

**THE HIGHLAND COUNCIL**  
**Audit and Scrutiny Committee**  
**3<sup>rd</sup> December 2009**

Agenda Item	
Report No	

**Risk Management Update**

**Report by Depute Chief Executive & Director of Finance**

**Summary**

The purpose of this report is to provide an update to Members as to the progress in managing the Corporate & Cross Cutting Risks (CCCR).

**1. Introduction**

1.1 At the meeting on 11 June 2009, Members of the Audit & Scrutiny Committee were provided with a report which gave an update on the CCCR. It was agreed that a further report would be submitted in six months in order to inform Members as to the progress in managing the CCCR and also incorporate the results of the annual review carried out by the Senior Management Team on the 9 November 2009.

**2. Update of Corporate & Cross Cutting Risks**

2.1 An updated extract from the risk register is attached at Appendix 1 for Members information. This shows that a total of 13 risks are above the acceptable tolerance line and require to be managed. This compares with a total of 10 risks above the line which were previously reported.

**The changes of risks below the tolerance line to above the tolerance line are as follows:**

1) Risks which have a revised rating:

CCCR 16 - Health & Safety Systems - B3 to C2

The Annual Health & Safety report shows an increase (2008/09) in the number of accidents in the workplace and related absence although long term trend continues to be downward.

CCCR 27 - Corporate Improvement Programme - C3 to C2

The requirement to achieve significant budget savings over the next 3 years means that this Programme is essential and must deliver on, or above, target.

CCCR 28 - Caithness Heat & Power - C3 to C2

The Council is unable to achieve its original objective of supplying low cost and green energy to its tenants.

### CCCR 31 - Job Evaluation Appeals - C3 to C2

As a result of the implementation of the new pay scheme the Council has received nearly 2000 appeals which need to be managed and resolved over the next 18 months.

#### 2) New Risks:

##### CCCR 32 - Delivering a Balanced Budget

The poor economic forecast for the Country and the Public Sector in the short to medium term may generate additional pressures and difficulties in balancing the Council's budgets.

### **Risks which have moved from above the tolerance line to below the tolerance line:**

#### 1) CCCR 24 - Single Outcome Agreement

The report on the delivery of targets in SOA1 shows that good progress is being made in delivering on commitments.

##### CCCR 25 - Responding to Recession

The Council's response to the recession has been reported regularly to Members whilst there has been strong partnership working with Highlands and Islands Enterprise which has the lead responsibility for responding to the recession in Single Outcome Agreement 2.

### **3. Management of Risks**

3.1 The risks are managed through the development of action plans and are fed into overall Service Plans and Quarterly Performance Reviews.

3.2 A further report will be provided in six months time in order to inform Members as to the progress in managing the CCCR.

#### **Recommendation:**

Members are requested to note the content of this report with regard to the management of CCCR.

Signature:

Designation: Depute Chief Executive & Director of Finance

Date: 23 November 2009

#### Background Papers

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## Appendix 1

Service	Risk No or New Risk	Risk Description/Short Name	Owner	Update on Actions from QPR Meetings
Chief Executive's	CCC1	The Council must implement its Carbon management plan in order to meet the carbon reduction commitment and the targets in SOA2.	Chief Executive	Actions with service plans to reduce vulnerability and mitigate impact of risks are progressing. Standing item on Climate Change Working Group agenda.
Housing & Property	CCC4	The Council needs to rationalise its property assets effectively such that it can afford to maintain them in good condition and suitable for their required use.	Director of Housing & Property	The work of the Asset Management Team is now directed by an Asset Management Board which forms part of the Corporate Improvement Programme. Progress is reported regularly to the CIP Board and to Resources Committee.
Chief Executive's	CCC9	The Council must comply with the requirements of the equalities legislation.	Assistant Chief Executive	SMT undertaking assessment based on new BV Tool; Introduction of new e-learning toolkit for staff; Development of Single Equality Scheme in progress.
Chief Executive's	CCC14	Business Continuity & Emergency Planning arrangements/responses must be effective.	Chief Executive	Corporate Business Continuity Plan & Area Plans updated; Exercise of Plan completed.

Service	Risk No or New Risk	Risk Description/Short Name	Owner	Update on Actions from QPR Meetings
Chief Executive's	CCC16	Effective Health and Safety systems and practices must be in place to meet the requirements of legislation.	Assistant Chief Executive	All senior managers have been on an accredited course & received a certificate; annual H & S report to Resources Committee; Central & Area Safety Committees meet on quarterly basis; Agreement to create Corporate Health & Safety Team which is now in progress.
Social Work	CCC17	The Council requires to support the effective public protection & community safety arrangements in partnership with our Community Planning partners.	Director of Social Work	Review of Public Protection Arrangements with Community Partners. Safer Highlands Chief Officers Group established. Multi Agency Public Protection Arrangement strategic group also established Adult Support & Protection Committee.
Chief Executive's	CCC21	The Council must address the equal pay claims outstanding against the authority.	Assistant Chief Executive	Personnel Team is currently dealing with Equal Pay claims and the Council will need to agree a strategy for dealing with these claims prior to them being considered by the Employment Tribunal.

Service	Risk No or New Risk	Risk Description/Short Name	Owner	Update on Actions from QPR Meetings
Chief Executive's	CCC23	New ICT contract must deliver the service, business improvement and efficiencies required by the Council.	Assistant Chief Executive	Reprocurement project is reaching closure with preferred bidder now selected and contract negotiations to be finalised by end of 2009. Transition Project now commencing to ensure smooth transition to new contract arrangements.
Chief Executive's	CCC27	The Corporate Improvement Programme must deliver efficiencies and financial savings	Assistant Chief Executive	Programme on target. Over £1 million in savings will be delivered in 2010/11.
Chief Executive's	CCC28	Caithness Heat and Power tendering exercise must reach a successful conclusion	Chief Executive	Procurement Exercise ongoing.
TECS	CCC29	The Council requires to put effective measures in place to minimise the impact of changing weather patterns, and respond effectively to severe weather events.	Director of TECS	Promoting flood prevention schemes. Implementing minor flood prevention works. Arrangements in place to respond to emergencies caused by severe weather. Monitoring equipment installed at critical locations.
Chief Executive's	CCC31	The Council must manage the Job Evaluation appeals process to minimise the effect on staff morale and productivity.	Assistant Chief Executive	Appeals process underway. Target to complete by April 2011.
Finance	CCC32	The Council must manage current and future pressures, and commitments within reducing available resources.	Depute Chief Executive & Director of Finance	New Risk