Glasgow City Council

Finance and Audit Scrutiny Committee

Report by Chief Executive

Contact: Michelle McGinty, Head of Corporate Policy & Governance

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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 ☐

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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 is a live document that is maintained by Corporate Policy and Governance (CP&G) and kept under review, and informed by, the Corporate Risk Management Forum (RMF), Corporate Management Team (CMT) and risk owners. The RMF is chaired by CP&G 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 22 risks, each of which has been aligned to the four grand challenges within the Council's Strategic Plan 2022 - 2027. A primary alignment is shown but, given their cross-cutting nature, a number of risks align to one or more grand challenges.

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   Twelve 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
CRR0004	Poverty and inequality
CRR0007	Impact of Historic Abuse Inquiry
CRR1954	Impact of the rising cost of living
CRR2074	ICT security
CRR2288	Failure to successfully implement Pay and Grading Scheme
CRR0008	Failure of key, large scale contractors / service providers
CRR0009	Major incident/ service disruption
CRR0011	Significant industrial action
CRR0012	Failure to comply with Health and Safety Regulations
CRR0029	Educational Attainment
CRR0005	Failure to fulfil duty of care to children and vulnerable adults

[1] This document is available on the Council's intranet site.

2.5   Table 2 sets out the material changes to the CRR since the last reporting period in October 2023.

Table 2 – Changes in the Reporting Period			
Risk Ref.	Risk Title	Change	Comment
CRR0029	Educational Attainment – young people leaving education may not have achieved full potential	Risk **INCREASED**	Probability has increased from possible to likely due to level and impact of budget savings and the service reform required to prepare for a reduction in teacher numbers from August 2024. Continuous flat cash, as well as year to year funding is also leading to increased pressures and uncertainty in this context.
CRR0017	Failure to deliver the Capital Investment Programme	Risk **DECREASED**	Decreased score from 3x5(15) to 3x3 (9) decrease of 6 due to reducing in probability rational outlined below. In February 2024, the Programme Risk Register was reviewed. The following four risks were re-assessed, with the probability of each being reduced due to monitoring showing a lessening likelihood of realisation. This has reduced the risk rating of each from high to medium: • Potential for delays to programmed works • Projects may require to be re-scoped/ re-designed • Poor management of external partners/ contractors • Loss/ damage to assets/ projects In addition to score change there has been an update to mitigation and description
CRR0614	ALEO Financial Performance	Risk **DECREASED**	Risk rating reduced due to actions taken resulting from Council Family Reviews in relation to Glasgow Life and City Building. Also due to approval of Business Plans for GL and CB for 2024-25 consistent with GCC budget expectations

2.6   Through the Risk Management Forum, officers continue to monitor emerging events and uncertainty.

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 in Focus

4.1 On a regular basis, the Risk Management Forum selects a risk from the CRR for in-depth review. This is particularly suited to risks that are aligned to various grand challenges, 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 this period, the review focused on CRR0005 – Failure to fulfil duty of care to children and vulnerable adults. Details of the review are attached at **Appendix 3**. This exercise informed refinements to the risk description, increased the risk score 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 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. At the start of the year, membership of the BCF was formally expended to include the ALEOs. Representation of the wider Council Family is allowing for broader engagement and participation and feedback on this approach has been positive.

5.3 The 2024/25 business continuity workplan is in place and is progressing. Upcoming activity includes:

- the scheduled biennial review of the BCM Policy and Framework;

- an engagement and free webinar programme through Business Continuity and Resilience Awareness Week, which is a global initiative delivered annual by the Business Continuity Institute (BCI), which ran from 13 to 17 May 2024, and

- continued focus on corporate priorities and dependencies across the Council Family, to inform Service and ALEO testing and planning.

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

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 four Grand Challenges in the Council Strategic Plan 2022 to 2027.

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 Grand Challenges 2022-2027 Alignment	Change since Nov 2023	Previous Scoring		
						Nov-23	May-23	Oct-22
CRR0002	Fiscal Uncertainty	20	4x5	Delivery of essential services	N/A	20	20	20
CRR0004	Poverty and Inequality	20	4x5	Reduce poverty and inequality	N/A	20	20	20
CRR0007	Impact of Historic Abuse Inquiry	20	4x5	Reduce poverty and inequality	N/A	20	20	20
CRR1954	Impact of the rising cost of living	20	4x5	Increase opportunity/ prosperity	N/A	20	20	20
CRR2074	ICT Security	20	5x4	Delivery of essential services	N/A	20	20	20
CRR2288	Failure to sucessfully implement Pay and Grading Scheme	20	5x4	Delivery of essential services	N/A	20	-	-
CRR0008	Failure of key, large scale contractors / service providers	16	4x4	Delivery of essential services	N/A	16	16	16
CRR0009	Major incident / service disruption	16	4x4	Delivery of essential services	N/A	16	16	16
CRR0011	Significant industrial action	16	4x4	Delivery of essential services	N/A	16	16	16
CRR0012	Failure to comply with Health and Safety regulations	16	4x4	Delivery of essential services	N/A	16	16	12
CRR0029	Educational attainment - young people leaving education may not have achieved full potential	16	4x4	Increase opportunity/ prosperity	Increased	12	12	12
CRR0005	Failure to fulfil duty of care to children and vulnerable adults	15	5x3	Reduce poverty and inequality	N/A	15	15	15
CRR0001	Constitutional Uncertainty	12	3x4	Delivery of essential services	N/A	12	12	12
CRR0013	Failure to protect and govern information assets	12	4x3	Delivery of essential services	N/A	12	12	12
CRR0015	Lack of Knowledge, Capability and Capacity	12	3x4	Delivery of essential services	N/A	12	9	9
CRR0016	Deficiencies in Internal Control Environment	12	3x4	Delivery of essential services	N/A	12	12	9
CRR0909	Insufficient response to climate and ecological emergency	12	4x3	Climate Emergency	N/A	12	12	12
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	Reduce poverty and inequality	N/A	12	12	12
CRR0017	Failure to deliver the Capital Investment Programme	9	3x3	Increase opportunity/ prosperity	Decreased	15	15	15
CRR0018	Significant asset failure, damage or loss	9	3x3	Delivery of essential services	N/A	9	9	9
CRR0024	Failure to deliver / manage regeneration of the city including major projects	9	3x3	Increase opportunity and prosperity	N/A	9	9	12
CRR0025	Failure in governance of the ALEOs	6	3x2	Delivery of essential services	N/A	6	6	6

Risks of the ALEO Model								
CRR0614	ALEO Financial Performance	12	3x4	Delivery of essential services	Decreased	15	12	12
CRR0623	ALEO Delivery of Council Services	12	3x4	Delivery of essential services	N/A	12	12	12
CRR0615	ALEO Conflict of Interest	6	2x3	Delivery of essential services	N/A	6	6	6
CRR0616	ALEO Reputational Damage	6	3x2	Delivery of essential services	N/A	6	6	6
CRR0618	ALEO Organisational Instability	4	2x2	Delivery of essential services	N/A	4	4	4
CRR0621	ALEO Fitness for Purpose of the ALEO Model	4	4x1	Delivery of essential services	N/A	4	4	4
CRR0622	ALEO Loss of Charitable Status	3	3x1	Delivery of essential services	N/A	3	3	3

APPENDIX 2 – RISK ASSESSMENT METHODOLOGY

Risk Rating:	Very High	High	Medium	Low

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

ASSESSING PROBABILITY			
Score	Description	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

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
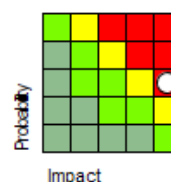
APPENDIX 3 – RISK IN FOCUS

Risk Title:	CRR0005 – Failure to fulfil duty of care to children and vulnerable adults

	Risk:	Failure to fulfil duty of care to children and vulnerable adults
Risk Description:	Cause:	Lack of, or ineffective, services and procedures in relation to care and support for vulnerable adults and children, including Adult Support & Protection, Child Protection and Public Protection procedures and arrangements.
	Effect:	Increased and/or avoidable risk/harm to children and/or vulnerable adults; non-compliance with legislative requirements; reputational damage.

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: 5 (critical) Probability: 3 (possible) Risk score: 15 Risk rating: very high

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

Risk Owner:	Responsible Officer:	Primary Risk Category:
Susanne Millar (will be changed upon confirmation of new Chief Officer)	HSCP – Jackie Kerr ES – Catherine Gallacher FS – Janice Timoney CED – John Sherry	Social

CONTROL AND MITIGATING ACTIONS:
- Chief Officers Group chaired by Glasgow City Council CEO - Adult and Child Protection Committees, sub-groups and Local Area Forums established. - Justice Social Work senior managers governance group - MAPPA Strategic Oversight Group and Operational Group including MAPPA Multi-agency risk register review and Memorandum of Understanding being in place between statutory agencies and reviewed annually.

CONTROL AND MITIGATING ACTIONS:

- NASSO meets quarterly with Register Social Landlords in attendance.
- HSCP performance management and supervision systems in place
- Single and multi-agency training and development plan for both Adult Support and Protection and Child Protection
- Adult and Child Protection management information produced and reviewed monthly at appropriate HSCP leadership and governance groups.
- Bi-annual Local Management Review process overseen and coordinated by lead officers for Child Protection and Adult Support and Protection.
- MAPPA national guidance
- Ongoing integration of Family Nurse Partnership, Health Visiting, School Nursing, Social Work, and the Third Sector to consolidate strength based, trauma informed and anti-poverty practice.
- Further enhanced by investment of over £15m by the HSCP and Community Planning Partnership into earlier identification, earlier help, family support and consequently prevention
- All relevant workers trained to professional standards, following code of conduct and registered with SSSC.
- PVG checked and statistical analysis with HR for numbers trained in Safeguarding and compliance. Undertaking of regular CPD.
- Information protection GDPR
- Inter-agency working and co-operation (SWS, Education, Police and Health Board)
- Education Management Circular 57, Mandatory Child protection training for all school-based staff, Child protection co-ordinators in place in all schools,
- School based LC Joint Support Teams, ISG Meetings Internal monitoring - Care and Welfare addressed on all school QA reviews, Inspections by External Bodies, Monthly Senior management meetings with Education and SW
- Financial support of payments, grants and services that assist those most vulnerable in society e.g. Free School Meals, Scottish Welfare Fund, Housing Benefit, Crisis Grants.

PLANNED NEXT STEPS AND FUTURE ACTIONS:
Continue to implement and maintain mitigatory actions as outlined above