

Agenda Item	7
Report No	AS/27/21

HIGHLAND COUNCIL

Committee: Audit and Scrutiny Committee

Date: 25 November 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 September 2021 and no new risks have been added to the Register.

4.3 There are currently 16 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).

4.4 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 CR1: Financial Sustainability. The risk rating has been increased from C2 to B2 indicating the likelihood of the risk arising has increased from a "significant" to a "high" likelihood. The Medium-Term Financial Plan which provided an update on the Council's financial position was considered by Members at the Highland Council meeting, 28th October 2021.

4.6 CR4: Brexit. A review of this risk by responsible officers has commenced and will be reported to Audit and Scrutiny committee in March 2022.

4.7 CR9: Safe and Effective Property. This risk has been reviewed by the Risk owner. The mitigating actions have been revised to better represent the current activity to mitigate the risk.

4.8 CR12: NHS Highland Partnership. The risk rating has been decreased from B2 to D2 indicating the likelihood of the risk arising has decreased from a "high" to "low" likelihood. The risk description and mitigating action have been updated to better represent the current position of the risk.

As raised by Elected Members at the Audit and Scrutiny Committee on 23 September 2021, this risk requires review given the National Care Service for Scotland Consultation. The Council wishes to see Local Government at the centre

of change in relation to the social care consultation. The risk will be reviewed by the Executive Leadership Team following the submission of the Council's response which was agreed at Council on 28 October 2021 and when greater clarity on the proposals is available nationally.

- 4.9 CR16: Early Learning & Childcare - Delivery of 1140 hours funded childcare. The Executive Leadership Team have agreed to remove this risk from the Corporate Risk Register. The 1140 rollout programme has been successfully completed. As reported to the Education Committee on 02 September 2021 "This report can confirm that effective from the start of the new academic year, delivery of 1140 has now been achieved in every setting in Highland" and "This report confirms that the final 19 settings due to deliver 1140 hours from August 2021, are now doing so." A report to the Education Committee in November will also provide some more headline statistics around ELC delivery.
- 4.10 CR19: Return to Education. This risk has been renamed to "Continuation of Education post COVID-19." The risk description and a number of risk actions have also been amended to better represent the current status of the risk and actions being taken.
- 4.11 CR21: Elections – This risk has been updated following the successful Scottish Parliamentary election to focus on planning for the May 2022 Scottish Local Government elections.

Designation: Corporate Audit and Performance Manager

Author: Stephen Carr, Corporate Performance Manager, 03/11/2021

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		
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: Every year the Council has a requirement to deliver approved budget savings, the delivery of which is important to ensuring a balanced budget in-year. Forecast service outturn positions and updates on the delivery of savings are monitored within Services and reported every three months to respective strategic committees. An overview of all savings and the overall monitoring position is scrutinised by the Executive Leadership Team and reported to Corporate Resources Committee.	Head of Corporate Finance and Commercialism	Ongoing	G
CR1.10	Internal audit of the purchase to pay process: Audit of the purchase to pay process to be undertaken including consideration of the budgetary control process. Exact scope and timing will be agreed with management.	Corporate Audit Manager	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	November 2021	G
Notes:				
CR1: The risk rating has been increased from C2 to B2 indicating the likelihood of the risk arising has increased from a "significant" to "high".				
CR1.10: Action will be marked as complete in Q3.				
CR1.11: Target changed from March 2021 to November 2021.				

CR2	Security and Resilience		Risk Rating		
			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	
CR2.6	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: ICT undertake an external ICT Security Health check annually to ensure independent verification. Regular patching regimes are in place for ICT infrastructure and we review active security notifications from external sources and community of practise groups such as CISP and NCSC. We will follow and adopt national standards as appropriate from UK and Scottish Governments. We constantly monitor security threat and have weekly reviews and monitoring updates through our ICT Security function. ICT updates and changes are reviewed for security risks prior to implementation.	ICT Operations Manager (Service)	Ongoing	G	
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	March 2022	G	
Notes: CR2.1: Access and Egress Plans reviewed in line with COVID-19 controls. 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. Also refer to CR9 on Safe & Effective Property. CR2.11: The target date for this has been changed from Q2 to Q4 2021/22.					

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	C
CR4.4	Capital Plan: The Capital Plan will include a risk assessment of the cost of borrowing, and it will be reviewed regularly to ensure its continued affordability.		Head of Corporate Finance and Commercialism	Ongoing	C
CR4.6	EU Funding: Our budget planning will include an assessment of European Union (EU) funding that can be accessed in order to maximise the degree of service delivery that can be achieved within Council budgets.		Economy and Regeneration Manager	Ongoing*	G
CR4.8	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
<p>Notes: CR4: A review of this risk by responsible officers has commenced and will be reported to Audit and Scrutiny committee in March 2022. CR4.2 and CR4.4: Marked as complete Q2 2021/22. These actions are now considered as business as usual with the implications of Brexit considered alongside wider economic impacts.</p> <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 Community Support and Engagement	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 Community Support and Engagement	Ongoing	G
Notes: CR5.3: Updates are provided for this action from all ECOs.					

CR6	Workforce Planning		Risk Rating		
			Current	Target	
Risk Owner: Interim Head of HR		Risk Type: Financial		C2	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	A
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	G
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 on costs attributable from absence in schools.		Interim Head of HR	April 2022	G
Notes:					

CR7	Climate Change		Risk Rating		
			Current	Target	
Risk Owner: ECO Performance & Governance		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 2023	G
CR7.4	Develop net zero strategy		Climate Change & Energy Team Manager	March 2022	G
CR7.5	Net zero corporate emissions: Agree target date for net zero corporate carbon emissions		Climate Change & Energy Team Manager	September 2022	G
Notes:					

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		ECO Communities and	Ongoing	G

	Partnership, to plan services that are responsive to demographic changes.	Place		
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.				
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	C
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	C
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	C
CR9.12	Corporate Property Risk Management Board: A new officer working group will be established to focus on a cross-Service approach to Corporate Property Risk. This will have a core attendee list and draw in additional thematic expertise as required. The Board will initially focus on issues relating to fire safety. It will report to the Central Safety Committee and Housing and Property committee.	ECO Housing and Property	April 2022	G
CR9.13	Full Implementation of a Corporate Property Landlord Model: Council-wide implementation of the Corporate Property Landlord Model as agreed at the Housing and Property committee in August 2020.	ECO Housing and Property	December 2022	G
CR9.14	Investment into the Property Estate: £2.85m of funding has been allocated to improve Council property.	Head of Property and Facilities Management	Ongoing	G
CR9.15	Health and Safety Requirements associated with Capital Bids: As part of the Council's Capital Strategy, a health and safety risk assessment tool is being developed. This will assess the level and likelihood of H&S risk where H&S is a reason for requiring capital	ECO Resources and Finance	March 2022	G

	investment. It will also set out the mitigating actions. This will allow an assessment on whether the mitigating actions are reasonably practical and the extent to which they affect the need and/ or timing of capital investment. This will help to prioritise capital projects which will reduce health and safety risk. Reasonably practicable steps involve a balance of cost (effort, money and time) balanced against risk (severity and likelihood).			
CR9.16	Condition Surveys: Understanding the condition of our properties is a continuous process. Condition surveys and how we manage this data are a fundamental aspect of this and can help us plan future investments and disposals.	Head of Property and Facilities Management	Ongoing	G
CR9.17	Asset Rationalisation Strategy: Implementation of our asset rationalisation strategy will ensure that the Council's property portfolio is suitable for service delivery.	Head of Property and Facilities Management	Ongoing	G

Notes:
CR9: The risk description has been shortened with the following text that refers to mitigation removed: "We must rationalise property assets to reduce the amount of money we have tied up in fixed assets, and the associated running costs."
CR9.7: This action is marked as complete. The work stream will continue as an initial priority for the Corporate Property Risk Management Board, see CR9.12. A lean review of the fire safety audit is underway. It is reviewing the Fire Risk Assessment process and includes the preparation, actions & monitoring of assessments and outcomes, defining roles and responsibilities, budget impacts, and how Services interact with the process.
CR9.8: The action is marked as complete. As reported to the Housing and Property committee in August 2020 a model is in place. Work is now ongoing to fully implement the Corporate Property Landlord Model, see CR9.13
CR9.10: The action is marked as complete. This work will be delivered through the Corporate Property Risk Management Board, see CR9.12.
CR9.12 to CR9.17: These mitigating actions were added in Q2 2021/22.

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	
<p>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:</p> <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 and ORIT, Resources Governance and Transformation Boards; member oversight and scrutiny via the Member Waste Strategy Working Group; Recovery, Improvement and Transformation Board, C&P Committee; and the Council.			ECO Communities & Place	On-going	G
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:						
CR11.6: Reports on progress are presented to each Communities and Place committee and Member Working Group.						

CR12	NHS Highland Partnership	Risk Rating				
		Current	Target			
Risk Owner: The Chief Executive		Risk Type: Financial, Legal, Reputational		D2	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 has been completed and executed on behalf of both organisations. The scheme is now awaiting approval from the Scottish Government. It is necessary to monitor the implications of the adoption of the Feeley Report and the proposed National Care Service which are likely to result 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
CR12.4	Feeley Report: Monitor the implications of legislation to implement the proposed National			Head of Integration Adult	Ongoing	G

	Care Service and consider 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.	Social Care		
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Notes:
CR12: The risk rating has been decreased from B2 to D2 indicating the likelihood of the risk arising has decreased from a “high” to “low”. The risk description has been updated to better describe the current nature of the risk.
CR12.4: A reference to the proposed National Care Service has been included in the description of the action.
As raised by Elected Members at the meeting of the Audit and Scrutiny Committee on 23 September 2021, this risk requires review given the National Care Service for Scotland Consultation. The Council wishes to see Local Government at the centre of change in relation to the social care consultation. It will be reviewed by the Executive Leadership Team following the submission of the Council’s response which was agreed at Council on 28 October 2021 and when greater clarity on the proposals is available nationally.

CR14	Inverness and Highland City Region Deal	Risk Rating		
		Current	Target	
Risk Owner: ECO (Infrastructure & Environment)		Risk Type: Financial, Reputational		
<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	March 2022	G
CR14.5	Programme Benefits Realisation Plan: Revise and publish programme benefits realisation plan	City Region Deal Programme Manager	March 2022	G
CR14.6	Remedy project underspends: Identify underspend issues and agree rectification plan	City Region Deal Programme Manager	July 2021	A

Notes:
CR14.4 and CR14.5: Target dates changed from Q2 to Q4 2021/22 in line with revised timescales agreed with Government.

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	A
Notes: CR17.1: Cross-Service 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 2020 to address a national health emergency. It has become apparent that there are 4 harms resulting from the pandemic. These include the impact of the virus on health, but also indirect health, societal and economic harms. Following the lifting of the majority of legislation in August 2021, protection from and recovery from these direct and indirect impacts will continue to present significant risks to the Highland Council as the country learns to live with the virus.				
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. <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 Developing a process to manage outbreaks impacting the workplace 	ECO Resources and Finance	Ongoing	G

	<ul style="list-style-type: none"> • Liaison and engagement with staff and with Trade Union representatives to understand concerns and address issues 			
CR18.4	<p>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
CR18.5	<p>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 • Processes to mitigate for and manage outbreaks in the workplace • Agreeing how to prioritise services if staff absence cannot be covered and service disruption cannot be avoided. For some operations this may require Committee agreement in advance and/or Member briefing given public interest in certain areas of front-line service delivery. • 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 • Draw down of relevant Covid funding streams are maximised 	ECO Resources and Finance	Ongoing	G
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 • Promotion of vaccination and testing • Liaison with Local Resilience Partners to coordinate messaging • 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</p>	Chief Executive	March 2021 & ongoing	G

	<p>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) • Implementation of Budget for Health and Prosperity (ECO Resources and Finance) • Future Highland Health and Prosperity Plan (Chief Executive) 			
CR18.10	<p>Supply chain and procurement of Personal Protective Equipment (PPE) and delivery of enhanced cleaning services and other building control measures:</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 • Provision of enhanced cleaning services • Building risk assessments and implementation of control measures in line with national guidance e.g. CO2 monitors, ventilation, track and trace etc 	ECO Property and Housing	Ongoing	G

Notes:

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

CR19	Continuation of Education post COVID-19	Risk Rating		
		Current	Target	
Risk Owner: ECO – Education and Learning		Risk Type: Physical, Financial, Reputational		
		C2	E2	
It is paramount to identify and mitigate risk to the workforce and the loss of learning and teaching, closing the attainment gap and ensuring senior phase pupils are able to access sufficient face to face teaching time to prepare for exams in May 2022. There are also financial risks associated with managing the increased operational costs within existing resources for Council and school settings. The Council also needs to manage local outbreaks and be prepared for any potential future localised restrictions.				
Mitigating Actions:		Responsible Officer	Target Date	RAG
CR19.2	Tactical Group: Meeting regularly as required for oversight of local and national picture and to agree necessary actions in response to outbreaks or changes in guidance/ restrictions, as well as wider communication to Schools and parents and Public Position statement to be updated based on these discussions	Corporate Communications and Resilience Manager	Ongoing	G
CR19.3	School Lets: Phased return of school lets working with partners and taking into account national guidelines, risks and the cost of enhanced controls.	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	ECO Resources and Finance	Ongoing	C

	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.			
CR19.7	Outbreak planning: Weekly meetings with NHS Health Protection Team and service-wide planning for contingencies in event of outbreaks, closures and relevant communications issued signed by chief executive. Reporting on numbers of positive Covid cases to Scottish government with a focus on senior phase pupils (attainment/ SQA).	ECO Education and Learning	Ongoing	G
CR19.12	Options for pupil devices: Significant proportion of Chromebook estate will be unsupported by Google and will subsequently be end of life from June 2022 – therefore requirement to establish options for future provision of pupil devices (2022 onwards).	Head of Resources – Education & Head of ICT	March 2022	G

Notes:
CR19 has been renamed from “Return to Education”
Risk definition has been updated from: “It is paramount to identify and mitigate health and safety risks for all staff and pupils in educational settings, facilities and school transport. There are also financial risks associated with managing the increased operational costs within existing resources for Council and school settings. 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 manage local outbreaks and be prepared for any potential future localised restrictions.”
CR19.3 has been updated from: “Contingency planning: Planning in place to ensure staffing/resource is available during current phase to keep schools and EY establishments open and school meals provision. Return of school lets taking into account risks and the cost of enhanced controls.”
CR19.4: Marked as complete Q2 2021/22.
CR19.7 has been updated from: “Service-wide planning for contingencies in event of outbreaks, closures or short periods where close contacts must self-isolate until receiving negative test.”
CR19.12: The target date for completion has been updated from March 2021 to March 2022. Bid submitted for revised ICT capital programme which includes refresh of critical pupil devices in 2022 and this is being considered as part of the Council’s wider review of its capital programme. Options and opportunities to procure replacement devices, in light of current supply chain challenges, are also being actively worked on.

CR21	Elections	Risk Rating	
		Current	Target
Risk Owner: Chief Executive		Risk Type: Political, Financial, Reputational, Citizen	
		B2	B3
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.			

Resources throughout Council services will be re-prioritised to take on election duties, with the size and scale of undertaking the Local Government Election on 5 May 2022, specifically during the week of the election and the beginning of the following week, it is recognised that this will impact the overall delivery of Council services.

Due to COVID-19, all election processes have been redesigned to deliver a safe and secure election with a call upon several specialised services to support the election team, if required, to deliver a safe successful election.

Although a recognised service impact, there is an immediate reduction of this because of:

- The in-service day on 5 May for schools on polling day, safeguarding impact to education of our pupils and
- In peak of election week, Monday 2 May is a public holiday, although election services will be in full operation, the majority of council services will be closed.

There is a risk with the high reliance on the ward managers in the area hubs to receipt the anticipated 200 nomination forms. These staff could be unavailable in the scenario of a major incident and mitigation for this risk is being considered.

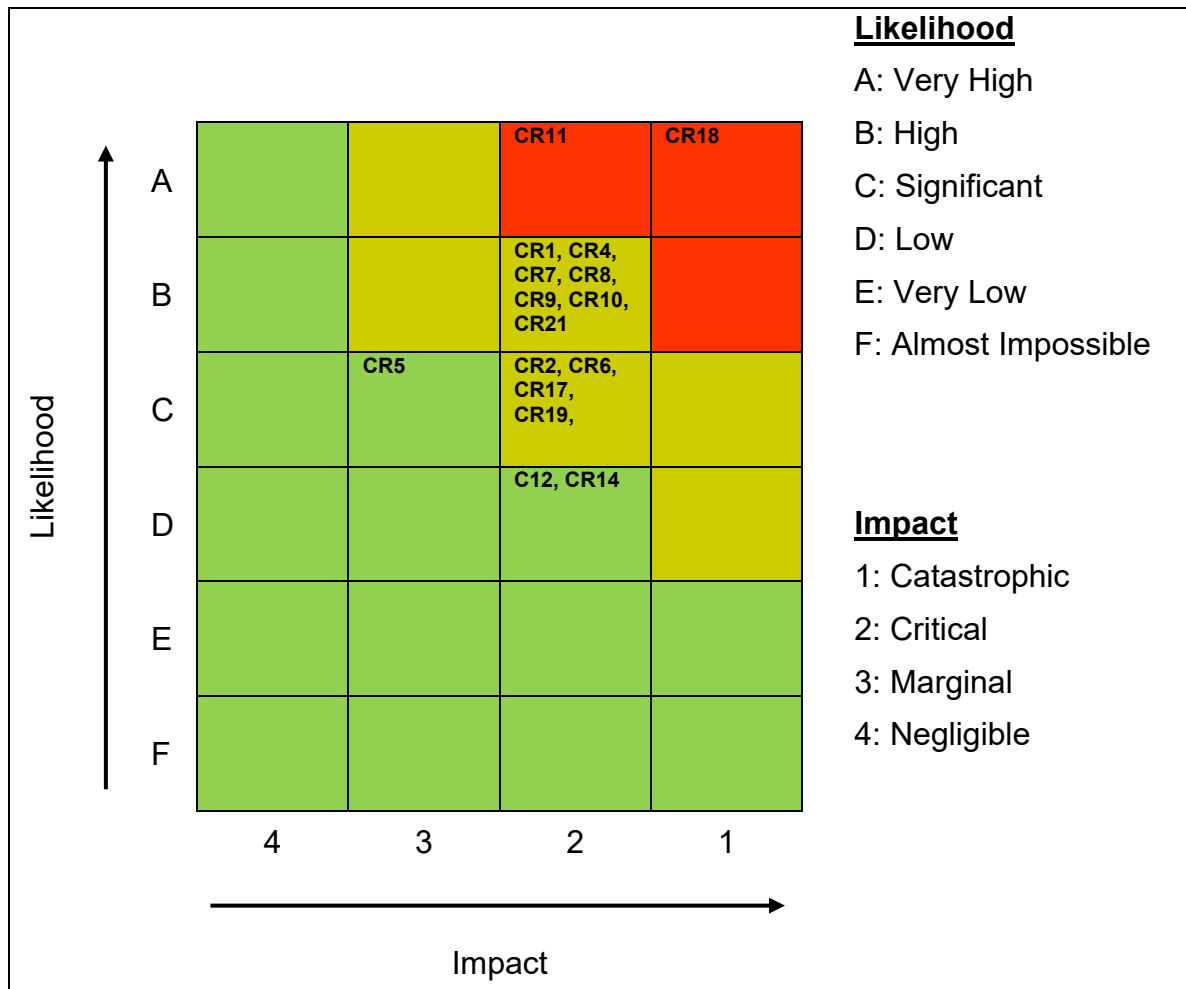
The election office is also undertaken an exercise to understand the allocation of staff against the overall the resource plan for poll and count so services understand their overall commitment to elections and a fair percentage of staff can be allocated.

Mitigating Actions:		Responsible Officer	Target Date	RAG
CR21.1	Critical Services: Safeguard critical services.	All ECOs	Ongoing	G
CR21.4	Core Election Team resilience: Build resilience in the core election team.	ECO Performance & Governance	Ongoing	G

Notes:

CR21: The risk has been updated post the Scottish Parliamentary elections to focus on the Local Government elections in May 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.