

Agenda Item	7
Report No	AS/9/21

HIGHLAND COUNCIL

Committee: Audit and Scrutiny Committee

Date: 17 June 2021

Report Title: **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 every Audit and Scrutiny Committee.

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.

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 every Audit and Scrutiny Committee meeting. Overall responsibility for Corporate Risk sits with the Chief Executive.

4.2 The Corporate Risk Register was last presented to this committee in March 2021. No new risks have been added to the Register since it was last reported to committee.

4.3 The risk rating of Corporate Risk 1, Financial Sustainability, has been reduced from A1 (Very high likelihood, catastrophic impact) to C2 (Significant likelihood, critical impact).

4.4 There are currently 18 risks 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).

4.5 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. Following feedback from the Audit and Scrutiny committee on 31 March 2021, the risk matrix is now presented as a heat map (colour coded).

4.6 There are two risk actions which have a red RAG status (no significant progress):

- CR1.11: Internal audit of procurement expenditure
- CR2.1: Building access policies

Designation: Corporate Audit and Performance Manager

Author: Stephen Carr, Corporate Performance Manager, 26/05/2021

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		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
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	G
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	C
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	June 2021	A
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 2022	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	Head of Corporate Finance and Commercialism	Ongoing	C

	produce a revised balanced budget. That work will be regularly reported through Council and Corporate Resources Committee			
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 overall risk rating was decreased from A1 to C2 in Q4 2020/21.

CR1.9; CR1.12: Marked as complete Q4 2021/21.

CR1.11: Start of audit put on hold until the transformation review of procurement is complete to ensure no duplication of effort.

CR2	Security and Resilience	Risk Rating		
		Current	Target	
Risk Owner: Chief Executive		Risk Type: Physical, Technological		
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	R
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	G
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	G
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 Service and Performance Manager	Ongoing	A
CR2.11	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	September 2021	A
Notes:				

CR2.1: As reported to Audit and Scrutiny Committee, 31 March 2021: Headteachers unable to resource action. Funding not in place to support lockdown systems. It is important that schools have procedures to follow, know what they should do, with whatever they have at the time, under a lockdown situation and that they have tested these plans. Plans for schools have been developed and are centrally collated in SharePoint. Work is ongoing through the approved Corporate Landlord Model (August 2020) and updated Asset Management Strategy (December 2020) to identify how to identify the investment requirements and consequently the capital and revenue budgets that will be required to address this specific issue. A programme of stock condition surveys is currently in the final stages of being placed for tender and is anticipated to commence in May 2021. Also refer to CR9 on Safe & Effective Property.

CR2.8: Still impacted by effects of COVID-19, however monitoring and review of security incidents and alerts continue to be acted upon

CR4	Brexit	Risk Rating			
		Current	Target		
Risk Owner: Executive Leadership Team		Risk Type: Legislative/ Economic		B2	D3
<p>The exit of the UK from the EU may impact the Council, its partners and its communities. Negative impacts need to be mitigated where possible. Risks which may arise include: disruption to supply chains; 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. New national immigration policy restricting 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.</p>					
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.	ECO Performance and Governance	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	C	
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. Resilience planning will also need to continue to take account of concurrent risks such as COVID-19.	Communications and Resilience Manager	Ongoing	C
CR4.8	Immigration Policy: We will continue to work with the UK Government and make the case for regional immigration policy to support the socio-economic development of the Highlands.	Economy and Regeneration Manager	Ongoing	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	March 2022	G
CR4.11	Shared Prosperity Fund: We will continue to engage with the UK and Scottish Governments on the Shared Prosperity Fund, the successor fund for EU structural and social funds. This includes vital funding to third sector organisations in the Highlands.	Economy and Regeneration Manager	Ongoing	G
Notes: CR4.3: Marked as complete Q4 2020/21. CR4.7: Marked as complete Q4 2020/21. Resilience planning related to Brexit is now part of "Business as Usual" processes. CR4.10: Target data revised from March 2021 to March 2022. <p style="text-align: right;">*until end of EU funding guarantee (~2021)</p>				

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	Resources for Place Based Approaches: A review of resources to support Place Based approaches.	ECO Resources and Finance	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	G	
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	

Notes:
 CR5.3: Updates are provided for this action from all ECOs. This action is marked as Amber (some slippage) for Communities and Place; Health and Social Care; Performance and Governance; and Property and Housing. It is marked as complete for Resources and Finance, and on target for Education and Learning; Infrastructure and Environment; and Transformation and Economy.

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
CR6.3	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 2022	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.	Interim Head of HR		April 2022	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	C	

Notes:
 CR6.4: Options are being considered in-line with the business case.
 CR6.6: Target date changed from April 2020 to April 2022.
 CR6.7: Target date changed from March 2021 to April 2022. Initial wellbeing training is complete. This was funded through the Change Fund.
 CR6.8: Marked as complete Q4 2020/21.

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 & Energy Team Manager	June 2021	G
CR7.3	Develop a green fleet strategy for approval at Communities and Place Committee	Head of Performance and Resources – Communities and Place	June 2021	C
CR7.4	Develop net zero strategy	Climate Change & Energy Team Manager	March 2022	A
CR7.5	Net zero corporate emissions: Agree target date for net zero corporate carbon emissions	Climate Change & Energy Team Manager	September 2022	A
Notes: CR7.3: This action was completed in Q4 2020/21.				

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 Manager	Ongoing	G
CR8.3	Balance of Care: Push for progress on shifting the balance of care.	ECO Health and Social Care	Ongoing	G
CR8.4	Workforce Plans: We will ensure there are sustainable recruitment strategies in our workforce plans.	All ECOs	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.	ECO Communities and Place	Ongoing	G
CR8.8	Economic Recovery Programme: Implement the programme of economic recovery including support for people to access employment as agreed at Council on 04.03.21	ECO Infrastructure and Environment	March 2022	G
CR4.8	Immigration Policy: We will continue to work with the UK Government and make the case for regional immigration policy to support the socio-economic development of the Highlands (linked to Risk 4 above)	Economy and Regeneration Manager	Ongoing	G

Notes:

CR9	Safe and Effective Property	Risk Rating		
		Current	Target	
Risk Owner: ECO Housing & Property		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
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	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	A

Notes:

CR9.8: The action is marked as green despite the target date having been passed. Discussions are ongoing with officers to set a new target date for this action.

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 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	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.		ECO Infrastructure and Environment	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: <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 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 through the officer project board; senior officer scrutiny from ELT, Resources Governance and Transformation Boards;		ECO Communities & Place	On-going	G	

	member oversight and scrutiny via the Member Waste Strategy Working Group; Recovery, Improvement and Transformation Board, C&P Committee; and the Council.			
CR11.5	Waste Contract Procurement: Re-procure residual waste contracts for 2023-27	ECO Communities & Place	December 2022	G
CR11.6	Waste Transfer Stations: Progress the development of 3 new waste transfer stations in line with the project plan and waste capital programme	ECO Communities & Place	Ongoing	A
CR11.7	Options Appraisal: Conclude the options appraisal for an Energy from Waste Plant and report recommendations to Committee	ECO Communities & Place	December 2022	G

Notes:

Progress reports with the residual waste project are made to each meeting of the Communities and Place Committee. It is supported by the Transformation Programme.

CR12	NHS Highland Partnership	Risk Rating		
		Current	Target	
Risk Owner: The Chief Executive		Risk Type: Financial, Legal, Reputational		
		B2	D2	
<p>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 required to be approved by the Scottish Government by June 2020. As a result of the COVID pandemic the Scottish Government wrote to all Integration Authorities indicating that in the circumstances they did not require work to continue in terms of finalising a review of the Integration Scheme in terms of that timescale and it was agreed with the Scottish Government that the terms of a revised scheme would be agreed by the end of financial year 20/21. The review requires to be completed and failure of the partners to achieve this target will have significant financial, legal, and reputational risks. In addition, it is necessary to monitor the implications of the adoption of the Feeley Report resulting in potential need to change the model or make other changes impacting on delivery of service in terms of future partnership working with NHS.</p>				
Mitigating Actions:		Responsible Officer	Target Date	RAG
CR12.2	Financial arrangements with NHS Highland: Being mindful of the financial position an agreement is required in terms of dealing with that challenge which has included the establishment of a Project Management Board tasked with efficiencies and improving outcomes.	Head of Integration Adult Social Care	March 2021	C
CR12.3	Commission arrangements: Revised commissioning arrangements will be reviewed with a particular focus on contracts, governance and performance which will support improved monitoring in relation to financial performance and service delivery.	Head of Integration Adult Social Care	March 2021	C
CR12.4	Feeley Report: Monitor the implications of the adoption of the Feeley Report and potential need to change the model or make other changes impacting on delivery of service in terms of future partnership working with NHS Highland.	Head of Integration Adult Social Care	Ongoing	G

Notes:

CR12.2: Marked as complete Q4 2020/21. The board is set up and operational. Financial monitoring is in place.

CR12.3: Marked as complete Q4 2020/21. This work is ongoing as part of business as usual operations.

CR14	Inverness and Highland City Region Deal		Risk Rating		
			Current	Target	
Risk Owner: ECO (Infrastructure & Environment)		Risk Type: Financial, Reputational		D2	D2
<p>The Inverness and Highland City Region Deal is a significant programme of investment in the Highlands, coordinated on behalf of partners, by The Highland Council. Given the profile and importance of this investment, it bears associated financial and reputational corporate risks.</p> <p>Delays to project delivery within the programme (such as individual project issues, COVID-19, BREXIT) may impact benefits expected from the programme. The programme has a finite delivery deadline with an extension not possible. A key indicator to delivery is the rate of spend within the projects and there is underspend apparent already.</p>					
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.	City Region Deal Programme Manager	Ongoing	G	
CR14.2	Programme Board: An officer board meets quarterly to scrutinise the progress of projects.	City Region Deal Programme Manager	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.	City Region Deal Programme Manager	Ongoing	G	
CR14.4	Project Benefits Realisation Plan: Revise and publish project benefits realisation plan	City Region Deal Programme Manager	July 2021	G	
CR14.5	Programme Benefits Realisation Plan: Revise and publish programme benefits realisation plan	City Region Deal Programme Manager	July 2021	G	
CR14.6	Remedy project underspends: Identify underspend issues and agree rectification plan	City Region Deal Programme Manager	July 2021	G	
Notes:					
The description of the risk has been updated in Q4 2021/22 to better reflected the current nature of the risk.					
CR14.4-CR14.6: These actions were added in Q4 2021/22.					

CR16	Early Learning & Childcare - Delivery of 1140 hours funded childcare		Risk Rating		
			Current	Target	
Risk Owner: Head of Resources - Education		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 pre-Covid 19 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 subsequently confirmed Jointly with Cosla a new commitment to progress 1140 hours implementation by August 2021, and with the intention of a new Statutory Duty to apply from that date. The Council has made significant progress with its ELC expansion programme in recent months, and as per recent reports to the Education Committee, as at February 2021 194 settings were delivering 1140 hours by that point, with a further 15 due to do so in April and the remaining 19 settings planning for August 2021 delivery. In light of this, 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: Delivery models and enrolment: Communications plan to ensure all stakeholders briefed on models and the rollout of 1140 hours in settings. Review of enrolment data to understand impact; and a review of delivery models and admission arrangements as part of rollout planning.	Senior Manager, Early Years	August 2021	G
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	G
CR16.3	Capital Project Delivery: Ongoing review of capital projects and delivery plans.	ECO Housing and Property	August 2021	A
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	G
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	August 2021	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	G
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	G
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	August 2021	G

Notes:

Updates for all the risk actions are collected monthly.

CR16.11: Target date for completion changed from January 2021 to August 2021.

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
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
A			

Notes:

CR17.1: Cross-Service officer group has been established and work is now accelerating to prepare a strategy.

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
<p>CR18.1 Staff Health and Safety: Reducing the immediate, short and long term health and safety risks to all staff.</p> <ul style="list-style-type: none"> • 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	G
<p>CR18.3 Social Work Health and Safety: Reducing health and safety risk to social work clients/vulnerable groups and health provision settings.</p> <ul style="list-style-type: none"> • 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	Ongoing	G
<p>CR18.4 Customer and Client Health and Safety: Reducing health and safety risk to customers and clients in council estate and assets.</p> <ul style="list-style-type: none"> • 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 	ECO Resources and Finance	Ongoing	G
<p>CR18.5 Operational Continuity: Reducing risk to operational activities and ensuring service continuity.</p> <ul style="list-style-type: none"> • 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 • Development of mitigation for delays to Project Dochas (bringing ICT in-house) resulting from COVID. To include options for partial contract extension with Wipro to ensure ICT business continuity. Target date for options – March 2021 	ECO Resources and Finance	Ongoing	G

CR18.6	<p>Reducing Financial Impact: Reducing the current and future financial impact of COVID-19 to the Council.</p> <ul style="list-style-type: none"> • Financial recovery planning • Implementation of policies and measures to reduce and control spend • Support Elected Member lobbying for resources 	ECO Resources and Finance	Ongoing	G
CR18.7	<p>Good Governance: Ensure good governance and a transparent record of decision making. This will reduce the risk of any future litigation.</p> <ul style="list-style-type: none"> • Maintain good record keeping • Governance of decision making • Preparation for any future public inquiries • Ensuring effective engagement with stakeholders 	ECO Performance and Governance	Ongoing	C
CR18.8	<p>Effective Communications: Clear and timely communications to accurately inform stakeholders and reduce any potential negative reputational impacts.</p> <ul style="list-style-type: none"> • Communication to provide internal and external information, warning, informing and reassurance to stakeholders • Manage expectation of stakeholders 	ECO Performance and Governance	Ongoing	G
CR18.9	<p>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.</p> <ul style="list-style-type: none"> • Poverty Reduction Strategy (led by ECO Communities and Place) • Economic Recovery Strategy (ECO Infrastructure and Environment) • Recovery Board Action Plan (Interim ECO Transformation) 	Chief Executive	March 2021 & ongoing	G
CR18.10	<p>Supply chain and procurement of Personal Protective Equipment (PPE):</p> <ul style="list-style-type: none"> • 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 	ECO Property and Housing	Ongoing	G

Notes:

Each risk action is developing a corresponding action plan which is being managed by the responsible officer as identified.

CR18.3: Target date revised from January 2021 to ongoing. Advice and guidance will continue to be offered to staff and clients in the coming months.

CR18.7: Marked as complete Q4 2020/21.

CR19	Return to Education	Risk Rating	
		Current	Target

Risk Owner: Interim ECO – Education and Learning		Risk Type: Physical, Financial, Reputational		C2	E2
<p>It is paramount to identify and mitigate health and safety risks for all staff and pupils in educational settings as pupils return to schools following the second outbreak of COVID-19. The Council needs to manage the risk (a) staff, vulnerable and keyworker children and young people currently accessing school buildings at the present time and (b) the return of all staff, children and young people returning to full educational statutory provision following lockdown 2. There is a risk that contractors' drivers and maintenance staff may have to shield or self-isolate, which could lead to some routes being unable to operate. There are also financial risks associated with managing the increased operational costs for this programme within existing resources for Council and school settings. In addition, there are financial risks in respect of smaller vehicles that are used for school transport and if there is a change in physical distancing rules for transport, this could result in there being not enough capacity to transport all pupils. There are also financial and operational risks regarding the reliance on, and sufficient provision of, devices (primarily Chromebooks) and connectivity to support blended learning. The Council also needs to be prepared for any potential future local or national lockdowns.</p>					
Mitigating Actions:			Responsible Officer	Target Date	RAG
CR19.1	Project Board: Reconvene Project board with 11 sub-groups reporting and meeting initially fortnightly	Interim ECO Education and Learning	Ongoing	G	
CR19.2	Tactical Group: Meeting regularly as required for oversight of local and national picture and to agree necessary actions as well as wider communication to Schools and Public Position statement to be updated based on these discussions	Corporate Communications and Resilience Manager	Ongoing	G	
CR19.3	Contingency planning: Planning in place to ensure staffing/resource is available during current phase to keep schools open and understanding staffing capacity when schools return to remote/full time operation, including school lets and school meals provision.	Head of Property and Facilities Management	Ongoing	G	
CR19.4	Resources: Regular review of cost and forecasts. Assumption and risk management to support cost forecasting. Identification of external and alternative funding sources where available, including use of Scottish Government funding. Links to wider Service resource management to ensure ongoing focus to contain and reduce non-essential spend to mitigate COVID-19 related costs. Links to other Local Authorities, ADES, Northern Alliance, COSLA to understand arrangements elsewhere and ensuring best practice.	ECO Resources and Finance	Ongoing	G	
CR19.5	Transport sub-group: Transport Sub-group to monitor the number of cases and associated costs of the usage of smaller and high cost vehicles (e.g. taxis). An alternative approaches options appraisal to be developed to mitigate risk.	Principal Transport Officer	Ongoing	C	
CR19.6	Transport sub-group: Transport sub-group to maintain contact with contractors regarding staff availability and with schools where part-week attendance may require to be considered.	Principal Transport Officer	Ongoing	C	
CR19.7	Lockdown planning: Service-wide planning underway to agree response and actions in the event of phased and full school opening.	Interim ECO Education and Learning	Ongoing	G	
CR19.9	School Emergency Plans: all school plans currently under review to ensure emergency contact details, evacuation procedures and processes are up to date.	Interim ECO Education and Learning	February 2021	C	
CR19.10	Chromebook fix: Increased resource to support Chromebook break fix as part of wider resource requirements for future provision of ICT for Education and the Council and	Head of ICT	February 2021	C	

	purchase of additional Chromebooks to a maximum of the agreed annual budget for churn.			
CR19.11	Connecting Scotland: Establish any further support available through Connecting Scotland to address any immediate and critical connectivity issues for pupils at home.	ECO Education and Learning	February 2021	C
CR19.12	Options for pupil devices: Significant proportion of Chromebook estate will be unsupported by Google and will subsequently be end of life from April 2022 – therefore requirement to establish options for future provision of pupil devices (2022 onwards).	Head of Resources – Education & Head of ICT	March 2021	A
Notes: CR19.5; CR19.6; CR19.9; 19.10: Marked as complete Q4 2020/21. CR19.11: Marked as complete Q4 2020/21. CR19.12: Options report nearing completion, but consideration of the report delayed due to other priorities.				

CR20	Data Transfers and Google for Education	Risk Rating	
		Current	Target
Risk Owner: Head of Resources - Education		Risk Type: Operational, Legal and Reputational	
		C2	D4
<p>Loss of US Privacy Shield means that data transfers can no longer be made to the US on the grounds of adequacy. Other mechanisms for international transfer of data under General Data Protection Regulation (GDPR) are either unavailable to the Council or have had their legality cast into doubt by the decision of the Court of Justice of the EU (CJEU).</p> <p>The Council is heavily reliant on “Google for Education” for provision of its curriculum whether in a classroom setting or when children are working at home. It is therefore a critical system which the Council could not stop using without sourcing an alternative solution and transferring our data over. The data is currently stored on Google servers which are located in the USA and data is being transferred to the USA whenever staff and pupils are using the Google services.</p> <p>The optimum solution is for the Council’s data to be stored on servers in UK data centres but Google state that the standard contract clauses (SCCs) they have in place, and which the Council has signed up to, ensure that transfer is legal under Article 46 of GDPR. However, the CJEU decision highlighted that entering into SCCs in itself is not enough. The data controller (the Council) will also need to assess whether, and to what extent, the laws of the country where the personal data is being transferred allow its public authorities to interfere with the exported personal data. If it is not possible for the personal data to be adequately protected, even with SCCs in place, the transfer should not take place. Given that the CJEU has held that the Privacy Shield is invalid due to US Security Laws it is impossible for the Council to accept that SCCs can fix the inadequacy presented by US laws.</p> <p>The Information Commissioner’s Office (ICO) has not provided advice in relation to this issue and existing contracts. The EU data protection board states that, if a data controller intends to keep transferring data despite having concluded that inadequate safeguards are in place, they must notify their supervisory authority (the ICO). The Council has waited for guidance from the ICO prior to deciding what steps to take, but as no further guidance has been issued the Council must now take action to mitigate this risk.</p>			
Mitigating Actions:		Responsible Officer	Target Date RAG

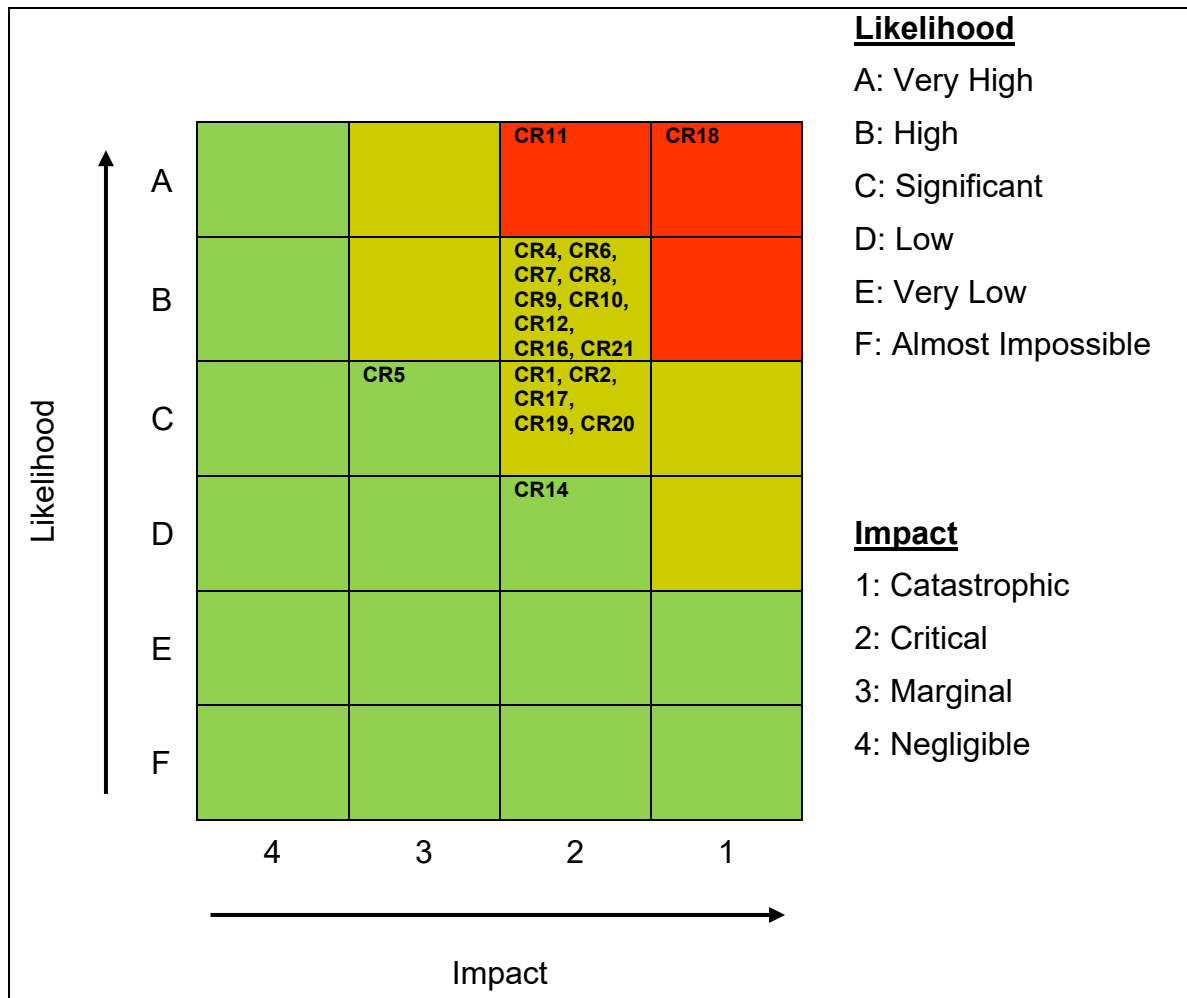
CR20.1	Directors of Education network: Raise with the Association of Directors of Education in Scotland (ADES) network to discuss whether other Local Authorities have the same understanding of this risk and willingness to raise at a national level.	Head of Resources - Education	March 2021	C
CR20.3	Discuss with Google: Meet with Google contacts to raise concerns and discuss if options exist.	Head of Resources - Education	November 2020	C
CR20.4	Review of information: Review outcomes of actions and national developments and decide if it is necessary to contact the Information Commissioner.	Data Protection Officer	January 2021	A
Notes: CR20.1; CR20.3: Marked as complete Q4 2020/21. CR20.4: Awaiting final approval of EU guidance. Draft guidance indicates that there will be no need to contact the Information Commissioner's Office.				

CR21	Elections	Risk Rating			
		Current	Target		
Risk Owner: Chief Executive		Risk Type: Political, Financial, Reputational, Citizen		B2	B3
<p>There is a risk to the business continuity of Council Services due to the workforce requirements to deliver effective elections at local and national levels. Democracy is at the core of what we do and delivering safe and secure elections that protects the health of the voter, its stakeholders and the health of the democracy is a priority for the Council.</p> <p>Resources throughout Council services will be re-prioritised to take on election duties, with the size and scale of undertaking the Scottish Parliamentary Election, specifically during the week of the election 6 May and the beginning of the following week, it is recognised that this will impact the overall delivery of Council services.</p> <p>Due to COVID-19, all election processes are being redesigned to deliver a safe and secure election with a call upon several specialised services (e.g. Environmental Health, Health and Safety) to support the election team to deliver a safe successful election.</p> <p>Although a recognised service impact, there is an immediate reduction of this impact:</p> <ul style="list-style-type: none"> • due to the in-service day for schools on polling day 6 May safeguarding impact to education of our pupils • in peak of election week, May Day on 3 May, although election services will be in full operation, is it a national holiday with majority of council services closed. 					
Mitigating Actions:		Responsible Officer	Target Date	RAG	
CR21.1	Critical Services: Safeguard critical services.	All ECOs	Ongoing	G	
CR21.2	Communications: Public communications to advise the public that there may be a reduction in service around the election.	Communications and Resilience Manager	May 2021	G	
CR21.3	Rest time: Sufficient rest time agreed for staff involved in the Count (this will involve weekend working for the Scottish Parliamentary election) and as agreed with Trade Unions.	ECO Finance and Resources	May 2021	G	
CR21.4	Core Election Team resilience: Build resilience in the core election team.	ECO Performance & Governance	Ongoing	G	

Notes:

The update reflects the position of risk actions at the end of Quarter 4 2020/21. Following the successful delivery of the Scottish Parliamentary elections in May 2021, this risk now requires review in light of the Local Government elections in 2022.

Appendix 2: Corporate Risk Matrix



The colour coding of the risk matrix indicates the following:

Green	The overall level of risk is low, and it is below the corporate risk appetite. Management of this risk through the corporate risk process is optional.
Amber	The overall level of the risk is moderate. It is above the corporate risk appetite and actions are in place to manage and reduce the overall risk.
Red	The overall level of the risk is high. It is above the corporate risk appetite line and should be managed as a priority. Risk actions are in place to manage and reduce the overall risk.