Item 5

2nd November 2022

Glasgow City Council

Finance and Audit Scrutiny Committee

Report by Chief Executive

Contact: Laura Heggie

HALF YEARLY CORPORATE RISK MANAGEMENT REPORT

Purpose of Report:

To provide the Committee with an update on the Council's Corporate Risk Register and risk management activity.

Recommendations:

The Committee is asked to note the contents of this report and the attached Summary Corporate Risk Register.

Ward No(s):	Citywide: ✓
Local member(s) advised: Yes ☐ No ☐	consulted: Yes ☐ No ☐

***PLEASE NOTE THE FOLLOWING**:*

Any Ordnance Survey mapping included within this Report is provided by Glasgow City Council under licence from the Ordnance Survey in order to fulfil its public function to make available Council-held public domain information. Persons viewing this mapping should contact Ordnance Survey Copyright for advice where they wish to licence Ordnance Survey mapping/map data for their own use. The OS web site can be found at <http://www.ordnancesurvey.co.uk> "

If accessing this Report via the Internet, please note that any mapping is for illustrative purposes only and is not true to any marked scale

1. Introduction

1.1 The Council's Corporate Risk Management Framework[1] requires that a Corporate Risk Register (CRR) is maintained to identify and manage strategic risks i.e. uncertainties that may impact the achievement of the Council's vision, strategic objectives and priorities.

2. Corporate Risk Register (CRR)

2.1 The CRR a live document that is maintained by Strategic Information, Innovation and Technology (SIIT) and kept under review, and informed by, the Corporate Risk Management Forum (RMF) and risk owners. The RMF is chaired by SIIT and comprised of representatives from across the Council Family who review existing risks and consider changes and any new or emerging areas of risk.

2.2 Risk continues to be assessed in accordance with the Framework and the CRR includes 23 risks, each of which has been aligned to the seven strategic themes within the Council's Strategic Plan 2017 to 2022. A primary alignment is shown but, given their cross-cutting nature, a number of risks align to several strategic themes.

2.3 The Summary CRR is attached at **Appendix 1**. Details of the risk scoring and rating methodology are also attached at **Appendix 2**. Risk scores shown are residual risk scores which are a product of the probability and impact of risks occurring, after the application of control and mitigating actions.

2.4 Eleven risks have been rated as very high i.e. with a risk score of 15 and over, as listed in Table 1.

Table 1 – Very High Rated Risks	
Ref.	**Risk Title**
CRR0002	Fiscal uncertainty
CRR0003	Equal Pay liability
CRR0004	Poverty and inequality
CRR0007	Impact of Historic Abuse Inquiry
CRR1954	Impact of the rising cost of living
CRR2074	ICT security
CRR0008	Failure of key, large scale contractors / service providers
CRR0009	Major incident/ service disruption
CRR0011	Significant industrial action
CRR0005	Failure to fulfil duty of care to children and vulnerable adults
CRR0017	Failure to deliver the Capital Investment Programme

2.5 Table 2 sets out the material changes to the CRR since the last reporting period in May 2022.

---

(1) This document is available on the Council's intranet site.

Table 2 – Changes in the Reporting Period			
Risk Ref.	**Risk Title**	**Change**	**Comment**
CRR0013	Failure to protect and govern information assets	Risk score **decreased**	Due to the addition of a new risk – CRR2074 - ICT Security – the security elements previously included in this risk, specifically related to cyber-attack, have been removed to avoid duplication. This had led to a decrease in the residual risk score. Reduced from very high to high rated.
CRR0984	Failure to maximise Glasgow's cultural and sporting assets to aid the City's social and economic recovery and advance the health and wellbeing of Glaswegians	Risk score **decreased**	The residual risk score has decreased following re-opening of a number of facilities and to reflect that Glasgow is bidding for, and winning, major events. Additionally, concerns about potential for future lockdowns, event cancellations and social distancing are now less relevant. Reduced from very high to high rated.
CRR0909	Insufficient response to climate and ecological emergency	Risk score **decreased**	The residual risk score has decreased following the Risk of the Quarter review in July 2022 and the noted progress to date against set targets. Full details can be found at Appendix 3(a). Reduced from very high to high rated.
CRR2074	ICT Security	Risk **added**	Risk added to reflect ICT security threats, driven by factors including increased prominence of cyber-attacks and the Council's security control environment. Risk is very high rated.
CRR0007	Impact of Historic Abuse Inquiry	Risk score **increased**	The residual risk score has increased due to the increasing number and value of claims. Additionally, recent changes to the legal expenses system are expected to have a further financial impact on the

Table 2 – Changes in the Reporting Period			
Risk Ref.	**Risk Title**	**Change**	**Comment**
			Council. Remains very high rated.
CRR0008	Failure of key, large scale contractors / service providers	Risk score **increased**	The residual risk score has increased due to uncertain market conditions and supply chain issues being experienced by service providers. Increased from high to very high rated.
CRR0970	Renewal Programme	Risk **Closed**	The Renewal Programme is transitioning to business as usual with the six objectives being integrated within the new Council Strategic Plan 2022 to 2027. Was medium rated.
CRR0980	Failure to Secure a Full Return to Work Following the COVID-19 Pandemic	Risk **Closed**	Closed as a specific risk as Covid-19 related absence is managed under the existing attendance policy and procedures. Was medium rated.

2.6 Through the RMF, officers continue to monitor emerging events and uncertainty and consider how this should be reported and managed through the CRR. One such recent example is the National Care Service (NCS), recommended by the Independent Review into Adult Social Care and subject of the National Care Service (Scotland) Bill, introduced to the Scottish Parliament on 20 June 2022. At present, no risk has been recorded in relation to this although the RMF continues to work with officers across the Council Family to ensure this is scoped and reflected, as appropriate.

3. Risks to the Council of the ALEO Structure

3.1 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 Corporate Risk Register. There are seven such risks, shown at the foot of **Appendix 1**.

4. Risk of the Quarter

4.1 Each quarter, the Risk Management Forum selects one risk from the CRR for in-depth review. This is particularly suited to risks that are aligned to various strategic themes, the aim being to ensure the risk continues to be scoped, described and assessed appropriately and to consolidate details of control and mitigating actions.

4.2 In July 2022, this review focused on CRR0909 - Insufficient response to climate and ecological emergency. In October 2022, CRR1954 – Impact of the rising cost of living was reviewed. Details of both reviews are attached at **Appendix 3(a) and 3(b)**. This exercise informed refinements to the risk descriptions, reviewed the appropriateness of existing scoring and consolidated a broad range of control and mitigating actions across the Council Family.

5. Business Continuity Management

5.1 The Council continues to apply the Corporate Business Continuity Management (BCM) Framework[2] which provides a step by step guide on Services' responsibilities for all stages of the BCM lifecycle.

5.2 Through the Corporate Business Continuity Forum (BCF), an officer-led forum chaired by SIIT, the business continuity community continues to drive improvements in planning; share information and experiences, and support the Council's ability to sustain service delivery in the event of disruption. The 2022/23 BCF workplan is progressing, including the completion of a number of desktop BC-test exercises to review and assess plans and preparedness, and highlight scope for improvement.

6. Policy and Resource Implications

Resource Implications:

Financial:	There are no new financial implications.
Legal:	There are no new legal implications.
Personnel:	There are no new personnel implications.
Procurement:	There are no new procurement implications.
Council Strategic Plan:	Corporate risk management supports each of the seven cross-cutting themes in the Council Strategic Plan 2017 to 2022.

(2) This document is available on the Council's intranet site.

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2017-22	There is no specific risk-related outcome.
What are the potential equality impacts as a result of this report?	No new direct impacts.
Please highlight if the policy/proposal will help address socio economic disadvantage.	N/A

Sustainability Impacts:

Environmental:	No new direct impacts.
Social, including opportunities under Article 20 of the European Public Procurement Directive:	No new direct impacts.
Economic:	No new direct impacts.

Privacy and Data Protection impacts:	No new direct impacts.

7. Recommendations

7.1 The Committee is asked to note the contents of this report and the attached Summary Corporate Risk Register.

APPENDIX 1 – SUMMARY CORPORATE RISK REGISTER

Risk Ref	Risk Title	Residual Risk Score	Residual Impact x Probability	Strategic Plan 2017-2022 Alignment (Primary)	Change since May 2022	Previous Scoring		
						May-22	Nov-21	May-21
CRR0002	Fiscal Uncertainty	20	4x5	Well Governed City	N/A	20	20	20
CRR0003	Equal Pay Liability	20	5x4	Well Governed City	N/A	20	12	12
CRR0004	Poverty and Inequality	20	4x5	Healthier City	N/A	20	20	20
CRR0007	Impact of Historic Abuse Inquiry	20	4x5	Well Governed City	Increased	15	12	12
CRR1954	Impact of the rising cost of living	20	4x5	Thriving Economy	N/A	20	-	-
CRR2074	ICT Security	20	5x4	Well Governed City	New	-	-	-
CRR0008	Failure of key, large scale contractors / service providers	16	4x4	Well Governed City	Increased	12	12	12
CRR0009	Major incident / service disruption	16	4x4	Resilient and Empowered Neighbourhoods	N/A	16	12	12
CRR0011	Significant industrial action	16	4x4	Well Governed City	N/A	16	16	16
CRR0005	Failure to fulfil duty of care to children and vulnerable adults	15	5x3	Healthier City	N/A	15	15	15
CRR0017	Failure to deliver the Capital Investment Programme	15	3x5	Thriving Economy	N/A	15	15	15
CRR0001	Constitutional Uncertainty	12	3x4	Thriving Economy	N/A	12	12	12
CRR0012	Health and Safety failure	12	4x3	Well Governed City	N/A	12	12	12
CRR0013	Failure to protect and govern information assets	12	4x3	Well Governed City	Decreased	16	9	9
CRR0024	Failure to deliver / manage regeneration of the city including major projects	12	4x3	Resilient and Empowered Neighbourhoods	N/A	12	12	12
CRR0029	Educational attainment - young people leaving education may not have achieved full potential	12	4x3	Excellent and Inclusive Education	N/A	12	16	16
CRR0908	Failure to successfully deliver an appropriate job evaluation scheme	12	4x3	Well Governed City	N/A	12	12	12
CRR0909	Insufficient response to climate and ecological emergency	12	4x3	Sustainable and Low Carbon City	Decreased	16	16	16
CRR0984	Failure to maximise Glasgow's cultural and sporting assets to aid the City's social and economic recovery and advance the health and wellbeing of Glaswegians	12	4x3	Vibrant City	Decreased	16	16	16
CRR0970	Renewal Programme	12	4x3	Thriving Economy	Closed	12	12	12
CRR0015	Lack of Knowledge, Capability and Capacity	9	3x3	Well Governed City	N/A	9	9	9
CRR0016	Deficiencies in Internal Control Environment	9	3x3	Well Governed City	N/A	9	9	9
CRR0018	Significant asset failure, damage or loss	9	3x3	Sustainable and Low Carbon City	N/A	9	9	9
CRR0982	Failure to Secure a Full Return to Work Following the COVID-19 Pandemic	8	4x2	Well Governed City	Closed	8	8	8
CRR0025	Failure in governance of the ALEOs	6	3x2	Well Governed City	N/A	6	6	6
	Risks of the ALEO Model							
CRR0614	ALEO Financial Performance	12	3x4	Well Governed City	N/A	12	12	12
CRR0623	ALEO Delivery of Council Services	12	3x4	Well Governed City	N/A	12	12	12
CRR0615	ALEO Conflict of Interest	6	2x3	Well Governed City	N/A	6	6	6
CRR0616	ALEO Reputational Damage	6	3x2	Well Governed City	N/A	6	6	6
CRR0618	ALEO Organisational Instability	4	2x2	Well Governed City	N/A	4	4	4
CRR0621	ALEO Fitness for Purpose of the ALEO Model	4	4x1	Well Governed City	N/A	4	4	4
CRR0622	ALEO Loss of Charitable Status	3	3x1	Well Governed City	N/A	3	3	3

APPENDIX 2 – RISK ASSESSMENT METHODOLOGY

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
			IMPACT				

Risk Rating:	Very High	High	Medium	Low

In assessing probability, the following 1 to 5 scoring system is applied:

ASSESSING PROBABILITY			
Score	**Description**	**% of Occurrence**	**Guidance**
5	Almost certain	80 – 100%	Hard to imagine the event not occurring - event occurs regularly
4	Likely	60 – 79%	Probable - more likely to occur than not
3	Possible	35 – 59%	Reasonable chance of occurrence – the event may happen
2	Unlikely	15 – 34%	Not expected to occur and unlikely but still not exceptional
1	Extremely unlikely	0 – 14%	Hard to imagine the event happening, only in exceptional circumstances or once in every 10 years

In assessing impact, the following 1 to 5 scoring system is applied:

ASSESSING IMPACT	
Score	**Description of impact on ability to deliver defined objectives**
5	Fundamental / catastrophic
4	Major
3	Moderate
2	Minor
1	Insignificant / negligible

Further detail and guidance is available within the Corporate Risk Management Framework

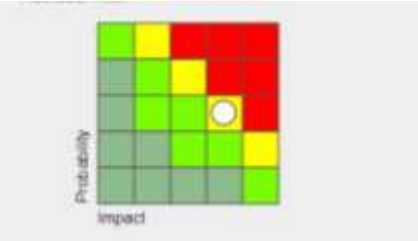
APPENDIX 3(a) – RISK OF THE QUARTER JULY 2022

Risk Title:	**CRR0909 - INSUFFICIENT RESPONSE TO CLIMATE AND ECOLOGICAL EMERGENCY**

Risk Description:	**Risk:**	The Council may fail to take sufficient action in response to the declared climate and ecological emergency and to meet the revised Net- Zero carbon emissions target by 2030.
	Cause:	Lack of awareness; lack of planning; failure to provide appropriate governance and monitoring; limited resources; failure to prioritise climate initiatives, and lack of stakeholder engagement/ buy in.
	Effect:	Increase in damaging impacts of climate change to people, place, and infrastructure; reputational damage and negative publicity; failure to meet stakeholder expectations and loss of credibility; reduced likelihood of attracting relevant future funding streams, increased financial implications due to failure to mitigate and adapt to climate change; adverse social and economic impact on communities and citizens, leading to increased demand for Council services.

Inherent Risk Assessment: (Before application of control and mitigating actions)	Impact: 4 (major) Probability: 5 (almost certain) Risk score: 20 Risk rating: very high	**Residual Risk Assessment:** (After application of control and mitigating actions)	Impact: 4 (major) Probability: 3 (possible) Risk score: 12 Risk rating: high

Risk Treatment Approach: (treat / tolerate / transfer / terminate)	Treat



Risk Owner:	Responsible Officer:	Strategic Plan Alignment:	Primary Risk Category:
Executive Director of Neighbourhoods, Regeneration and Sustainability	Head of Sustainability	Sustainable and Low Carbon City	Environmental

CONTROL AND MITIGATING ACTIONS:

Strategies/ Plans:

- The Glasgow Climate Adaptation Plan 2022 to 2030 was approved by the City Administration Committee on 22 June 2022.
- Publication of the Glasgow Economic Strategy in March 2022 with a key commitment to tackling the climate emergency.
- Approval of the Circular Economy Routemap and action plan with annual progress reports to Committee.
- The Council is an active participant in the Climate Ready Clyde adaptation partnership for the city-region which has published a Climate Adaptation Strategy and action plan proposing actions through to 2030 to manage the long term effects of climate change;
- Resource and Recycling Strategy 2020 to 2030 and delivery/ monitoring of the related Action Plan.
- Publication of a £30bn Green Investment Prospectus for the city (May 2021).
- Publication of the Glasgow City Food Plan in (June 2021).
- Glasgow's Climate Plan agreed by CAC on 17 June 2021.
- Launch of the Glasgow Green Deal roadmap on (21 October 2021).

Governance:

- Introduction of the Net Zero and Climate Progress Monitoring City Policy Committee to oversee all areas of work.
- Establishment of the Climate and Sustainability Board and the scoping group.
- Governance processes are in place to oversee the delivery of the Glasgow Climate Plan.

Specific to IJB:

- HSCP has completed the Climate Change Duties Report 2020/21 and this was presented to the Glasgow City Joint Boards (IJB) on 8 December 2021 and submitted to Scottish Government.
- Sustainability planning and climate change adaptation are broadly overseen by dedicated boards/ groups within Glasgow City IJB's partner bodies.
- Accountability and responsibility for climate change governance, management and strategy in relation to the delivery of Council and Health Board services (including community health and social care) lies with Glasgow City IJB's partner statutory bodies, Glasgow City Council and NHS Greater Glasgow and Clyde. Both Glasgow City Council and NHS Greater Glasgow and Clyde submit a Public Bodies Climate Change Duties Report that will detail this.

Initiatives:

- The Glasgow Climate Pact (key outcome from COP26).
- Investment in a fleet of e-bikes for hire under the Next Bike scheme.
- Enforcement of Glasgow's Low Emission Zones (LEZ) that set an environmental limit on certain road spaces - restricting access for the most polluting vehicles to improve air quality (now in the final phase of the enforcement plan).
- Sustainable Glasgow Charter is a commitment by leading businesses and employers in the city to take action within their own organisations and sectors to contribute to a green recovery and radically reduce the City's carbon emissions. The charter is due to be relaunched in September 2022.

CONTROL AND MITIGATING ACTIONS:

- The Glasgow Recycling and Renewable Energy Centre (GRREC) is operational and is now diverting 200,000 tonnes of the city's waste from landfill and generating enough electricity to power 22,000 homes.
- Signing of the Edinburgh Biodiversity Declaration, signaling commitment to deliver transformative actions in order to achieve the aims and ambitions set out in the post-2020 global biodiversity framework.
- Roll out of Carbon Literacy Training across the Council Family (the first local authority in Scotland to do so).
- In 2021, Glasgow ranked fourth on the Global Destination Sustainability Index of over 70 international tourism and events cities.
- In 2021, Glasgow was the first European city to join the EarthCheck sustainable city certification scheme.
- Staff awareness campaigns are ongoing e.g. think before you print, recycling, reducing energy etc.
- Transition of Council fleet from fossil fuel fleet to electric as well as the introduction of hydrogen refuse collection vehicles.
- Introduction of the River Clyde plastics barrier - a steel boom suspended across part of the Clyde to catch debris as it flows towards the sea.

NEXT STEPS AND FURTHER ACTIONS:

- A PMO is being established to manage the delivery of the Glasgow Climate Plan action plan.
- The draft Local Heat and Energy Efficiency Strategies (LHEES) is in its final evaluation stage and will be published before its national deadline of 2023. This will set out an approach to the decarbonisation of heat in the city as well as energy efficiency enhancements.
- Work is underway to develop district heating projects in a city centre climate neutral innovation district using river sourced heat, and at the SEC utilising hydrogen and geothermal heat sources.
- Investigations into the creation of large-scale ground mounted solar PV farms with battery storage to create a renewable energy network in the city.
- Effort is being made to remove barriers to the circular economy – this is being done through projects like City Portrait, Thriving Cities initiative and the Gallant project.
- Working with the City Region on a regional approach to Electric Vehicle charging ports.
- Completion of the RUGGEDISED project by November 2022, which focuses on the demonstration area and its Smart Street and seeks to address the challenges Glasgow faces from ageing infrastructure, fuel poverty and air pollution; by integrating planned regeneration and development with smart city capabilities.
- A crowd funder initiative to support local climate change projects (due for completion by the end of 2022).
- Implementation of the 2030 Climate Plan action plan.
- A series of public engagement events to continue the message about climate change (ongoing).

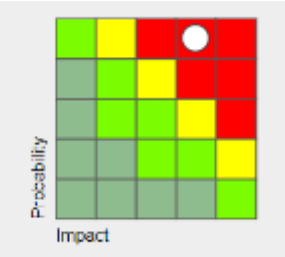
APPENDIX 3(b) – RISK OF THE QUARTER OCTOBER 2022

Risk Title:	**CRR1954 – IMPACT OF THE RISING COST OF LIVING**

Risk Description:	**Risk:**	The rising cost of living across the UK may adversely affect the operation of the Council family, third sector organisations delivering on behalf of the Council and households across the city.
	Cause:	40 year high for UK inflation; increasing food, energy and fuel costs; changes to National Insurance and limited or no wage increases.
	Effect:	Reduced disposable income may impact on Council Family income generating services; increased demand for, and pressure on, Council family services; exacerbation of existing, and creation of additional poverty and inequality in the city; increasing costs of service delivery due to rising costs/ bills for both the Council family and third sector organisations; reduction in collection tax collection rates; negative impact on visitor economy as less disposable income reduces trade from local and national visitors.

Inherent Risk Assessment: (Before application of control and mitigating actions)	Impact: 5 (critical) Probability: 5 (almost certain) Risk score: 25 Risk rating: very high	**Residual Risk Assessment:** (After application of control and mitigating actions)	Impact: 4 (major) Probability: 5 (almost certain) Risk score: 20 Risk rating: very high

Risk Treatment Approach: (treat / tolerate / transfer / terminate)	Treat



Risk Owner:	Responsible Officer:	Strategic Plan Alignment:	Primary Risk Category:
Corporate Management Team (CMT)	Head of Poverty and Financial Inclusion	Thriving Economy	Financial

CONTROL AND MITIGATING ACTIONS:

Policies/ Strategies/ Plans:

- The Financial Inclusion Strategy 2020 to 2025 was approved by CAC on 10 October 2019.

Programmes/ Initiatives:

- Administration of Government support packages, incl. £150 Council Tax rebate.
- Children's Holiday Food Programme, which enables community organisations to provide nutritious food to children/young people using their services during school holiday periods.
- Development and delivery of the city-wide 'No Wrong Door' exemplar, at scale, to test the concept of a whole system approach embedded in the Christie Commission principles.
- Financial Inclusion Support Officers (FISO) - embedded within secondary schools, this project raises awareness amongst families of their entitlement to welfare benefits, grants and awards and provides support to maximise their income through benefit support, employability referrals and access to assistance with the cost of living.
- Pensioner Welfare Advice and Support Project - focused on reducing pensioner poverty within the city, this provides an income maximisation service to clients aged 80 and over that have been identified as potentially eligible for Attendance Allowance and other benefits.
- Glasgow Helps - supporting citizens to connect with the 'right assistance, in the right place, at the right time', Glasgow Helps uses a holistic conversation approach to create a joint understanding of needs, capabilities and aspirations. This is used to identify, secure and case-manage support pathways and referrals that provide both immediate assistance and works with the citizen to build resilience and facilitate participation in the life of the city.
- Free School Meals.
- Period Dignity Programme.
- Promotion of free transport for under 22s in schools.
- Promotion and administration of Education Maintenance Allowance (EMA) and clothing grants.
- Glasgow Libraries' work, money and learning programmes.
- Glasgow Life venues are free to enter and many activities are also free. Where there is a charge for activities e.g. some temporary exhibitions, ticket prices are kept as affordable as possible with discounted rates available for some groups.
- Glasgow Museums takes opportunities to point customers towards other Glasgow Life services that they may benefit from, for instance programmes at Libraries relating to work, money and learning.

PLANNED NEXT STEPS AND FUTURE ACTIONS:

- Establish a network of Welcoming Places to provide practical support ahead of the onset of winter and as the cost of living and energy crisis continues to impact.