected Member Board appointments provide an element of stability and continuity to ALEO Boards. The Council has the ability to ratify ALEO independent director appointments. Examples of changing ALEO senior management structures have been managed. 	<p>Medium RI = 2 RP = 3 RR = 6</p>	<p>Refreshed</p>	<p>N/A</p>

Risk Description	Mitigating Action	Risk Rating	Change in Risk Score	Reason for Change
<p>5. RISK: The Council may fail to appropriately govern the relationship with the ALEOs.</p> <p>CAUSE: Lack of, ineffective or disproportionate, governance arrangements; lack of resources to implement arrangements.</p> <p>EFFECT: Limited oversight, clarity and accountability for the expenditure of public funds; adverse findings from internal and external auditors; continued operation of an ALEO model that is no longer fit for purpose or delivering quality services/outcomes.</p>	<ul style="list-style-type: none"> • The Council's ALEO Governance Framework operates across political, strategic and operational levels. This was highlighted as good practice in Audit Scotland's national report on Councils' Use of ALEOs (2018). • This Framework is implemented by teams across Corporate Governance, Legal Services; Financial Services and key 'client' Services across the Council. • Awareness of this Framework is raised through training provided by the Council to Elected Members and ALEO Boards. • This Framework includes reports to Council Committees where financial and operational performance is scrutinised. 	<p>Medium RI = 3 RP = 2 RR = 6</p>	<p>Refreshed</p>	<p>N/A</p>

3. ALEO TOP RISKS

- 3.1 Each ALEO operates its own risk management arrangements, which are approved and overseen by the Board. It is for each ALEO to identify, assess, mitigate, review and report in accordance with these arrangements. As part of the ALEO Governance Framework, ALEO Risk Registers are shared with the Council and the Governance Management Group also receives updates on risk management.
- 3.2 Many ALEOs apply the same risk management arrangements as the Council, including the same risk assessment methodology (as set out at section 2.4). Due to varying objectives, operating contexts and control environments, risk identification and assessment will vary across the ALEOs. This may also mean that even where the same risk is identified across a number, or all, of the ALEOs, it may be assessed differently. The subjective nature of risk management means it would not be appropriate to make a standard, overall assessment of how likely a risk is to materialise or the potential impact it may have across all ALEOs.
- 3.3 Within each of the sections below, the overall risk rating is shown and the residual scoring is also noted i.e. scoring after the application of control and mitigating. The residual scores for probability and impact, which form the overall residual risk score, are also set out.

3.4 CITY BUILDING (CONTRACTS) LLP (applying Risk Management Framework)

Risk Description	Mitigating Action	Risk Scoring / Priority	Change in Risk Score	Reason for Change
1. Failure of client to release required projects/designs on time to meet business plan assumptions.	Ensure representation at relevant Boards, management meetings to monitor and review progress against planned programme and determine impact and appropriate response.	Medium RI = 3 RP = 3 RR = 9	↔	N/A
2. Failure to secure sufficient funding from the Council's capital programme to meet target within the business plan.	Monitor confirmed funding levels against the business plan and raise awareness of any emerging shortfalls with senior Council officers and the Board.	Medium RI = 3 RP = 3 RR = 9	↔	N/A
3. Failure to protect from increased risk globally of cyber security attacks and threats.	Work closely with the network provider (through the Council) to enhance security in accordance with current legislation and regulations.	Medium RI = 3 RP = 3 RR = 9	↔	N/A
4. Failure to assess the risks associated with policy changes.	Relationship management and stakeholder engagement arrangements are in place, ensuring regular discussion and information sharing.	Medium RI = 3 RP = 3 RR = 9	↔	N/A
5. Impact of poor Brexit deal may increase costs of raw materials. Suppliers may be unable to give guarantees on price.	Keep up to date with developments and engage with the supply chain.	Medium RI = 3 RP = 3 RR = 9	New	N/A
Change in risk score - ↑ increasing, ↓ decreasing, ↔ no change				
Date risk register last reviewed		September 2018		
Date last considered by the Management Team		September 2018		
Date last reported to the Board or other committee		May 2018		
Scheduled date of next risk register review		March 2019		
Name of person in the organisation with overall responsibility for risk		Alison Duffy, Head of Finance and Governance		

3.5 CITY BUILDING (GLASGOW) LLP (applying Risk Management Framework)

Risk Description	Mitigating Action	Risk Priority	Change in Risk Score	Reason for Change
1. Failure to maintain sufficient workload in the relevant areas, such as timber kits and PVCu windows, to support disabled workforce.	Engagement with members in relation to specifications ensuring that these include work that can be carried out by RSBi.	Very High RI = 4 RP = 4 RR = 16	↔	N/A
2. Failure to protect from increased risk globally of cyber security attacks and threats.	Work closely with the network provider (through the Council) to enhance security in accordance with current legislation and regulations.	Medium RI = 3 RP = 3 RR = 9	↔	N/A
3. Impact of poor Brexit deal may increase costs of raw materials. Suppliers may be unable to give guarantees on price.	Keep up to date with developments and engage with the supply chain.	Medium RI = 3 RP = 3 RR = 9	New	N/A
4. Inability to protect CBG brand.	Retention of PR agency to maximise positive exposure. Programme of events exhibitions and activities to reinforce the brand, community standing and social ethos.	Medium RI = 3 RP = 3 RR = 9	↔	N/A
5. Prolonged network failure.	Strategic and operational group meetings ongoing with CGI.	Medium RI = 3 RP = 3 RR = 9	↔	N/A
Change in risk score - ↑ increasing, ↓ decreasing, ↔ no change				
Date risk register last reviewed		August 2018		
Date last considered by the Management Team		August 2018		
Date last reported to the Board or other committee		May 2018		
Scheduled date of next risk register review		March 2019		
Name of person in the organisation with overall responsibility for risk		Alison Duffy, Head of Finance and Governance		

3.6 CITY PARKING (GLASGOW) LLP (applying Risk Management Framework)

Risk Description	Mitigating Action	Risk Priority	Change in Risk Score	Reason for Change
1. Loss of IT systems	<p>Arrangements in place to ensure:</p> <ul style="list-style-type: none"> • Management understand obligations to the Council as per the various agreements signed on behalf of LLP e.g. LLP agreement. • Internal procedures meet all governance, monitoring and performance measurements. • Suite of corporate governance documents signed off by LLP Board e.g. Hospitality and Bribery etc. • The LLP continually keeps abreast of changes to policy or legislation and amends accordingly. • Management promote values, demonstrating the importance of good governance through high standards of conduct and behaviour. • Decisions taken are fully informed, open and transparent and are subject to scrutiny and take into account risk to the business. • Internal Audit and Corporate Governance are utilised to ensure governance documentation is up to date and reflects up to date practices to reduce overall risk. 	<p>High RI = 4 RP = 3 RR = 12</p>	Refreshed	N/A

Risk Description	Mitigating Action	Risk Priority	Change in Risk Score	Reason for Change
2. Financial obligations	<ul style="list-style-type: none"> • Succession planning, including staff training, to ensure continuity of skills and experience. • Staff profiling to understand future potential recruitment requirements. • Multi-tasking of staff to identify skill gaps and motivate staff. • Carrying out of personal plans for staff to ensure staff are developed to reach their potential, enabling them to compete for an opportunity when it should arise. • Management and senior staff understand the requirements of the business within their section and overall via good communication e.g. management meetings. • Ensure individuals are motivated via pay and conditions. 	<p style="text-align: center;">High RI = 4 RP = 3 RR = 12</p>	Refreshed	N/A
3. Information security / GDPR	<ul style="list-style-type: none"> • All staff are instructed to complete GOLD training on data protection and information security. • CGI ensure laptops are encrypted to the agreed standard and require a VPN security number to enter. • City Parking is part of ongoing CGI programme ensuring laptops are connected regularly to the Council network to have updated anti-virus protection. 	<p style="text-align: center;">High RI = 4 RP = 3 RR = 12</p>	Refreshed	N/A

Risk Description	Mitigating Action	Risk Priority	Change in Risk Score	Reason for Change
3. Information security / GDPR (cont.)	<ul style="list-style-type: none"> • Physical security measures including locking of office doors at night; keypad access; alarm fob held by senior management. • Paper copies of potentially sensitive data are limited and where held, locked cabinets are used. • Sensitive or personal data that is no longer required is shredded. • Staff communications to ensure that all staff are kept abreast of updates in relation to new data protection legislation. • All staff confirm understanding of protocols to be followed if information or equipment is lost or stolen. 			
4. Competitors	<ul style="list-style-type: none"> • Regular monitoring of competitors pricing tariffs and marketing strategies. • Provision of flexible, competitively priced parking products. • Maintain effective network of market contacts to direct promotional activity. • Monitoring of management information to determine changing trends and patterns in usage. 	Medium RI = 3 RP = 3 RR = 9	Refreshed	N/A

Risk Description	Mitigating Action	Risk Priority	Change in Risk Score	Reason for Change
4. Competitors (cont.)	<ul style="list-style-type: none"> • Pursue development of IT cashless parking solutions within multi storey sites. • Pursue any potential viable development opportunity as they arise. • Maintain a working relationship with appropriate authority departments in relation to any pop up sites requiring enforcement. 			
5. Legislation changes	<ul style="list-style-type: none"> • Monitor press for potential changes in regulation / legislation which could impact business, national or regional. • Determine timeframes and extent of implications, consult with the Council on implications. • Ensure counter action is taken as necessary to minimise impact e.g. advertise alternate sites. • Diversify as much as possible, take guidance from legal representatives. • Ensure appropriate communications are provided to all customers and staff where relevant. • Provide training as required. 	<p>Medium RI = 3 RP = 3 RR = 9</p>	Refreshed	N/A

Change in risk score - ↑ increasing, ↓ decreasing, ↔ no change	
Date risk register last reviewed	19 September 2018
Date last considered by the Management Team	19 September 2018
Date last reported to the Board or other committee	29 August 2018
Scheduled date of next risk register review	24 October 2018
Name of person in the organisation with overall responsibility for risk	Willie Taggart, Managing Director

Note: City Parking has applied the new Risk Management Framework and fully refreshed the Risk Register. This has seen risks reviewed; redefined; closed; added, and re-assessed. This refresh provided a re-baselining of assessed risk scores. When these risks are next reported to Committee, any changes from the current position will be recorded.

3.7 CITY PROPERTY (applying Risk Management Framework)

Risk Description	Mitigating Action	Risk Priority	Change in Risk Score	Reason for Change
<p>1. Financial Targets RISK: Failing to meet enhanced financial targets on revenue and savings over next three financial years. CAUSE: Significant economic downturn that affects the commercial property market or failure to achieve income targets. EFFECT: Negative impact on City Property's contribution to meeting the Council's savings target and affect our ability to maintain assets at a reasonable standard.</p>	<ol style="list-style-type: none"> 1. City Property has carried out a detailed budget preparation process, involving all members of the senior management team. 2. There are clear assumptions relating to how the financial targets have been built. 3. The budgets for 2018/19 to 2020/21 were approved by the Board in March 2018. 4. Budget information has been shared with staff across City Property to ensure they have a clear understanding of the budgetary challenges over the next three years. 5. Council enhanced dividend payment being made quarterly. 	<p>Very High RI = 4 RP = 4 RR = 16</p>	<p>↓</p>	<p>Second advertising tender has concluded and figures better than first tender – although not yet at the original target.</p>
<p>2. People RISK: Employee retention and replacement. CAUSE: The freeze in recruitment due to transformation savings target means authorisation is needed to recruit new staff; changes in line management of staff who remain on</p>	<ol style="list-style-type: none"> 1. Investment in staff development. 2. HR Strategy. 3. Pension scheme. 4. Pay professional fees for staff. 5. Good flexible working policy. 6. Pay for staff CPD. 	<p>High RI = 4 RP = 3 RR = 12</p>	<p>↓</p>	<p>Although a number of vacancies remain and it is taking a while to fill posts, City Property has</p>

Risk Description	Mitigating Action	Risk Priority	Change in Risk Score	Reason for Change
<p>City Property contract; increased difficulty in competing with Private Sector for some roles.</p> <p>EFFECT: Not being able to retain or replace high-quality staff in key posts, impacting on day-day City Property operations.</p>	<p>7. PCR implemented.</p> <p>8. Communications Forum in place.</p> <p>9. Two all staff awareness days in 2017.</p> <p>10. Secured approval for two summer interns to support project work.</p>			<p>been successful in being allowed to fill essential posts.</p>
<p>3. Economic Uncertainty</p> <p>RISK: Downturn in property market.</p> <p>CAUSE: Cyclical nature of the market and political environment.</p> <p>EFFECT: Ability to meet financial targets, make loan repayments and/or carry out property repairs and maintenance. Additionally this could impact property disposals (both Council and City Property), thereby affecting achievement of the Council's capital receipts target and City Property reinvestment of capital receipts in the portfolio.</p>	<p>1. City Property has a diverse portfolio which helps spread the risk of any property market down-turn.</p> <p>2. Condition surveys are underway to inform planned maintenance programme.</p> <p>3. Assets plans are in hand to support property management planning and development.</p> <p>4. Changes to current property management arrangements and more active portfolio management.</p>	<p>High RI = 4 RP = 3 RR = 12</p>	<p>↑</p>	<p>This increase is primarily linked to Brexit uncertainty – although Brexit also has its own risk on the City Property Risk Register.</p>

Risk Description	Mitigating Action	Risk Priority	Change in Risk Score	Reason for Change
<p>4. Title Deeds RISK: Missing/flawed title deeds for various properties (leases and disposals). CAUSE: Poor historic record of legal transactions. EFFECT: Inability to market properties/sites, thereby failing to meet the capital receipts target for the Council.</p>	<ol style="list-style-type: none"> 1. Council's Legal Services check to ensure that all relevant documentation is available for Council properties that are declared surplus. 2. Seek additional support to assist with title registration. 	<p>High RI = 4 RP = 3 RR = 12</p>	<p>↑↑</p>	<p>This has increased as title registration has taken longer recently.</p>
<p>5. Health and Safety RISK: Significant H&S incident involving a member of staff, tenant or other 3rd party on a City Property site i.e. (a) a RIDDOR-reportable accident or injury, or (b) an accident, injury or other harm associated with lone working. CAUSE: Failure by City Property at a corporate level to comply with H&S legislation; failure by individuals to observe legislation and company rules/guidelines/training. EFFECT: Physical harm to individuals and financial loss through fines, litigation and increased insurance costs; reputational damage; where members of staff are affected it could trigger the recruitment and retention risk.</p>	<ol style="list-style-type: none"> 1. H&S Policy, Committee and Working Groups. 2. Annual H&S workplan. 3. Staff training and support. 4. Personal responsibility / professional guidance / standards. 5. PPE. 6. Risk assessment available for every property, including Vacant Risk Assessments. 7. Lone working policy and guidance in EDRMS. 8. Team diaries for lone workers. 9. Personal mobile numbers on EDRMS. 10. First aid officers. 11. Option of joint visits. 12. Council Group H&S Manager. 	<p>High RI = 4 RP = 3 RR = 12</p>	<p>↔</p>	<p>N/A</p>

	13.H&S Standards.	Management			
Change in risk score - ↑ increasing, ↓ decreasing, ⇔ no change					
Date risk register last reviewed		16 October 2018			
Date last considered by the Management Team		16 October 2018			
Date last reported to the Board or other committee		2 May 2018			
Scheduled date of next risk register review		31 October 2018, City Property Audit Committee			
Name of person in the organisation with overall responsibility for risk		Pauline Barclay, Managing Director			

3.8 COMMUNITY SAFETY GLASGOW (applying Risk Management Framework)

RISK Description	Mitigating Action	Risk Priority	Change in risk score	Reason for change
<p>1. Risk: Failure to comply with information security requirements and protocols. Causes: CSG being unable to continue accessing Police Scotland's data and unable to continue sharing of data with other partners. Affecting: Individuals; CSG's ability to prevent and reduce antisocial behaviour and crime; reputation; financial position.</p>	<p>1. GPMS. 2. Compliance audit of arrangements. 3. Briefings for internal users and external agencies / users of data. 4. Refresh of Information Sharing Protocol. 5. Operation of Information Security Risk Quarterly Operational Risk Management Forum.</p>	<p>High RI = 5 RP = 2 RR = 10</p>	<p>⇔</p>	<p>N/A</p>
<p>2. Risk: No SLA in place for Glasgow Operations Centre (GOC). Causes: Failure of essential software/hardware. Affecting: All operations in GOC with possibly no service delivery due to system downtime endangering public safety with potential litigation.</p>	<p>1. SLA discussion underway with CGI. 2. Interim SLA support to be in place. 3. CSG to provide basic triage support. 4. Continued engagement with Council / CGI on SLA.</p>	<p>High RI = 5 RP = 2 RR = 10</p>	<p>⇔</p>	<p>N/A</p>
<p>3. Risk: Failure to deliver services to the expected standard as a result of a reduction in funding or service disruption. Causes: CSG being unable to maintain good partner,</p>	<p>1. Service reform actively identified and progressed. 2. Prioritisation of services and opportunities and appropriate allocation of staffing resources.</p>	<p>Medium RI = 4 RP = 2 RR = 8</p>	<p>⇔</p>	<p>N/A</p>

RISK Description	Mitigating Action	Risk Priority	Change in risk score	Reason for change
<p>stakeholder and customer relations; ability to remain innovative and responsive to need/opportunities. Affecting: Reputation; ability to maintain and attract funding.</p>	<ol style="list-style-type: none"> 3. Monthly review of operational delivery using performance measure including KPIs and analytical products such as operational assessments. 4. Four weekly financial monitoring 5. Reports to Board meetings and Audit Committee. 6. Employee development requirements reviewed annually and as required. 7. Teckal principle applied consistently. 			
<p>4. Risk: Adverse publicity. Causes: Loss of reputation and confidence. Affecting: CSG reputation and ability to attract and retain funding.</p>	<ol style="list-style-type: none"> 1. Continuous performance review to ensure focused delivery. 2. Communication Strategy. 3. Media request procedure communicated to Board and all Managers. 4. Implementation of communication strategy. 5. Close liaison with contracted PR team. 6. Council media coverage circulated to all SMT. 	<p>Medium RI = 4 RP = 2 RR = 8</p>		<p>N/A</p>

RISK Description	Mitigating Action	Risk Priority	Change in risk score	Reason for change
<p>5. Risk: Failure to address CSG's current financial position. Causes: Non-compliance with statutory requirements. Affecting: CSG's ability to continue delivering services in its current structure.</p>	<p>1. Review of CSG. 2. Board Engagement.</p>	<p>Medium RI = 5 RP = 1 RR = 5</p>	<p>↔</p>	<p>N/A</p>
<p>Change in risk score - ↑ increasing, ↓ decreasing, ↔ no change.</p>				
Date risk register last reviewed		9 August 2018		
Date last considered by the Management Team		9 August 2018		
Date last reported to the Board or other committee		Audit Committee, 23 August 2018		
Scheduled date of next risk register review		November 2018		
Name of person in the organisation with overall responsibility for risk		Eileen Marshall, Director		

3.9 CORDIA (SERVICES) LLP

Risk Description	Mitigating Action	Risk Priority	Change in Risk Score	Reason for Change
<p>1. RISK: Overspend on home care staffing and other costs compared to budget. CAUSE: Impact on probable outturn. EFFECT: Reduced financial return to the Council.</p>	<p>Mitigating actions regarding the budget position have been identified, including:</p> <ul style="list-style-type: none"> • attendance group at senior level meeting weekly; • contractual arrangements with PAM, and • working group to identify care efficiencies to reduce staff requirements. 	<p>High RI = 4 RP = 5 RR = 20</p>		<p>N/A</p>
<p>2. RISK: Potential issue in respect of business continuity/disaster recovery, particularly within Care Services during out of hours and public holidays CAUSE: Following recent transfer of Cordia ICT to CGI, there is no consistent ICT support during out of hours and public holidays EFFECT: Potential system failure and loss of service delivery.</p>	<p>Ongoing discussions with SIT to establish adequate processes and support to ensure business continuity at all times.</p>	<p>High RI = 4 RP = 5 RR = 20</p>		<p>As a result of the recent transfer of Cordia ICT to CGI, there is no consistent ICT support during out of hours and public holidays.</p>

Risk Description	Mitigating Action	Risk Priority	Change in Risk Score	Reason for Change
<p>3. RISK: If Equal Pay claims from 1 April 2011 are upheld then this will require significant budget to resolve.</p> <p>CAUSE: Court of Session ruling that it had not been established that WPBR was a valid job evaluation scheme.</p> <p>EFFECT: Severe financial pressures on both the Council and Cordia.</p>	<p>Letter of Mandate which authorises the Council to act on behalf of Cordia (Services) LLP in the negotiation and settlement of any outstanding current and future equal pay claim made against the LLP.</p>	<p>High RI = 4 RP = 5 RR = 20</p>	<p>↔</p>	<p>N/A</p>
<p>4. RISK: If staff undertake industrial action over pay and conditions; changes to pay or conditions, changes in service delivery models, issues over pensions etc.</p> <p>CAUSE: Potential impact on service delivery</p> <p>EFFECT: Reputational damage to the LLP and may put vulnerable client groups at risk.</p>	<ul style="list-style-type: none"> • Meet regularly with each of the Trade Unions. • Staff consultation and communication process in place to advise of future plans for the LLP including Ezine Newsletter, Cordia View and presentations. • LLP Board approves strategy for all future pay and conditions. • Formal cycle with Joint Trade Union Forum on a six weekly basis. • Contingency plans for delivery of service to continue if industrial action occurs. Life and limb cover would be agreed to protect vulnerable clients. 	<p>High RI = 4 RP = 5 RR = 20</p>	<p>↑</p>	<p>Trade Unions considering industrial action ballot over equal pay claims.</p>

Risk Description	Mitigating Action	Risk Priority	Change in Risk Score	Reason for Change
	<ul style="list-style-type: none"> Trade Unions considering industrial action ballot over equal pay claims. 			
<p>5. RISK: Failure to timeously re-register the three branches of home care with the Care Inspectorate following the decision to transfer Cordia to the Council.</p> <p>CAUSE: Re-registration can take up to six months to complete.</p> <p>EFFECT: Reputational damage and possible continued use of Cordia's existing registration until registered as a Council service.</p>	Re-registration process has commenced and discussions with Care Inspectorate remain ongoing.	High RI = 4 RP = 5 RR = 20	↑↑	Following the decision to transfer Cordia to the Council, re-registration can take up to a period of 6 months to complete.
Change in risk score - ↑ increasing, ↓ decreasing, ↔ no change				
Date risk register last reviewed		22 August 2018		
Date last considered by the Management Team		22 August 2018		
Date last reported to the Board or other committee		30 August 2018		
Scheduled date of next risk register review		N/A		
Name of person in the organisation with overall responsibility for risk		Robert Anderson, Council Head of HR		

NOTE: Following the transfer of Cordia to the Council, this will be the last time an update is included.

3.10 GLASGOW LIFE

Risk Description	Mitigating Action	Risk Priority	Change in Risk Score	Reason for Change
1. Disruption to services whilst implementing organisational change.	<ul style="list-style-type: none"> Glasgow Life continues to implement organisational change following the Workforce Planning Programme. The need for continuous change to meet budget reductions while continuing to deliver services with reducing resources means that staff require to continually develop to meet these challenges. In order to support staff, a performance management framework which aligns individual, team, service and organisation goals has been introduced and staff will receive continuous development and performance coaching to help them fulfil their objectives. 	<p>High RI = 4 RP = 4 RR = 16</p>	<p>↑</p>	<p>Increasing volume and complexity of change programme.</p>
2. Impact of change programme across Glasgow Life.	<ul style="list-style-type: none"> The change programmes being developed across Glasgow Life include significant matters which affect staff and it is essential that the potential impact is assessed and that staff and Trade Unions are fully engaged in the process, at the right time and with the right information, to assess the potential impact and manage change. This will also ensure that the resources for managing people are deployed as effectively as possible. 	<p>High RI = 4 RP = 4 RR = 16</p>	<p>New</p>	<p>N/A</p>

Risk Description	Mitigating Action	Risk Priority	Change in Risk Score	Reason for Change
	<ul style="list-style-type: none"> Any failure to strategically manage industrial relations will impact service delivery and the ability to implement current and future change programmes. Current examples include Business Improvement within Sport, ongoing industrial relations issues at Emirates (including periods of industrial action) and the implementation of the Bookbug programme within Communities and Libraries. An intervention to help mitigate against the risk is strategic engagement with senior Trade Union officials led by the Chief Executive. 			
3. Future pressure on public sector funding and the impact which it would have on Glasgow Life services.	<ul style="list-style-type: none"> Glasgow Life will continue to work closely with the Council to deliver a balanced budget and minimise the impact on service delivery. 	High RI = 3 RP = 4 RR = 12	↔	N/A
4. The General Data Protection Regulation (GDPR) came into effect on 25 May 2018 and Glasgow Life requires to ensure that it complies with the legislative requirements.	<ul style="list-style-type: none"> Glasgow Life has raised awareness of the legislation across the organisation, from trustees and their responsibilities, to all staff communications. An audit of all information types held has been carried out to assist with the review the processes for the collection and retention of data. 	High RI = 3 RP = 4 RR = 12	↔	N/A

Risk Description	Mitigating Action	Risk Priority	Change in Risk Score	Reason for Change
	<ul style="list-style-type: none"> All privacy statements and privacy notices have been reviewed and an Information Management Strategy will be developed. Training requirements will be established along with the resources to fulfil them. 			
<p>5. Failure to meet targets for income/expenditure in Sport in financial year 2018/19.</p>	<ul style="list-style-type: none"> New management structure continues to provide clear focus on growing income through expansion of Glasgow Club, participation programmes e.g. Learn to Swim and commercial income. Business Improvement Strategy (BIS) proposals implemented in relation to new membership products, pricing, free swimming and eligibility criteria and are expected to contribute to 2018/19 income targets. £1.4m secured for major capital investment projects at Palace of Art and Kelvin Hall focusing on customer experience and commercial offer. Palace of Art expected to come on stream October 2018 and contribute to 2018/19 financial targets. Kelvin Hall improvements expected to be completed February/March 2019. Continuing investment throughout 2018/19 in new fitness equipment and synthetic pitches. 	<p>High RI = 4 RP = 2 RR = 8</p>	<p>↓</p>	<p>This risk is shown as decreasing due to being early in the financial year.</p>

Risk Description	Mitigating Action	Risk Priority	Change in Risk Score	Reason for Change
	<ul style="list-style-type: none"> • BIS financial targets for each workstream are agreed, monitored and reported to the BIS Project Board. Other BIS proposals and new initiatives to be rolled out during 2018/19 include extended opening hours, golf improvement and changes to football pricing. • In addition to BIS scrutiny, an income monitoring meeting structure is in place as part of overall financial monitoring to review performance on a period basis and prioritise corrective actions if required. 			
Change in risk score - ↑ increasing, ↓ decreasing, ↔ no change				
Date risk register last reviewed		May 2018		
Date last considered by the Management Team		19 September 2018		
Date last reported to the Board or other committee		12 September 2018		
Scheduled date of next risk register review		October 2018		
Name of person in the organisation with overall responsibility for risk		Jan Buchanan, Director of Finance and Corporate Services		

3.11 JOBS AND BUSINESS GLASGOW (applying Risk Management Framework)

Risk Description	Mitigating Action	Risk Priority	Change in Risk Score	Reason for Change
<p>1. RISK: Commercial property occupancy rates fall below 80%.</p> <p>CAUSE: Lack of effective marketing; cooling of Council interest in occupying our Westwood property.</p> <p>EFFECT: Reduction in income.</p>	<ul style="list-style-type: none"> Progress / update report to be requested from property agent detailing issues and recommended actions on each property. JBG to explore strategic property review to evaluate market trend and demand determine medium-long term viability and sustainability of each property. 	<p>Medium RI = 3 RP = 3 RR = 9</p>	<p>↔</p>	<p>N/A</p>
<p>2. RISK: Core employability service is unable to cope with demand.</p> <p>CAUSE: Current core employability staff will begin delivery of the Work Life Glasgow (WLG) project. ESF rules prohibit staff supporting non-ESF clients, and a number of core clients will not be eligible to participate in the WLG project.</p> <p>EFFECT: Reduction in performance against KPI targets; reputational damage from inability to support unemployed residents.</p>	<ul style="list-style-type: none"> HR and staff consultation focusing on filling core employability posts. Establishment of training plans for new core employability staff. Reduce demand on core employability services by transferring eligible clients to WLG project caseload. Raise awareness amongst staff of alternative employability providers in the event that JBG capacity is insufficient to meet demand. 	<p>Medium RI = 3 RP = 3 RR = 9</p>	<p>↔</p>	<p>N/A</p>

Risk Description	Mitigating Action	Risk Priority	Change in Risk Score	Reason for Change
<p>3. RISK: Potential to be taken to an employment tribunal on grounds of equal pay (gender). CAUSE: Precedent set by Dumfries and Galloway ruling. EFFECT: Reputational and financial damage.</p>	<ul style="list-style-type: none"> Discussions with Council Legal Services - considered originally low risk but case law monitored to ensure JBG has the ability to defend on basis of material factors, to defend an equal pay claim. 	<p>Medium RI = 2 RP = 4 RR = 8</p>	<p>↔</p>	<p>N/A</p>
<p>4. RISK: There is a risk that JBG currently possess insufficient back office and project delivery resources to develop funding proposals, arrange partnership working, and deliver activity in line with the expectations of the respective funders. CAUSE: A reduction in the number of staff across all functions and subsequent difficult in replacing these staff has reduced our capacity to develop funding proposals and deliver funded projects. EFFECT: Reduction in income.</p>	<ul style="list-style-type: none"> Where possible, liaise closely with funding bodies to assist in proposal development. Explore alternative staffing arrangements. Engage proactively with partner organisations around delivery arrangements. 	<p>Medium RI = 2 RP = 4 RR = 8</p>	<p>↔</p>	<p>N/A</p>

Risk Description	Mitigating Action	Risk Priority	Change in Risk Score	Reason for Change
<p>5. RISK: Failure to gain reasonable assurance from Council's Internal Audit that JBG is fit to deliver funded projects.</p> <p>CAUSE: Failure to embed additional systems and controls as per Internal Audit's recommendations in their EU Funding review.</p> <p>EFFECT: Reduced chance of securing funding in future from a number of sources, leading to a financial shortfall.</p>	<ul style="list-style-type: none"> A number of actions have been implemented, culminating in a positive Internal Audit report. This will remain as a risk until tested in a live ESF project. 	<p>Medium RI = 2 RP = 3 RR = 6</p>	<p>↔</p>	<p>N/A</p>
<p>Change in risk score - ↑ increasing, ↓ decreasing, ↔ no change</p>				
<p>Date risk register last reviewed</p>		<p>9 October 2018</p>		
<p>Date last considered by the Management Team</p>		<p>9 October 2018</p>		
<p>Date last reported to the Board or other committee</p>		<p>21 August 2018</p>		
<p>Scheduled date of next risk register review</p>		<p>January 2019</p>		
<p>Name of person in the organisation with overall responsibility for risk</p>		<p>Gary Hay, Managing Director</p>		

3.12 CLYDE GATEWAY

Risk Description	Mitigating Action	Risk Priority	Change in Risk Score	Reason for Change
<p>1. There is a delay in agreeing and implementing a contamination remediation strategy; Additional risk that contamination, chromium and otherwise, is more widespread than expected, with likelihood of delays to timetable.</p>	<ul style="list-style-type: none"> Continued efforts to deliver remediation strategy for Shawfield Phase 2. 	<p>High RI = 5 RP = 3 RR = 15</p>	<p>⇔</p>	<p>N/A</p>
<p>2. Electricity, Gas, Telecoms and I.T. local infrastructure is dated and may be unable to support planned developments</p>	<ul style="list-style-type: none"> Ongoing discussions with all utilities companies. Provide specific funding for necessary improvements. New infrastructure being delivered at Clyde Gateway East, South Dalmarnock and Shawfield. Additional investments into new heat and energy systems. 	<p>High RI = 5 RP = 3 RR = 15</p>	<p>⇔</p>	<p>N/A</p>

Risk Description	Mitigating Action	Risk Priority	Change in Risk Score	Reason for Change
3. Risk of delay or difficulty in achieving agreement on a suitable flooding/water management strategy.	<ul style="list-style-type: none"> • Engage with stakeholders, including Scottish Water, to agree investment requirements/ contributions. • Production of Flood Prevention Strategy. • Implementation of Flood Prevention Strategy including appropriate resources from local authority partners. • Capital expenditure on burns and watercourses at Shawfield. 	High RI = 5 RP = 3 RR = 15	↔	N/A
4. Private sector does not invest in Clyde Gateway area.	<ul style="list-style-type: none"> • Continual review of Operating Plan. • CG intensifying efforts to specifically promote Clyde Gateway area to private sector. • Present compelling projects to private sector. 	High RI = 4 RP = 3 RR = 12	↔	N/A
5. Clyde Gateway unable to offer the commercial office spaces required by inward investors.	<ul style="list-style-type: none"> • Red Tree Magenta opening December 2018. • Rutherglen Links Office Pavilions under construction in early 2019. • RCGF bids made for new office spaces 2019/20. 	High RI = 3 RP = 4 RR = 12	↔	N/A
Change in risk score - ↑ increasing, ↓ decreasing, ↔ no change				

Date risk register last reviewed	9 October 2018
Date last considered by the Management Team	9 October 2018
Date last reported to the Board or other committee	27 August 2018
Scheduled date of next risk register review	29 October 2018
Name of person in the organisation with overall responsibility for risk	Jim Clark, Senior Manager Communications and Governance

4. Policy and Resource Implications

Resource Implications:

<i>Financial:</i>	There are no new financial implications.
<i>Legal:</i>	There are no new legal implications.
<i>Personnel:</i>	There are no direct personnel implications.
<i>Procurement:</i>	There are no relevant procurement implications.

Council Strategic Plan: Risk management supports each of the seven cross-cutting themes in the Council Strategic Plan.

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2017-22 No specific risk-related outcome.

What are the potential equality impacts as a result of this report? No direct impact.

Please highlight if the policy/proposal will help address socio economic disadvantage. N/A

Sustainability Impacts:

Environmental: No new direct impacts.

Social, including Article 19 opportunities: No new direct impacts.

Economic: No new direct impacts.

Privacy and Data Protection impacts: No direct impacts.

5. Recommendations

5.1 The Committee is asked to note the contents of the report.