Agenda Item	9
Report No	AS/6/20

HIGHLAND COUNCIL

Committee: Audit and Scrutiny Committee

Date: 24 September 2020

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 reviewed every three months by the Executive Leadership Team and is presented to the Audit and Scrutiny Committee every six months. Overall responsibility for Corporate Risk sits with the Chief Executive.

4.2   The Corporate Risk Register was last presented to this committee in September 2019. It was due to be presented to the March committee meeting, but this meeting was postponed due to COVID-19. The Register was reviewed by the Executive Leadership Team (ELT) in December 2019, March 2020, May 2020, June 2020, and August 2020. Four corporate risks have been added to the Register since it was last reported to committee in September 2019:
- CR15: Failure to comply with FOI timescales
- CR16: Early Learning & Childcare - Delivery of 1140 hours funded childcare.
- CR17: Open Water Safety
- CR18: COVID-19

4.3   There are currently 17 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;
- Mitigating actions (with responsible officer, target date, and current RAG);
- 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 ELT.

4.5   The risk rating of Corporate Risk 1, Financial Sustainability, has been increased from A2 to A1.

4.6   There are 3 risk actions which have a red RAG status (no significant progress):
- CR1.10: Internal audit of the purchase to pay process
- CR1.11: Internal audit of procurement expenditure
- CR2.10: Internal audit of cyber security arrangements

Designation: Corporate Audit and Performance Manager

Author: Stephen Carr, Corporate Performance Manager, 04/09/2020

Appendix 1: Corporate Risk Register

Risk action status: **R** No significant progress **A** Some slippage **G** On Target **C** Complete

CR1	Financial Sustainability		Risk Rating	
			Current	**Target**
Risk Owner: Head of Corporate Finance and Commercialism		**Risk Type:** Financial	**A1**	**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. These challenges have increased significantly since the emergence of COVID-19 which is placing significant pressure on the Council's budget with limited time to plan a financial response. We will 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	A
CR1.4	Budget Savings: The Council agreed its budget for 2019/20 in February 2019, including savings of £21.4m. Not all 2019/20 budget savings were fully delivered but the Council delivered an overall underspend of £7.6m. The 2020/21 budget was agreed in March 2020 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. Due to COVID-19 there is significant 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.	ECO Transformation	March 2020	A
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	R
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 any off-contract spend is valid. Exact scope and timing will be agreed with management.	Corporate Audit Manager	March 2020	R

CR1.12	Spending Controls: The estimated impact of COVID-19 in financial year 20/21 is significant and responsive in-year work is required to contain that impact. Enhanced spending controls have been put in place to constrain spend and work is ongoing to produce a revised balanced budget. That work will be regularly reported through Council and Corporate Resources Committee	Head of Corporate Finance and Commercialism	Ongoing	A
CR1.13	Financial Recovery Strategy: One of the priorities of the Recovery Action Plan approved by Council on the 25th June is a 'Financial Recovery Strategy'. This strategy contains a number of actions across a range of activity areas that will support both the recovery from COVID-19 but also help ensure the longer term financial sustainability of the Council.	ECO Finance and Resources	Ongoing	G

Notes:
The risk rating was increased from A2 to A1 in Q1 2020/21.
CR1.2: Budget approved in March 2020 includes savings for 2020/21 and beyond. Action marked as some slippage due to COVID-19 related uncertainty.
CR1.4: Challenges brought about by COVID-19 will mean some approved budget savings are not deliverable.
CR1.10; CR1.11: Audits delayed due to COVID-19 with staff redeployed to COVID duties. Recommended new dates for delivery to be agreed at Audit & Scrutiny committee on 24th September 2020.
CR1.12; CR1.13: Added in Q1 2020/21. CR1.12 currently some slippage as, whilst work is ongoing, balanced budget solution not yet identified.

			Risk Rating	
CR2	**Security and Resilience**		**Current**	**Target**
Risk Owner: Chief Executive		**Risk Type:** Physical, Technological	**C2**	**D2**
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	RAG
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	A
CR2.3	Off-site Plans: We will implement Control of Major Accident Hazards (COMAH), and Radiation Emergency Preparedness and Public Information Regulations (REPPIR) off-site plans.	Communications and Resilience Manager	Ongoing	A
CR2.6	Multi-agency planning and exercising: 1. 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	Communications and Resilience Manager	Ongoing	G

	2. We will continue to participate in the multi-agency CONTEST Group as part of the UK government's Counter-terrorism strategy 3. All Emergency Liaison Groups (ELGs) will take part in exercises				**G**
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	**C**
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	**A**
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	**R**

Notes:

CR2.1: Current work has been focused on the safe re-opening of premises with respect to COVID-19.

CR2.3: Seven on target and some slippage with Dounreay due to COVID-19, revised target is September 2020

CR2.6: Current focus is on COVID-19 related matters.

CR2.7: Complete. This is now part of overall service management and business as usual.

CR2.8: Delay due to COVID-19, health check on hold.

CR2.10: Audit delayed due to COVID-19 with staff redeployed to COVID duties, Internal Audit work has recommended and a new date for delivery will be agreed at Audit & Scrutiny on 24th September 2020 when the risk register will be updated.

			Risk Rating	
CR4	**Brexit**		**Current**	**Target**
Risk Owner: Executive Leadership Team		**Risk Type:** Legislative/ Economic	**B2**	**D3**
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	ECO Performance and Governance	Ongoing	**G**

	associations, and with our partners.			**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	**A**
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 2018, and we will continue to promote information and resources to our workforce and to businesses.	Interim Head of HR	Ongoing	**G**
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*	**A**
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 *Review mid-March 2019*	**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.	Economy and Regeneration Manager	Ongoing	**G**
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.	Communications and Resilience Manager	Jan 2021	**G**
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	Ongoing	**G**
CR4.11	Shared Prosperity Fund: We will engage with the UK and Scottish Governments on the	Economy and	Dec 2019	**G**

	Shared Prosperity Fund, the successor fund for EU structural and social funds, and on agricultural support.	Regeneration Manager		

Notes:
CR4.2: The impact of Brexit will need to be incorporated into work on the 2021/22 budget. Priority attention is focussed on the 2020/21 budget due to the impact of COVID-19.
CR4.6: Staff resources constraining claim preparation but recruitment is now progressing.
CR4.7: All services required to have Business Continuity Plans in place. Member working group to be reconvened in August.
CR4.9: Unable to plan in current absence of national decisions.
CR4.11: Awaiting UK Government proposals and consultation

*until end of EU funding guarantee (~2021)

CR5	**Effective Governance in Local Decision Making**		**Risk Rating**	
			Current	**Target**
Risk Owner: ECO Communities & Place		**Risk Type:** Political, financial, citizen	**C3**	**D3**

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: Devolved Budgets: Disaggregate to 10 Area Committee geographies as part of the Council's transition work	Head of Corporate Finance and Commercialism	Ongoing	**G**
CR5.4	Local Participation: We will work with Members in local areas to on place-based approaches and to explore new ways to widen public participation in Council decisions and in community-run services including prioritisation of budgets.	Head of Policy	Ongoing	**A**
CR5.5	Local Partnerships: We will develop and facilitate the work of Community Partnerships as a forum for local partnership priorities and action.	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.	ECO Performance and Governance	June 2019	**C**

Notes:
10 Area Committees now established. Methods of engaging people in understanding COVID-19 impacts and recovery being reported to the Communities and Place Committee in August 2020 and Recovery Board.
CR5.4: Taken forward through Community Empowerment priority of recovery plan.
CR5.6: Review completed (marked as complete Q3 2019/20) and new governance arrangements in place. Review in June 2020 then annually from October 2021.

CR6	Workforce Planning		Risk Rating	
			Current	**Target**
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	C
CR6.3	OHSW: We will continue to address the occupational health, safety, and well-being (OSHW) 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	A
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	A
CR6.9	Internal audit of absence management: Audit of absence management to ensure that the 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.	Interim Head of HR	March 2020	C

Notes:
CR6.2: Marked as complete Q3 2019/20
CR6.4: Digital solution is not forthcoming - now assessing if ResourceLink can provide this

| CR6.6: HR resource has been diverted to respond to COVID-19 |
| CR6.8: Staff were being deployed into other roles in response to COVID-19. |
| CR6.9: Marked as complete Q3 2019/20 |

CR7	Climate Change		Risk Rating	
			Current	Target
Risk Owner: ECO Infrastructure & Environment		**Risk Type:** Environmental, Physical	B2	C3

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). By 2025 Council light fleet is expected to be low carbon.

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	C
CR7.3	Develop a green fleet strategy for approval at Communities and Place Committee	Head of Performance and Resources	Dec 2020	A

Notes:
CR7.1: Continuing to seek financial contributions from partners to establish Highland Adapts initiative, funding secured Highland Council and Scottish Natural Heritage.
CR7.2: Marked as complete in Q4 2019/20
CR7.3: New action added from Q4 2019/20

CR8	Demographic Change		Risk Rating	
			Current	Target
Risk Owner: ECO Communities & Place		**Risk Type:** Social, Customer, Financial	B2	C3

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	Ongoing	A

		Manager		A
CR8.3	Balance of Care: Push for progress on shifting the balance of care.	ECO Health and Social Care	Ongoing	A
CR8.4	Workforce Plans: We will ensure there are sustainable recruitment strategies in our workforce plans.	All ECOs	Ongoing	A
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.	ECO Communities and Place	Ongoing	A
CR8.8	Highland Deal: Implement the Council decision to support a Highland Deal for a sustainable future around reducing inequality and depopulation in rural communities.	ECO Communities and Place	March 2021	A
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. (linked to Risk 4 above)	Economy and Regeneration Manager	Ongoing	G

Notes:
Some slippage to actions as a result of COVID-19.
CR8.4: Workforce plans needs to be new Service structure and reflect actions in the Recovery Action Plan,

		Risk Rating	
CR9	**Safe and Effective Property**	**Current**	**Target**
Risk Owner: ECO Housing & Property	**Risk Type:** Physical, Financial	**B2**	**D2**
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.	ECO Housing & Property	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 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.	Head of Property Services	August 2019	A

CR9.9	Annual property maintenance review: An annual position statement on all property related risks will be produced for management purposes.	Property Manager	May 2020	A
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	A
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	A

Notes:

CR9.7: As a part of the revised capital plan presented to Council in September, £750k has been set aside for stock condition surveys to be carried out across the property estate. This will include identifying required works in relation to fire safety, and that will inform future years investment requirements and delivery timelines.

CR9.8: A report on the Corporate property landlord model was approved by the Housing and Property committee in August 2020, and work has commenced on a strategy which will be presented to committee at a later date.

CR10	Condition of our Roads	Risk Rating	
		Current	**Target**
Risk Owner: ECO Infrastructure & Environment	**Risk Type:** Financial, Physical	**B2**	**D2**

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 21st 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	RAG
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.	ECO Infrastructure and Environment	Ongoing	G

Notes:

CR11	Residual Waste Project	Risk Rating	
		Current	**Target**
Risk Owner: ECO Communities & Place	**Risk Type:** Financial, Legal, Reputational, Physical, Environmental	**A2**	**D2**

The residual waste project focuses on developing a legally compliant solution for the management of residual waste collected by Highland Council from 2025 when the Waste (Scotland) Regulations 2012 landfill ban becomes active. Complying with the landfill ban poses a range of risks, including:
- 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 2025 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
CR11.2	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.	ECO Infrastructure & Environment	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	C
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	November 2020	G

Notes:
CR11.2: Project Board meetings have resumed, with meetings in June, July, and August. A cross party Members' Working Group met in August and a related item was presented to the August Communities and Place committee.
CR11.3: Marked as complete Q3 2019/20
CR11.4: Target timescale changed from September 2020 to November 2020.

CR12	NHS Highland Partnership Agreement Renewal	Risk Rating	
		Current	**Target**
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 the reviewed agreement requires to be approved by the Scottish Government by June 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	C
CR12.2	Review quantum arrangement: A review of the quantum arrangement to ensure the Council achieves an affordable solution.	Head of Health	March 2020	A
CR12.3	Commission arrangements: Commissioning arrangements will be reviewed with a particular focus on contracts, governance and performance.	Head of Health	March 2020	A

Notes:
CR12.1: Marked as completed Q2 2019/20

CR13	Information Management	Risk Rating	
		Current	Target
Risk Owner: ECO (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	C
CR13.2	Behaviour change: The corporate approach to information management will be reviewed and an improvement plan developed to ensure bets practice is followed.	ECO Performance and Governance	June 2020	A
CR13.3	System Access: Where possible, access to ICT systems will be restricted to staff who have completed mandatory training.	Head of ICT	April 2020	C
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.	ECO Performance and Governance	June 2020	G
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	C

Notes:
CR13.1: Action marked as complete in Q1 2020/21.
CR13.3: Completed in Q4 2019/20. Taken to Information Management Governance Board meeting on 4th February 2020.

CR13.5: Approach approved at the Information Management Governance Board in Q1 2020/21.

CR14	Inverness and Highland City Region Deal		Risk Rating	
			Current	**Target**
Risk Owner: ECO (Infrastructure & Environment)		**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.	ECO Infrastructure & Environment	Ongoing	G
CR14.2	Programme Board: An officer board meets quarterly to scrutinise the progress of projects.	ECO Infrastructure & Environment	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.	ECO Infrastructure & Environment	Ongoing	A

Notes: CR14.3: Some slippage due to the lack of a Programme Manager and as a result of COVID-19.

CR15	Failure to comply with FOI timescales		Risk Rating	
			Current	**Target**
Risk Owner: ECO (Performance and Governance)		**Risk Type:** Legal, Reputational	**C2**	**D2**
The Scottish Information Commissioner has raised a Level 2 intervention in respect of the Council's late responses to information requests under the Freedom of Information (Scotland) Act 2002 (FOISA) and the Environmental Information (Scotland) Regulations 2004 (the EIRs). This intervention will be included in the Commissioner's report to Parliament. The Council must comply with the Commissioner's instructions in relation to this intervention and take steps to improve and maintain compliance.				

Mitigating Actions:		Responsible Officer	Target Date	RAG
CR15.1	Self-Assessment: Complete Module 1 of the Scottish Information Commissioner's self-assessment toolkit and agree findings with ELT	ECO Performance and Governance	April 2020	C
CR15.2	Action Plan: Create action plan for improving compliance with FOI timescales	ECO Performance and Governance	May 2020	C
CR15.3	Staff review: Review FOI staffing and process (as part of changes to organisation of Customer Services Officers team)	Head of Performance and Resources	May 2020	A

CR15.4	Performance monitoring: Improve internal monitoring of requests via more visible reporting	FOI and Data Protection Manager	March 2020	C
CR15.5	Internal communications: Staff communications about FOI and procedures and training	FOI and Data Protection Manager	June 2020	G
CR15.6	Redesign customer services function to improve compliance with timescales	Head of Performance and Resources	September 2020	A

Notes:
CR15.1 and CR15.2: Actions marked as complete Q4 2019/20
CR15.4: Marked as complete Q1 2020/21. New monitoring reporting implemented early July and continuing.
CR15.5: Action plan submitted to Commissioner with target date of end August to begin staff communications

		Risk Rating	
CR16	**Early Learning & Childcare - Delivery of 1140 hours funded childcare**	**Current**	**Target**
Risk Owner: Head of Resources	**Risk Type:** Financial, Operational, Reputational and Legal	**B2**	**E4**

Early Learning and Childcare (ELC) expansion to 1140 hours **had** been a Statutory Duty on Council's to achieve by August 2020, and was both a Council and Scottish Government priority. This major change programme involves a doubling of funded hours of childcare, and significant increases in capacity and resources to implement. ELC provision includes local authority provision, partner centre provision and childminders. Inclusion within the Corporate Risk Register was in recognition of the significant change required to implement 1140 hours, and the significant risk attached. In light of the implications of COVID-19, Scottish Government have subsequently removed that Statutory Duty for 1140 hours, with 600 hours being the current duty. Scottish Government have indicated that delivery of 1140 hours remains a priority, and they intend reviewing readiness with Local Authorities in the months ahead, with an initial assessment by December 2020. A commitment has also been given to 6 months notice of the re-introduction of 1140 hours as a Statutory Duty. That would therefore indicate that summer 2021 is the earliest likely timescale for a Duty in relation to 1140 hours being introduced. In light of this significant change, the risks as set out below to take account of this current position. For information, as of January 2020, and prior to COVID-19, 50% of the 245 settings were delivering 1140 hours.

There are several important risks which need to be mitigated in relation to future expansion to 1140 hours. These include: A risk that delivery models and enrolment are not understood and are not optimally efficient and sustainable; Risk relating to ELC funding envelope; Delivery of essential capital investment required within timescales; The capability of all settings to deliver to quality and standards of provision; Resources and the environment within all ELC settings (not only those being invested in) are not fit for purpose, sustainable and environmentally appropriate; That catering provision is in place on day one, or is not delivered in an optimal way; Risks related to understanding of expansion, expectation management and reputational implications; Partner capability to deliver expansion, and ongoing partner communications and relationship; Ability to recruit the level of additional workforce required.

Mitigating Actions		Responsible Officer	Target Date	RAG
CR16.1	Delivery models and enrolment: Communications plan to ensure all stakeholders briefed on models. Review of enrolment data mid/end February 2020 to understand impact; and	Senior Manager, Early Years	August 2020	A

	a review of delivery models and admission arrangements for August 2020 and schools return. Forward planning for future 1140 hours expansion subject to clarity around the Statutory Duty.			
CR16.2	Budget and financials: Review of ELC structure and base Council ELC budget, to ensure efficient and sustainable. Consideration of COVID-19 related risks and implications, inc. keyworker provision, and partner funding arrangements.	Head of Resources	April 2021	A
CR16.3	Capital Project Delivery: Ongoing review of capital projects and delivery plans.	ECO Housing and Property	August 2021	G
CR16.4	Capital Programme Management: Risk assessment and contingency planning around the delivery of capital projects; Implications of COVID-19 delays on ELC capital delivery; Communication to key stakeholders regarding delivery.	Head of Resources	August 2021	A
CR16.5	Quality and Standards of Provision: Training strategy for staff, refreshed induction process for Early Years Practitioners, upskilling of all key ELC staff; Rigorous self-evaluation and quality assurance processes; Regular engagement with the Care Inspectorate.	Education Change Team Lead	August 2021	A
CR16.6	Resources: Audit of needs and requirements; Review of solutions achieved elsewhere; and Identification of actions to improve the environment.	Senior Manager, Early Years	May 2021	A
CR16.7	Catering provision: Ongoing review of capital project delivery and contingency plans; Exploring alternative delivery models where appropriate; and ongoing engagement with partner providers re their own catering plans.	ELC Catering Coordinator	December 2020	A
CR16.8	Communications: Communications and enrolment information in place for parents; Communications and engagement plan developed and deployed; Further resources to support communication and engagement; and links with Corporate Communications team.	ELC Programme Manager	April 2021	A
CR16.9	Partner Providers: Ongoing engagement with partners at a local and Highland level; and further review of arrangements for ongoing engagement with third sector and partner providers.	Senior Manager, Early Years	August 2021	G
CR16.10	Workforce: Further HR and analyst support to be in place as immediate priority; Further engagement with Trade Unions to take place; Early commencement of recruitment process March 2020; Revised structure arrangements to provide flexibility e.g. ASG base; and review of support structures and requirements for ELC.	ELC Programme Manager	May 2021	A
CR16.11	Management Structure: Review of ELC structure as part of wider structure and transformation activity; and ensure appropriate support and development is in place for staff.	Interim Head of Education	January 2021	A
Notes: Updates for all the risk actions will be collated monthly.				

August 2021 is the assumed target date for a number of actions, on the basis of Scottish Government commitment to give minimum 6 months notice for the re-introduction of a Statutory Duty to deliver 1140 hours. Target dates may require review in light of further direction from Scottish Government over the coming months regarding the Statutory Duty.

CR16.1: Head Teacher training is required to ensure the blueprint for the ELC model is understood.
CR16.2: As reported to Corporate Resources Committee in June 2020, COVID-19 and keyworker provision has had implications for the ELC programme, with the removal of the statutory duty from August 2020 and new and additional services and costs to be met in relation to Keyworker Childcare. These have required a review of the ELC financial position overall. This work is ongoing and will be considered as part of the Council's overall financial planning and recovery from COVID-19.
CR16.3, CR16.4: COVID-19 has impacted ELC capital projects, with resultant delays. The removal of the statutory duty from August 2020 has however mitigated that impact. Due to COVID-19 and recent developments relating to ELC and schools return, the Council is reviewing its ELC programme, and expects further discussion with Scottish Government regarding a revised ELC expansion timetable. An update report on ELC was considered by the Education Committee in July and August 2020.
CR16.5: Training plan now in place. Quality action plan in place – focus is on 3 areas now until end of year – embedding key messages of realising the ambition, self-evaluation, family engagement.
CR16.8: 60% enrolment - targeted communications plan in place for areas of low registration.
CR16.9: Benchmarking exercise being undertaken to ensure equity on cost of meals.
CR16.10: Analysis and confirmation of staffing plans and requirements has been established. Ongoing monitoring in place. Some delays had been experienced around progressing recruitment for August 2020 school and ELC settings re-opening, and temporary or contingency arrangements required as a result. A large proportion of staffing requirement will be resolved by contracting extra hours with existing staff and a number of staff on fixed term contracts have been extended to Dec 2020. Significant additional staffing required to deliver 1140 hours when Statutory Duty is re-introduced, with work progressing on planning for staffing requirement, and pending clarity around re-introduction of the statutory duty.

CR17	Open Water Safety		Risk Rating	
			Current	Target
Risk Owner: ECO (Infrastructure and Environment)		Risk Type: Physical, Legal.	C2	D2
As a landowner, the Council has a duty of care under the Occupiers Liability Scotland Act 1960 to take reasonable steps to safeguard those on their land including open water. Failure to do this may put people at risk of harm. Highland Council is currently reviewing its policy and practice to ensure it is robust.				
Mitigating Actions:		Responsible Officer	Target Date	RAG
CR17.1	Open Water Policy: A short life officer working group will be established to review current policy and strategy around Open Water Safety. This group will contain officers from across Council services, and from partner organisations. An Open Water Strategy will be being developed in line with Scotland's drowning prevention strategy, and implemented accordingly.	ECO Infrastructure and Environment	December 2020	G

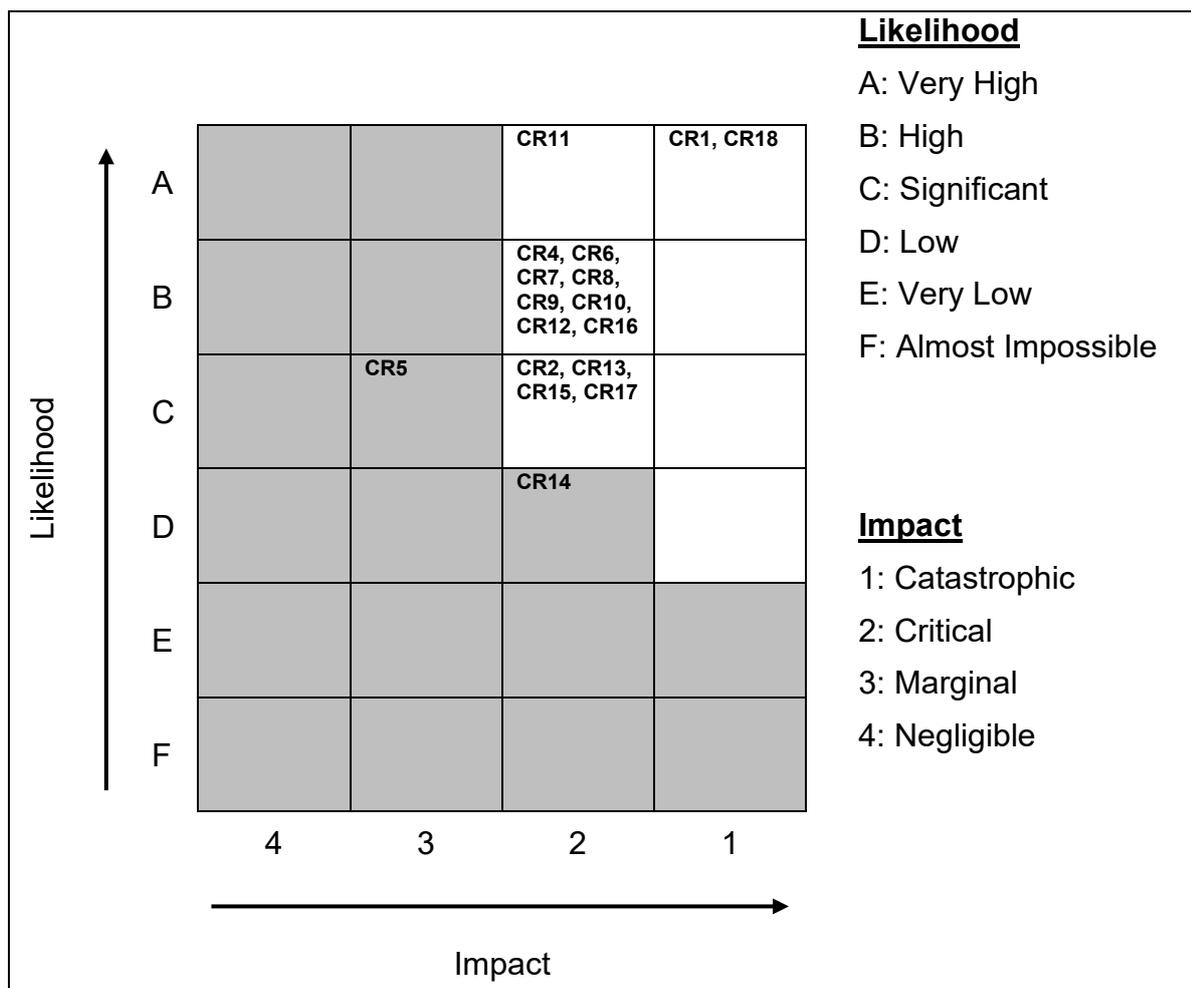| **Notes:** |
| --- |

CR18	COVID-19		Risk Rating	
			Current	**Target**
Risk Owner: Chief Executive		**Risk Type:** Health, Operational, Financial, Legal, Reputational, Economic, Social	**A1**	**D3**

Coronavirus (COVID-19) has had a devastating impact on nations across the world. The UK and Scottish Governments introduced Emergency legislation in March to address a national health emergency. Although the measures introduced to delay the spread of the virus have resulted in "flattening the curve" and reducing the impact on acute hospital services, the measures in themselves have had an unprecedented detrimental impact on the economy. Recovery will be in the context of an ongoing response to the COVID-19 Emergency and the potential for further lockdowns. COVID-19 has resulted in an unprecedented global health and economic emergency, which presents several significant risks to the Highland Council.

Mitigating Actions:		Responsible Officer	Target Date	RAG
CR18.1	Staff Health and Safety: Reducing the immediate, short and long term health and safety risks to all staff. • Preparation of risk assessments per Service led by ECOs followed by mitigation • Each Service to complete its own Health and Safety Plan • Protecting staff from exposure to the virus • Promoting advice and guidance to staff • Reducing impact on mental health by promoting resources available • Development of policy framework to support new working arrangements	ECO Resources and Finance	Ongoing	A
CR18.2	Education Health and Safety: Reducing the health and safety risks to staff and pupils in educational settings. • Preparation of risk assessments per Service led by ECOs followed by mitigation • Preparing plans for educational settings	ECO Education and Learning	August 2020 & ongoing	G
CR18.3	Social Work Health and Safety: Reducing health and safety risk to social work clients/vulnerable groups and health provision settings. • Preparation of risk assessments per Service led by ECOs followed by mitigation • Advice and guidance to staff and clients • Provision of appropriate PPE for health and social care settings • Assist with Test and Protect process	ECO Health & Social Care	January 2021	G
CR18.4	Customer and Client Health and Safety: Reducing health and safety risk to customers and clients in council estate and assets.	ECO Resources and Finance	Ongoing	G

	• Preparation of risk assessments per Service led by ECOs followed by mitigation • Adaptation of estate and assets and policies • Prioritisation of resource to reduce risk			G
CR18.5	Operational Continuity: Reducing risk to operational activities and ensuring service continuity. • Preparation of business continuity plans and actioning mitigation and contingency plans to address risk by all Services • Development of ICT resource and capacity and security to enable remote working • Revised approach to performance and prioritisation • Continuity of COVID projects	ECO Resources and Finance	Ongoing	G
CR18.6	Reducing Financial Impact: Reducing the current and future financial impact of COVID-19 to the Council. • Financial recovery planning • Implementation of policies and measures to reduce and control spend • Support Elected Member lobbying for resources	ECO Resources and Finance	Ongoing	A
CR18.7	Good Governance: Ensure good governance and a transparent record of decision making. This will reduce the risk of any future litigation. • Maintain good record keeping • Governance of decision making • Preparation for any future public inquiries • Ensuring effective engagement with stakeholders	ECO Performance and Governance	Ongoing	G
CR18.8	Effective Communications: Clear and timely communications to accurately inform stakeholders and reduce any potential negative reputational impacts. • Communication to provide internal and external information, warning, informing and reassurance to stakeholders • Manage expectation of stakeholders	Chief Executive	Ongoing	G
CR18.9	Support the Socio-Economic Recovery of the Highlands: Identify any potential socio-economic impacts of COVID-19 on the Highlands, and where relevant design and implement appropriate interventions. • Poverty Reduction Strategy (led by ECO Communities and Place) • Economic Recovery Strategy (ECO Infrastructure and Environment) • Recovery Board Action Plan (Interim for ECO transformation)	Chief Executive	March 2021 & ongoing	G
CR18.10	Supply chain and procurement of Personal Protective Equipment (PPE):	ECO Property and	Ongoing	A

• Stepped protection process (to avoid staff placing themselves at risk) • Risk assessments to accurately identify PPE requirements • Centralised procurement of PPE • Stock resilience • Scotland EXCEL national support process for procurement • New supplier options	Housing		

Notes:
Each risk action is developing a corresponding action plan which is being managed by the responsible officer as identified.
CR 18.4 Staff continue to work from home where possible in line with Government guidance. Risk assessment are carried out in all work place where staff have returned work.

Appendix 2: Refreshed Risk Matrix

	4	3	2	1	Likelihood
A			CR11	CR1, CR18	A: Very High
B			CR4, CR6, CR7, CR8, CR9, CR10, CR12, CR16		B: High
C		CR5	CR2, CR13, CR15, CR17		C: Significant
D			CR14		D: Low
E					E: Very Low
F					F: Almost Impossible

Likelihood (vertical axis)
Impact (horizontal axis)

Impact
1: Catastrophic
2: Critical
3: Marginal
4: Negligible

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.