

Agenda Item	7
Report No	AS/16/19

HIGHLAND COUNCIL

Committee: Audit and Scrutiny Committee

Date: 19 September 2019

Report Title: **Six-monthly Review of Corporate Risks**

Report By: Corporate Audit and Performance Manager

1. Purpose/Executive Summary

- 1.1 The Corporate Risk Register identifies the Council's key strategic risks and the actions being taken to mitigate these. It is reviewed by the Executive Leadership Team quarterly and presented to Audit and Scrutiny Committee every six months.

2. Recommendations

- 2.1 Members are asked to:
- i. Scrutinise the Corporate Risk Register provided at Appendix 1, and consider the risk profile at Appendix 2.
 - ii. Note that six monthly reviews of the Corporate Risk Register will continue to be reported each March and September to the Audit and Scrutiny Committee.

3. Implications

- 3.1 Resource: Having a robust approach to risk management will continue to help the Council minimise future financial risks and implications.
- 3.2 Legal: The Corporate Risk Register supports the Chief Audit Executive (the Corporate Audit Manager) to provide an annual internal audit opinion that concludes on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.
- 3.3 Community (Equality, Poverty and Rural): Having a Council which is resilient to risk means that it is better positioned to support its communities. Some of the actions detailed on the register will reduce the likelihood and potential impact of risks affecting our communities.

- 3.4 Climate Change / Carbon Clever: As highlighted in Corporate Risk 7, the Council will need to adapt to the potential impacts of climate change and build resilience in its own operations and in its communities. Corporate Risk 9 also highlights the need to rationalise property assets and to make sure buildings are fit for purpose, which will reduce the Council's carbon emissions.
- 3.5 Risk: The corporate risk management process reduces the Council's exposure to risk by ensuring that corporate risks are identified and proactively managed.
- 3.6 Gaelic: There are no Gaelic implications identified at this time.

4. Corporate Risk Register

- 4.1 As part of the risk management process, Highland Council has a Corporate Risk Register, **Appendix 1**. This is now reviewed every three months by the Executive Leadership Team and is presented to the Audit and Scrutiny Committee every six months. Overall responsibility for the Corporate Risk Register sits with the Chief Executive.
- 4.2 The Corporate Risk Register was last presented to the Audit and Scrutiny Committee in March 2019. The Register was reviewed by the Executive Leadership Team (ELT) in September 2019. Four corporate risks have been added to the Register since it was last reported to Committee, full details are given at Appendix 1.
- CR11: Residual Waste Project
 - CR12: NHS Highland Partnership Agreement Renewal
 - CR13: Information Management
 - CR14: Inverness and Highland City Region Deal
- 4.3 There are now 13 risks listed on the Corporate Risk Register. For each risk the following information is given:
- Risk name;
 - Risk type;
 - Current and target risk rating;
 - A description of the risk;
 - A risk owner;
 - Current risk RAG status (Reflects the cumulative RAG status of the risk actions);
 - Mitigating actions (with the responsible officer, target date, and current RAG); and
 - Notes (where applicable).
- 4.4 The current and target risk ratings assigned to these risks are based on the risk matrix, **Appendix 2**, and have been determined by the Executive Leadership Team.
- 4.5 There are two risk actions which have a red RAG status (no significant progress):
- CR4.8 Consultation on Immigration (Brexit)
 - CR4.11 Shared Prosperity Fund (Brexit)
- For both risk actions there are significant unknown implications, reliant on external factors, out with the Council's control.

Designation: Corporate Audit and Performance Manager

Author: Stephen Carr, Corporate Performance Manager, 09/09/2019

Appendix 1: Corporate Risk Register

RAG status: R No significant progress A Some slippage G On Target C Complete

CR1	Financial Sustainability	Risk Rating		RAG		
		Current	Target	G		
Risk Owner: Head of Corporate Finance and Commercialism		Risk Type: Financial			A2	C2
The Council faces a range of financial challenges, both revenue and capital, and we need to be able to plan and meet these challenges so that we can continue to deliver effective services and achieve all the priorities that we wish to. We will also need to act more commercially as an organisation to ensure this financial sustainability.						
Mitigating Actions:				Responsible Officer	Target Date	RAG
CR1.2	Multi-year Budgets: Our financial approach is based on considering a range of different scenarios to address uncertain grant settlements and other external factors. A key part of the approach is looking at multi-year budgets with the flexibility to accelerate or slip actions as conditions change. External factors, including anticipated funding levels, will be reviewed every three months.	Head of Corporate Finance and Commercialism		Ongoing	G	
CR1.4	Budget Savings: The Council agreed its budget for 2019/20 in February 2019, including savings of £21.4m. The delivery of 2019/20 budget savings is being monitored within Services and reported every three months to respective strategic committees. An overview of all savings is reported to Corporate Resources Committee. Additional scrutiny and support will be provided through the monthly member budget briefing, the Change Programme Board and the Resources Governance Board meeting weekly. However, there is still a risk around the delivery of certain savings and managing in-year budget pressures and work is ongoing to resolving these issues in a sustainable way.	Head of Corporate Finance and Commercialism		Ongoing	A	
CR1.9	Delivery of the Change Programme: 16 projects agreed, supported where necessary by the new Change Fund, overseen by a Programme Management Office (PMO) and with additional scrutiny as described as part of CR1.4 along with a Programme Board of ELT.	Council Redesign Lead		March 2020	G	
CR1.10	Internal audit of the purchase to pay process: Audit of the purchase to pay process to be undertaken including consideration of the budgetary control process. Exact scope and timing will be agreed with management.	Corporate Audit Manager		March 2020	G	
CR1.11	Internal audit of procurement expenditure: Audit of procurement expenditure to ensure that contract arrangements are complied with to achieve best value for the Council and	Corporate Audit Manager		March 2020	G	

	any off-contract spend is valid. Exact scope and timing will be agreed with management.			
Notes: The Risk Owner and responsible officer for CR1.4 has been changed from the Depute Chief Executive/ Director of Corporate Resources to the Head of Corporate Finance and Commercialism.				
CR1.4: The wording of this risk action has been updated to make it specific to the current financial year.				

CR2	Security and Resilience	Risk Rating		RAG
		Current	Target	G
Risk Owner: Chief Executive		Risk Type: Physical, Technological		C2
The Council must take all reasonable steps to protect our staff and communities from risks to their safety and security. Our physical buildings and ICT networks and systems must be secure to protect against terrorist and criminal activity. Also, the Council must plan adequately to respond effectively to an emergency, to mitigate the impact upon our communities.				
Mitigating Actions:			Responsible Officer	Target Date
CR2.1	Building Access Policies: All of our Responsible Premises Officers (RPOs) will develop site specific Building Access Policies. These will include evacuation and lockdown plans.	Head of Property Services		March 2018
CR2.3	Off-site Plans: We will implement Control of Major Accident Hazards (COMAH), and Radiation Emergency Preparedness and Public Information Regulations (<i>REPPiR</i>) off-site plans.	Communications and Resilience Manager		Ongoing
CR2.4	General Emergency Plan: We will update the Highland Council General Emergency Plan	Communications and Resilience Manager		March 2019
CR2.6	Multi-agency planning and exercising: <ol style="list-style-type: none"> We will continue to fully participate in multi-agency planning and exercising Regional Resilience Partnership (RRP) and Local Resilience Partnership (LRP) for emergencies based on the national risk register We will continue to participate in the multi-agency CONTEST Group as part of the UK government's Counter-terrorism strategy All Emergency Liaison Groups (ELGs) will take part in exercises 	Communications and Resilience Manager		Ongoing
CR2.7	ICT Vulnerability Scans: Wipro, our ICT provider, will manage quarterly vulnerability scans including an annual IT Health Check in support of the Public Sector Network accreditation. This will help to highlight security gaps in the ICT estate. Remediation plans will be instigated in response to any issues identified.	ICT Operations Manager		Ongoing
CR2.8	Cyber Security: Our adherence to the "National Cyber Security Centre 20 Critical Controls " will be pro-actively monitored. Where security gaps are identified, action plans will be developed to reduce cyber security risk.	ICT Operations Manager		Ongoing

CR2.10	Internal audit of cyber security arrangements: Audit of the Council's Cyber Security arrangements to ensure that these are operating effectively and being adhered to by staff. Exact scope and timing will be agreed with management.	Corporate Audit Manager	March 2020	G
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Notes:
CR2.1: Whilst progress continues to be made to complete building access policies for each of our sites, there remains a lack of infrastructure to ensure that sites are secure.

CR4	Brexit	Risk Rating		RAG
		Current	Target	A
Risk Owner: Executive Leadership Team		Risk Type: Legislative/ Economic		B2
			D3	A
An exit from the EU will have a number of impacts on the Council, its partners and its communities. Negative impacts need to be mitigated where possible. Risk is especially high to business continuity for the Council if a no deal exit occurs, causing disruption to supplies, increased demands for service, price increases and potential loss of income and with insufficient time to plan mitigation especially where Government guidance is not provided or provided very late. Brexit will result in the loss of EU funding which, if not replaced by the Government, may pose a risk to the economic and social programmes of the Council and its partners. Interest rates and exchange rates may be affected by the withdrawal process impacting on the affordability of the Council's capital programme. Restrictions on the free movement of people could lead to skills gaps in the Council, our partner organisations and local businesses. These potential impacts need to be planned for and mitigated where possible.				
Mitigating Actions:		Responsible Officer	Target Date	RAG
CR4.1	Networking: We will continue to engage and participate on key legislation and resilience through our networks including COSLA, COHI, Scottish Government, professional associations, and with our partners.	Chief Executive	Ongoing	G
CR4.2	Financial Implications: Our financial strategy will include an assessment of the risks associated with Brexit.	Head of Corporate Finance and Commercialism	Ongoing	G
CR4.3	Treasury Management: Our Treasury Management strategy will include an assessment of the risks associated with Brexit, and that the maturing debt profile is monitored and managed to avoid exposure to interest rate fluctuations.	Head of Corporate Finance and Commercialism	Ongoing	G
CR4.4	Capital Plan: The Capital Plan will include a risk assessment of the cost of borrowing, and it will be reviewed constantly to ensure its continued affordability.	Head of Corporate Finance and Commercialism	Ongoing	G
CR4.5	Workforce Strategies: Our workforce strategies will include an assessment of EU workforce dependencies and plans will be in place to maintain service delivery. Action to support EU nationals in the Council's workforce to remain if that is their choice began in	Interim Head of HR	Ongoing	G

	2018, and we will continue to promote information and resources to our workforce and to businesses.			
CR4.6	EU Funding: Our budget planning will include an assessment of European Union (EU) funding that can be accessed in order to maximise the degree of service delivery that can be achieved within Council budgets.	Economy and Regeneration Manager	Ongoing*	G
CR4.7	Resilience Planning: A Brexit officer working group will meet regularly from Sept 2019 to review the previously assessed risks. We will participate in the local, regional and national resilience planning for a no deal exit. We will identify short and medium term impacts and any mitigation through our business continuity plans. We will participate in any multi-agency response to significant impacts, and have plans in place to re-prioritise council work should this be required in the first three months of exit and then plan for sustained impacts.	Communications and Resilience Manager	June 2019 <i>Review mid-March 2019</i>	G
CR4.8	Consultation on Immigration: We will engage in the UK Government's consultation on Immigration and make the case for immigration policy to support the socio-economic development of the region.	Director of Development and Infrastructure	Dec 2019	R
CR4.9	Impact assessment: We will assess the impact of an EU exit with a Withdrawal Agreement and transition period on the Council, its partners and communities. We will plan for an orderly exit with negative impacts mitigated as far as possible and identify and maximise any opportunities.	Director of Development and Infrastructure	Jan 2021	A
CR4.10	Government funding: We will quantify any new costs arising to the Council from EU withdrawal and seek Government funding as appropriate.	Head of Corporate Finance and Commercialism	Dec 2019	G
CR4.11	Shared Prosperity Fund: We will engage with the UK and Scottish Governments on the Shared Prosperity Fund, the successor fund for EU structural and social funds, and on agricultural support.	Director of Development and Infrastructure	Dec 2019	R
CR4.12	Internal audit of EU funded schemes: Audit of EU funded schemes to ensure that the Scheme requirements are complied with and that all eligible funds are claimed. Exact scope and timing will be agreed with management.	Corporate Audit Manager	March 2020	A

Notes:
CR4.5: The responsible officer has been changed from the Head of People and ICT to the Interim Head of HR
CR4.6: The responsible officer has been changed from the Director of Development and Infrastructure to the Economy and Regeneration Manager. This risk action will be reviewed in line with a Service risk on the "Potential Loss of EU funds".
CR4.7: Resilience planning is on-going. A Brexit officer working group will meet regularly from Sept 2019 to review the previously assessed risks. The wording of this action has been adjusted to reflect this. Highland Council received an update letter from the Chair of the Scottish Resilience Partnership subgroup on planning for EU Exit which met on 29 August. The letter provides Planning Templates for Local Resilience Partnerships for

local risk and mitigation, and preparedness checklists which should be completed by the end of September – based on most recent national planning assumptions. Highland Council will base internal planning on this information.

CR4.8: Work is being undertaken through the Scottish Cities Alliance to influence immigration policy.

CR4.9: The responsible officer has been changed from the Head of Policy and Reform to the Director of Development and Infrastructure.

CR4.9: A Council paper on Preparedness for an EU Exit (5th September 2019) details the potential impacts of an EU Exit. The Council’s planning process is on track based on what is known to date, however there are many unknowns with regards to the EU Exit which make it challenging to fully prepare for all potential eventualities.

CR4.11: The change of the UK Prime minister and cabinet has led to the increasing potential for a “hard” Brexit on October 31st 2019. Uncertainty remains over the future shape of the UK Government Shared Prosperity Fund. Work is ongoing through CoSLA to prepare for Brexit. Highland Council have contacted Cornwall County Council to make common cause for fragile rural areas.

CR4.12: Internal audit delayed by staff absence

*until end of EU funding guarantee (~2021)

CR5	Effective Governance in Local Decision Making	Risk Rating		RAG		
		Current	Target	G		
Risk Owner: Head of Corporate Governance		Risk Type: Political, financial, citizen		C3	D3	G
We need to develop arrangements for effective local decision making and to enable our communities to engage and participate at a local level. We must put in place effective and consistent governance arrangements for local decision making to ensure we are able to fully achieve the priorities of our local communities, while being in alignment with strategic priorities.						
Mitigating Actions:				Responsible Officer	Target Date	RAG
CR5.3	Devolved Budgets: We will develop and review policies for minimum standards for devolved budgets as required.	Head of Corporate Finance and Commercialism		Ongoing		G
CR5.4	Local Participation: We will work with Members in local areas to define localism and to explore new ways to widen public participation in Council decisions and in community-run services.	Acting Head of Policy		December 2018		A
CR5.5	Local Partnerships: We will develop and facilitate the work of Community Partnerships as a forum for local partnership priorities and action.	Acting Head of Policy		Ongoing		G
CR5.6	Internal Governance Review: Having engaged Members in local workshops in 2017/2018 and in the Member seminar in January 2019, the Governance Review Steering Group will develop proposals for Council in June 2019.	Chief Executive's Business Manager		June 2019		G
Notes:						
CR5.3: The responsible officer has been changed from the Depute Chief Executive/ Director of Corporate Resources to the Head of Corporate						

Finance and Commercialism.
 CR5.4: This is being progressed through the Internal Governance Review.
 CR5.5: Work is ongoing to support the partnerships to develop and identify priorities and actions.
 CR5.6 Regular reports are being presented to Council.

CR6	Workforce Planning	Risk Rating		RAG
		Current	Target	G
Risk Owner: Interim Head of HR		Risk Type: Financial		B2
				C2
Our most important resource is our staff, and they are at the centre of the services that we provide. Given the changing nature of the organisation, and the need to reduce the workforce, we need to make sure we continue to have the right people, with the right skills, in the right place at the right time.				
Mitigating Actions:		Responsible Officer	Target Date	RAG
CR6.2	Modern Apprenticeship Programme: We will achieve our ambitious target to build capacity to engage 150 Modern Apprenticeships in Highland Council.	Interim Head of HR	September 2019	G
CR6.3	OHSW: We will continue to address the occupational health, safety, and well-being (OHSW) challenges identified through our annual OHSW report with progress monitored quarterly.	Interim Head of HR	Ongoing	G
CR6.4	Electronic management system: We will introduce an electronic occupational health, safety, and well-being management system to improve reporting and reduce the risk of sending confidential personal information through the post.	Interim Head of HR	TBD	A
CR6.6	Succession Planning: The workforce planning cycle is established and all services are developing succession plans.	Interim Head of HR	April 2020	G
CR6.7	Absence management: A newly established Attendance Support Officer (ASO) has been working with Services since March 2018, with an additional ASO to be appointed in May 2019 to focus support in costs attributable from absence in schools. Also resilience, wellbeing and performance training is being planned for FY 2019 with an ambition of supporting as many employees as possible during the period.	Interim Head of HR	April 2020	G
CR6.8	Workforce transition: Transition of employees across the workforce is a critical factor in realising many of the Council's budget savings options, particularly in the Care and Learning Service. Transition planning is one of four priorities in the Council's workforce strategy. A transition portal is being developed to support this process. Two additional HR Officers, resourced by the change fund, will be recruited create capacity to support transition.	Interim Head of HR	April 2020	G
CR6.9	Internal audit of absence management: Audit of absence management to ensure that the	Corporate Audit Manager	March 2020	G

	<p>policies are being complied with across the Council and that accurate, complete and timely absence data is produced and acted upon. Exact scope and timing will be agreed with management.</p>			
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Notes:
 The Risk Owner has been changed from the Head of People and ICT to the Interim Head of HR
 CR6.2, CR6.3, CR6.4, CR6.6, CR6.7, CR6.8: The responsible officer has been changed from the Head of People and ICT to the Interim Head of HR
 CR6.4: The target date is yet to be determined and is dependent on the ICT Transformation Programme.

CR7	Climate Change	Risk Rating		RAG
		Current	Target	G
Risk Owner: Director of Development and Infrastructure		Risk Type: Environmental, Physical		
Climate change presents long term challenges both to the Council and to Highland communities. The Council must adapt and build resilience in itself and its communities to address vulnerabilities to the potential effects of climate change (e.g. changing weather patterns, sea level rise).				
Mitigating Actions:		Responsible Officer	Target Date	RAG
CR7.1	Adaptation Strategy: Our climate change adaptation strategy was last updated in January 2012. We will revise this to identify the key climate change risks to the Council and the Highlands, and set out an action plan to address these.	Climate Change Officer	December 2020	G
CR7.2	Internal audit of CRC scheme: review in 2019/20 audit plan: annual audit of Compliance with the Carbon Reduction Energy Efficiency Scheme undertaken. Exact timing to be agreed with management but will be either quarter 3 or 4.	Corporate Audit Manager	March 2020	G
Notes: CR7.1: Work is underway with Adaptation Scotland and Climate Ready Clyde to develop an outline business case for a Highland-wide approach to climate change adaptation. This piece of work should be completed in Autumn 2019. If there is appetite and a sufficiently strong business case for a Highland-wide strategy, it is likely this would need to be developed over a 2 to 3 year period. CR7.2: Internal audit planned for September 2019.				

CR8	Demographic Change	Risk Rating		RAG
		Current	Target	A
Risk Owner: Executive Leadership Team		Risk Type: Social, Customer, Financial		
The population in Highland, its distribution, its demography and the related service demands are changing. The Council must plan and act for these changes to be able to deliver the services that people require. This includes achieving the benefits of an integrated service health and social care				

service for adults, involving the development of more community based services.				
Mitigating Actions:		Responsible Officer	Target Date	RAG
CR8.2	Local Partnership Plans: We will ensure targets are included in Local Partnership Plans.	Children's Planning Manager	Ongoing	A
CR8.3	Balance of Care: Push for progress on shifting the balance of care.	Resource Manager (Adult Services)	Ongoing	A
CR8.4	Workforce Plans: We will ensure there are sustainable recruitment strategies in our workforce plans.	Service Directors	Ongoing	G
CR8.5	Workforce Strategies: Our workforce strategies will include an assessment of changing and increasing demands for services.	Interim Head of HR	Ongoing	G
CR8.6	Financial Strategy: Our financial strategy will include an assessment of the risks and implications associated with demographic change.	Head of Corporate Finance and Commercialism	Ongoing	G
CR8.7	Partnership Working: Work with our partners, principally the Community Planning Partnership, to plan services that are responsive to demographic changes.	Chief Executive	Ongoing	G
CR4.8	Consultation on Immigration: We will engage in the UK Government's consultation on Immigration and make the case for immigration policy to support the socio-economic development of the region.	Director of Development and Infrastructure	Dec 2019	R
Notes: The responsible officer for CR8.2 has been changed from the Director of Care and Learning to the Children's Planning Manager CR4.8: Work is being undertaken through the Scottish Cities Alliance to influence immigration policy. CR8.5: The responsible officer has been changed from the Head of People and ICT to the Interim Head of HR				

CR9	Safe and Effective Property	Risk Rating		RAG
		Current	Target	G
Risk Owner: Head of Property Services		Risk Type: Physical, Financial		
We need to ensure that our buildings and premises provide safe and effective environments for people who use our services, and our staff. We must rationalise property assets to reduce the amount of money we have tied up in fixed assets, and the associated running costs.				
Mitigating Actions:		Responsible Officer	Target Date	RAG
CR9.7	Fire Safety: We will review and update current fire safety arrangements across all our properties. This work will continue to be taken forward by the Fire Safety Working Group.	Director of Development and Infrastructure	Ongoing	G
CR9.8	Corporate property landlord model: Following from the Property Management policy which sets out current arrangements for property, a paper to the Executive Leadership	Head of Property Services	August 2019	A

	Team will explore the next steps to establish a corporate landlord model. This will enable coherent strategies to simplify and improve decision making on maintaining a compliant property portfolio within available resources.			
CR9.9	Annual property maintenance review: An annual position statement on all property related risks will be produced for management purposes.	Property Manager	May 2019 May 2020	G
CR9.10	Property compliance risk register: This risk register has been established and will be further developed to cover all areas of property related risk. Action plans to mitigate risk will form part of the register and will continue to be developed and implemented for each significant risk identified.	Property Manager	Ongoing	G
CR9.11	Directory of Thematic strategies: short thematic strategies will be produced for each type of property risk e.g. fire, water, gas etc.). The first strategy 'Driving Down Fire Risk' has been drafted, updated and tabled at the last Fire Safety Group meeting.	Property Manager	Ongoing	G

Notes:
CR9.7: This activity is ongoing, as fire risk assessments require review after a certain period of time or when changes are made to a property. The focus is currently on Highland Council properties which have been identified as "high risk". All sleeping accommodation including caravan and camping sites will have fire risk assessments completed by the end of 2019.
CR9.9: This work has been completed to the deadline of May 2019. This work should be considered as a continuous process, and as such will be repeated with a target date of May 2020.
CR9.10: Significant improvements have been made with compliance on gas safety. Other compliance issues remain, and officers are prioritising to address the most significant compliance issues.

CR10	Condition of our Roads	Risk Rating		RAG
		Current	Target	G
Risk Owner: Interim Chief Officer (Resources)		Risk Type: Financial, Physical		B2
			D2	G
Highland Council is responsible for the largest road network in Scotland, comprising over 6,700 km of carriageways and 1,902 km of footways. The Road Condition Indicator (RCI) is a national Key Performance Indicator (KPI). The national average for 2016 was 36.7% and Highland Council was 39.1%. Highland was ranked 21 st out of the 32 Scottish Councils, but the rate at which the roads are deteriorating in Highland is increasing. In 2012 the RCI was 29.3%, so there has been a 10% decrease in road condition over the last 5 years. This has been exacerbated and accelerated by the prolonged 2017/18 winter with regular freeze-thaw-freeze conditions causing rapid decline across the whole network. Failure to maintain investment in (capital) re-surfacing programmes and structural repairs will accelerate the deterioration of our roads, resulting in higher (revenue) maintenance costs, and increase the risk to the Council of litigation claims arising from damage to vehicles and personal injuries.				
Mitigating Actions:		Responsible Officer	Target Date	
CR10.1	Free up additional resources: Officers will work with Members throughout 2018/19 to	Interim Chief Officer	April 2019	C

	identify ongoing capital savings through better cost management and realisation of project underspends in order to redirect funds to these vital road repairs.	(Resources)		
CR10.2	Innovation and Partnership working: The Service will continue to use innovative techniques to secure best value for the Council and will work closely with partners, including Transport Scotland, to achieve this.	Head of Roads and Transport	Ongoing	G
CR10.3	Additional Inward Investment: Support lobbying activity to secure additional inward investment in road maintenance.	Interim Chief Officer (Resources)	Ongoing	G
Notes: The Risk Owner and responsible officer for CR10.1 and CR10.3 has been changed from the Director of Community Services to the Interim Chief Officer (Resources). CR10.2: Work is currently being undertaken to understand the potential of using recycled plastics in roads. CR10.3: Additional external funding (£601k) has been awarded to the Council from the Strategic Timber Transport Fund for projects in 2019/20.				

CR11	Residual Waste Project	Risk Rating		RAG
		Current	Target	R
Risk Owner: Interim Chief Officer (Resources)		Risk Type: Financial, Legal, Reputational, Physical, Environmental		
The residual waste project focuses on developing a legally compliant solution for the management of residual waste collected by Highland Council from 1 st January 2021 when the Waste (Scotland) Regulations 2012 landfill ban becomes active. Complying with the landfill ban poses a range of risks, including: <ul style="list-style-type: none"> Financial – changing practice will produce revenue and capital costs to the Council. Business models need to be carefully costed and reviewed to ensure the most affordable long term solution is selected. Legal – the project is required to comply with the Waste (Scotland) Regulations 2012 – not having a compliant solution in place from 1st January 2021 poses a risk of non-compliance. Reputational/Physical/Environmental – without a compliant solution there would be the risk of residual waste building up within Highland, with attendant storage, environmental, and reputational impacts. 				
Mitigating Actions:		Responsible Officer	Target Date	RAG
CR11.1	Independent Review: Review of the project to ensure that it proceeds in a well-understood, well-governed, well-prepared and well-documented manner in order to reach a successful conclusion.	Head of Environmental and Amenity Services	April 2019	C
CR11.2	Project Governance: Ensure appropriate governance, including: project board; senior officer scrutiny from ELT; member scrutiny via WSM; cross party members working group; EDI Committee; and full Council.	Interim Chief Officer (Resources)	On-going	G

CR11.3	Financial Forecasting: Report analysis of the refreshed financial forecasts for the residual waste project to Council in June 2019.	Head of Environmental and Amenity Services	June 2019	A
CR11.4	Tender Board: Produce a Tender Board report detailing the intended solution and cost implications over the duration of the contract before committing to a solution.	Head of Environmental and Amenity Services	March 2020	G

Notes:
CR11: There remains uncertainty about the possibility and impact of a longer landfill transition period potentially being introduced by Scottish Government. This prolongs the uncertainty about, and hinders planning for, the nature of waste handling arrangements to be made for 1st January 2021 onwards. Additionally, the financial refresh figures will be problematic should procurement returns confirm the forecasts. Due to this, the RAG status of the risk has been set to Red.
CR11.1: The Independent Review is complete, and recommendations have been made to the Council.
CR11.3: Impact of the refreshed forecasts was reflected in the content of the report to Council on 27 June 2019. Results of the future procurement exercises (Longman facility and the waste management contracts) will be reported in due course and no decisions will be taken until approvals are provided by the relevant project governance forum.
CR11.4: The reporting will take place after the procurement has been implemented and evaluated. This is most likely to be Spring 2020.

CR12	NHS Highland Partnership Agreement Renewal	Risk Rating		RAG
		Current	Target	A
Risk Owner: The Chief Executive		Risk Type: Financial, Legal, Reputational		
		B2	D2	

The partnership agreement between NHS Highland and The Highland Council determines that NHS Highland is the lead agency for Adult Services and The Highland Council is the lead agency for services for children. The re-negotiation of this Agreement and the delegated functions is underway and requires to be reviewed by 01.04.2020. Failure of the partners to achieve this target will have significant financial, legal, and reputational risks.

Mitigating Actions:		Responsible Officer	Target Date	RAG
CR12.1	Recruitment: Appointment of a Head of Health by the partnership to review the existing Agreement.	Chief Executive	April 2020	A
CR12.2	Review quantum arrangement: A review of the quantum arrangement to ensure the Council achieves an affordable solution.	Head of Health	March 2020	G
CR12.3	Commission arrangements: Commissioning arrangements will be reviewed with a particular focus on contracts, governance and performance.	Head of Health	March 2020	G

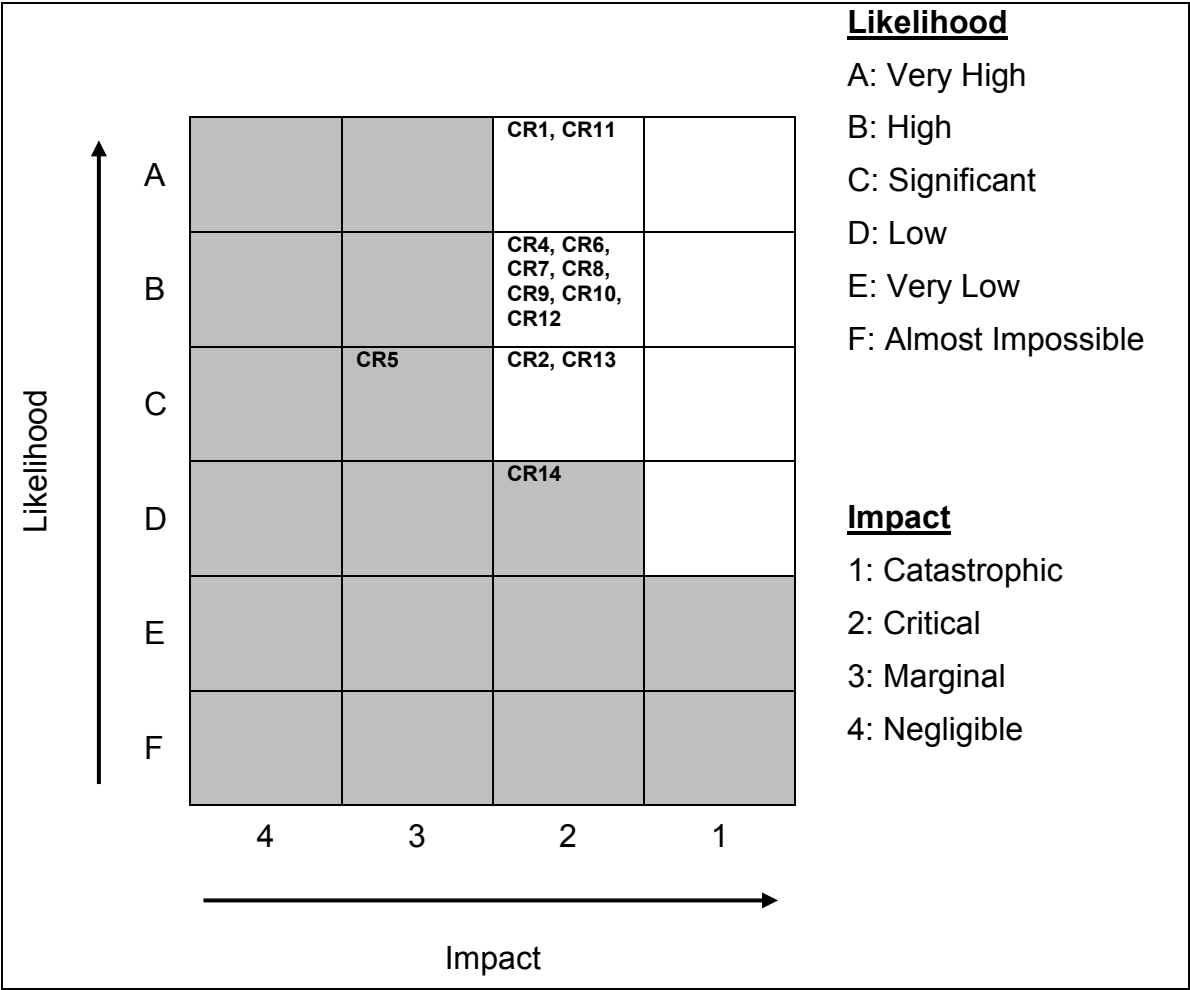
Notes:
CR12.2 and CR12.3 - The Head of Health position is currently vacant. Updates have been provided by the interim Head of Children's Services and the Head of Resources.
CR12.2: It is expected that once the Head of Health post is appointed to, it will require at least nine months for due process and review of the quantum arrangement due to the complexity and level of engagement required.

CR13	Information Management		Risk Rating		RAG	
			Current	Target	N/A	
Risk Owner: Executive Chief Officer: Performance and Governance		Risk Type: Legal, Financial, Reputational		C2		D2
Information Management (IM) is the function of managing information through its lifecycle from creation to disposal. The Council has established IM arrangements in place. However more can be done to raise awareness of IM matters and the need for compliance amongst staff. This is reinforced by the occurrence of data breaches.						
Mitigating Actions:			Responsible Officer	Target Date	RAG	
CR13.1	Staff Awareness: Communications will be issued to all managers to remind them of the need to ensure that staff complete mandatory training on information management. A review of the staff induction process will also be undertaken. A communication will be sent to staff reminding them of their responsibilities under Data Protection legislation.		Interim Head of HR	April 2020	N/A	
CR13.2	Behaviour change: The corporate approach to information management will be reviewed and an improvement plan developed to ensure best practice is followed.		Executive Chief Officer Performance and Governance	June 2020	N/A	
CR13.3	System Access: Where possible, access to ICT systems will be restricted to staff who have not completed mandatory training.		Head of ICT	April 2020	N/A	
CR13.4	Information Management Governance Board: The Governance arrangements of this board will be reviewed. It will then be relaunched with a new timetable of meetings to ensure that a regular meeting schedule is maintained. A Senior Information Risk Owner (SIRO) will be appointed. The Board will consider the findings of a Zurich report and how to implement the necessary actions.		Executive Chief Officer Performance and Governance	June 2020	N/A	
CR13.5	Corporate Information Asset Register: The CIAR will be reviewed to assess how it can be better maintained and add more value whilst minimising the resource required to do this.		Information and Records Manager	June 2020	N/A	
Notes: No Rag ratings are given as the mitigating actions are new and yet to be implemented.						

CR14	Inverness and Highland City Region Deal		Risk Rating		RAG	
			Current	Target	G	
Risk Owner: Director of Development and Infrastructure		Risk Type: Financial, Reputational		D2		D2

The Inverness and Highland City Region Deal is a significant programme of investment in the Highlands, coordinated on behalf of partners, by Highland Council. Given the profile and importance of this investment, it bears associated financial and reputational corporate risks.				
Mitigating Actions:		Responsible Officer	Target Date	RAG
CR14.1	Risk Register: All projects are required to maintain risk registers and issues registers. This is in addition to an overall programme level risk and issue register.	Director of Development and Infrastructure	Ongoing	G
CR14.2	Programme Board: An officer board meets quarterly to scrutinise the progress of projects.	Director of Development and Infrastructure	Ongoing	G
CR14.3	Member Scrutiny: A Member led scrutiny board meets quarterly and minutes are provided to the Environment, Development and Infrastructure Committee. Quarterly progress is also reported to this Committee, including business cases for approval. An annual report is presented to a Full Council meeting.	Director of Development and Infrastructure	Ongoing	G
Notes: The risk is below the risk appetite line and is being managed through appropriate controls as detailed at CR14.1-14.3.				

Appendix 2: Refreshed Risk Matrix



Please note the shaded area indicates the Council’s current risk appetite. Any risks out with this shaded area are considered above our risk appetite and require active management.