HIGHLAND COUNCIL

Committee: Audit and Scrutiny Committee

Date: 28 September 2022

Report Title: **Review of Corporate Risks**

Report By: Strategic Lead Corporate Audit and Performance

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. Approve the revised Risk Management Strategy at Appendix 1.
    ii. Scrutinise the Corporate Risk Register provided at Appendix 2 and consider the risk profile at Appendix 3.

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 / Net Zero: 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. Risk Management Strategy

4.1 The Highland Council's Risk Management Strategy was reviewed in partnership with the Council's insurer in 2017/18. This review ensured that the strategy conforms with best practice and simplified the document by separating the strategy from the operational process guidance. The Risk Management Strategy is reviewed annually and presented to the Audit and Scrutiny committee for approval, Appendix 1.

4.2 The purpose of the Corporate Risk Strategy is to:
- Set out Highland Council's approach to strategic risk management.
- Clarify the relationship between different types of risk, including the process of escalating risks.
- Outline the Risk Management Process*.
- Identify the Roles and Responsibilities of Elected Members and Council Officers.
- Signpost Elected Members and Council Officers to online training

*Further detail on the risk management process is provided to officers through a Risk Management Process Guidance document and online training.

4.3 The Corporate Risk Strategy was reviewed by the Corporate Risk Management Group in March 2022. As a consequence, three minor corrections and clarifications have been made:
- Programme Risk Registers are now referred to at section 2.3 and Appendix i.
- The signposting to training materials has been updated given the Council's new learning management system.
- Updating the name of Service Planning Guidance to Directorate Service Planning Guidance at Appendix i.

5. Corporate Risk Register

5.1 As part of the risk management process, Highland Council has a Corporate Risk Register, **Appendix 2**. This is reviewed at least 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 and risks can be escalated to the Executive Leadership Team (ELT) at any time with the escalation process not being tied to the Committee meeting cycle.

5.2 The Corporate Risk Register was last presented to the Audit and Scrutiny committee in February 2022.There are currently 19 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).

5.3 Each risk action is delegated to a responsible officer. These officers provide an update on progress to complete the action at least quarterly. The updates presented in Appendix 1 represent the position at the end of Quarter 1 2022/23.

5.4 The current and target risk ratings assigned to risks on the corporate risk register are based on the risk matrix, **Appendix 3** and have been determined by the Executive Leadership Team (ELT).

5.5 As Corporate Risk are removed from the register, or risk actions are completed they are removed. For this reason, Members will notice that risks and risk actions are not necessarily numbered sequentially.

5.6 The Current Risk Rating of Corporate Risk 1 Financial Sustainability was increased from B2 to A2 in September 2022 with the likelihood of the risk arising moving from "high" to "very high". A report on the Council's financial outlook was presented to Council on the 22nd September 2022.

5.7 Corporate Risk 7 Climate Change is being reviewed by the Risk Owner, and any revisions are expected at the next meeting of this Committee.

5.8 Corporate Risk 19 Continuation of Education post COVID-19: All risk actions have been completed, the current risk rating (E2) is below the risk appetite line, and this will no longer be managed through the corporate risk process.

5.9 The following risks have been added to the Corporate Risk Register since Committee last reviewed the Register:
- Corporate Risk 23 Refugee Resettlement Programmes in June 2022.
- Corporate Risk 24 Care Home Viability in June 2022.
- Corporate Risk 25 Capital Programme Affordability and Deliverability in September 2022.

Designation: Strategic Lead Corporate Audit and Performance

Author: Stephen Carr, Corporate Performance Manager, 12/09/2022

Corporate Risk Management Strategy

Version: 1.4
Last Updated: March 2022
This document was originally drafted by Highland Council working with Zurich Municipal.
It was first approved by the Audit and Scrutiny Committee on 28 March 2018.

1. Introduction from Chief Executive

All organisations face internal and external factors that can impact on the achievement of their objectives. To be successful our Council has to understand and respond appropriately to these factors and the uncertainty they can create. This is why we have a risk management process. This document outlines our approach to understanding and responding to the risks we face. I believe the people best placed to make these decisions are the officers with responsibility for the services we provide. Therefore, the risk management strategy that is put in place should reflect the responsibility of managers and staff for identifying and managing the risks to their service objectives.

Taking appropriate risks can have positive results; if the Council does not take calculated risks we will not innovate or try to improve how we do things. It is important for the Council to take the right risks, in the right way, at the right time.

An effective risk management process will help the Council become more resilient, meaning we will be:

- less likely to suffer significant risks, adverse events or losses;
- better able to respond when risks, adverse events or losses happen; and
- more likely to achieve objectives in the face of uncertainty

If the risks and uncertainties we face are understood we can do something about them. We have, and will continue, to change as an organisation. This change will bring new risks and challenges and therefore effective risk management will remain a fundamental part of our business.

Chief Executive
The Highland Council

2. Risk Management Strategy

2.1. Objectives

Our strategy for risk management is to embed a culture where risk management supports the delivery of services. By implementing the risk management process, we will achieve a number of objectives, including:

- Help officers and Elected Members focus on the most significant risks
- Help officers and Elected Members to make decisions and take action with a full understanding of the risks and uncertainties that the Council faces
- Increase the likelihood of achieving the Council's objectives
- Increase the Council's resilience
- Facilitate better communication and sharing of knowledge about significant risks across the Council
- Allow risks to be managed at the most appropriate level
- Allow risks to be escalated
- Ensure the risks the Council takes are within its tolerance or appetite for risk
- Inform decisions and actions on internal controls and governance and counter-fraud awareness
- Support continuous improvement and Service Planning
- Enable the identification and understanding of risks throughout the Council

The process by which the risk management strategy will be deployed is outlined in this document. This sets out our approach to managing our risks and uncertainties.

2.2. Risk Management Definition

Our definition of risk management is:

> *The process of identifying significant risks to the achievement of the Council's strategic and operational objectives, evaluating their potential consequences and determining and implementing the most effective way of controlling them.*

Three things should be noted about this definition. Firstly, it is expected that insignificant risks will not be reported. These may be risks that are managed well, thoroughly understood and are very unlikely to occur, or whose consequences would be relatively insignificant. They should be managed through our current business practices.

Secondly, risks may have positive as well as negative consequences; if the Council does not take calculated risks we will not innovate or try to improve how we do things. The Council must take risks in order to deliver its objectives.

Finally, the most effective way to control some risks may be to continue to monitor the risk and do nothing more than is already being done.

2.3. Risk Management Structure

The risk management process will be used at different levels and in different contexts, Figure 1. The risk registers should relate to the business planning process. For example, the corporate risk register will consider risks to delivery of corporate priorities, or which have the potential to impact multiple Council Services; Service risk registers will consider risks to Council Services and so on. Corporate and Service risk registers will give due consideration to relevant partnership arrangements including community planning.

Subsidiary risk registers may also be created and maintained at a programme, project, contract, or partnership level, or as part of the business continuity planning process.
Risks should be able to flow between levels, to allow risks to be managed at the most appropriate level or to communicate with stakeholders about the risk.

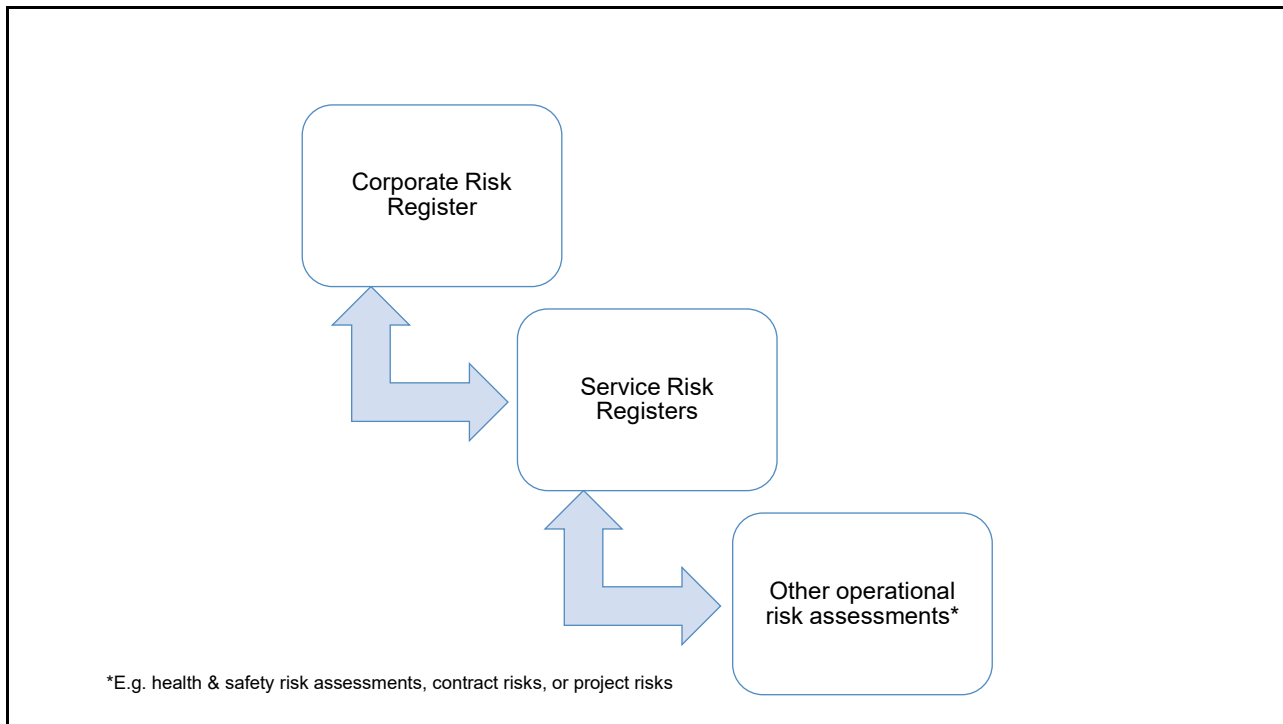**Figure 1 – Risk Management Structure**

2.4.   Risk Management Process

The risk management process has seven elements, Figure 2. Underpinning each stage of the process is communication and consultation with interested parties. The aim of this is to ensure internal and external stakeholders (if appropriate) are considered and involved in the Council's work to understand and define its risks.
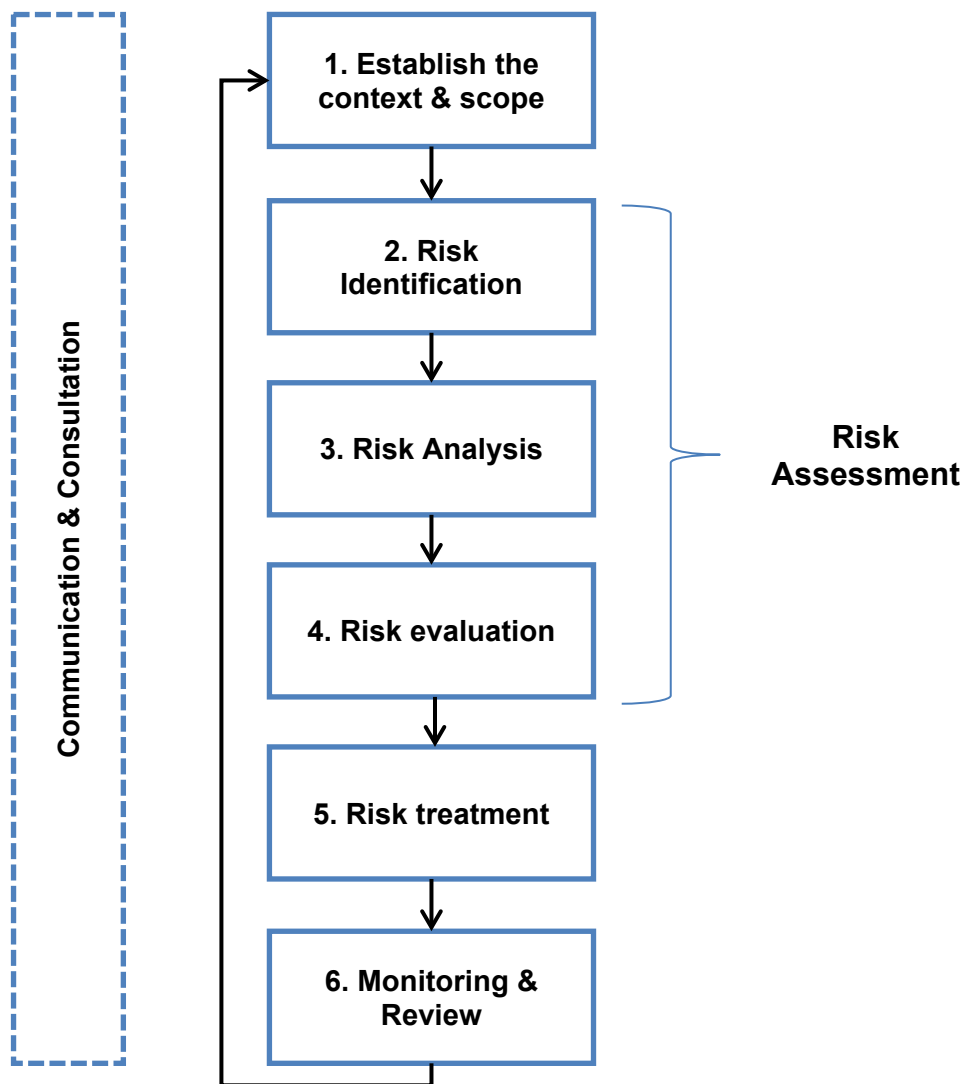
Figure 2 – Risk Management Process
Further detail of the process and its use is contained within the Risk Management Process Guidance Document.

2.5. Corporate Risk Management Group
To ensure the holistic approach to risk management, a group of officers will act as corporate support and fulfil an oversight function. This group will champion the deployment of the risk strategy and culture, build organisational capacity to effectively manage risk, disseminate best practice in all related areas, support training and ensure the co-ordination and efficient consideration of the three risk management activities (corporate risk, service risk, and operational risks).

2.6. Roles and Responsibilities
Risk management is the responsibility of all Elected Members and officers. However, there are some specific roles and responsibilities which require to be outlined, Appendix i.

2.7. Training
An electronic training course is available on the Council's Learning Management System entitled "Risk Management". This training supports officers to manage risk in accordance with the approach outlined in this Strategy and the accompanying Process Guidance.

2.8.   Health and Safety Risk Management

This risk management strategy sits alongside the Council's responsibility for health and safety risk assessments as required by The Health and Safety at Work, Etc. Act 1974 and all subsequent regulations and as set out in the Corporate Health Safety and Wellbeing Policy 2021. This includes a requirement to have competent persons undertaking risk assessments and involving Trade Union Health and Safety representatives in the process.

2.9.   Review of Strategy

The strategy will be reviewed annually. The result of this review will be presented to the Council's Audit and Scrutiny committee.

Appendix i – Roles and Responsibilities

Role	Responsibilities
All Elected Members	- To ensure risks have been appropriately considered as part of all Committee and Council reports - To scrutinise and question officers on the risk information provided by them - Encourage a culture that supports appropriate risk taking and the open discussion of risk - Approve the public disclosure of the assurance statement in the Annual Statement of Accounts and the Annual Performance Report in line with the Corporate Governance requirements
Audit & Scrutiny Committee	- Scrutinise the Corporate Risk Register at each meeting of the committee - Review the effectiveness of the Risk Management and Internal Control Framework - Approve revisions to the Risk Management Strategy
Executive Leadership Team	- Promote and support risk management throughout the Council - Seek to ensure Corporate and Service risks are identified and managed within the associated risk appetites - Review corporate risks at least every six months - Ensure the corporate risks reflect any new or emerging external and internal risks - Monitor progress in managing corporate risks, to ensure agreed actions are taken timeously at least quarterly - Ensure Elected Members are aware of the risks when taking decisions, through providing quality information - Provide reports on the Corporate Risk Register to a Council Administration Weekly Strategic Meeting (WSM) on a quarterly basis. - Consider risks escalated from a service, project or contract for inclusion within the Corporate Risk Register - Ensure risks are considered as part of any significant projects, contracts or partnerships - Encourage a culture of openness to allow risks to be identified and fully considered - Encourage a culture of learning from risk events when they happen
Corporate Risk Management Group	- Share business intelligence on risk and disseminate this across the Council; - Identify risks which are common across services and escalate these for consideration on the corporate or service risk registers; - Ensure risks that are reported on through other processes (e.g. the Information Governance Board or Central Safety Committee), are appropriately captured within risk registers - Work collaboratively to resolve any issues related to the Corporate Risk Register referred to the group by the Executive Leadership Team; - Share and disseminate best practice and risk management guidance to Services;

	• Provide a contact point in each Service to support effective risk management; • Review the Corporate Risk Management Strategy.
Executive Chief Officers/ Senior Managers	• Maintain a Service Risk Register in line with the Risk Management Strategy, reviewed in-line with Directorate Service Planning guidance. • Ensure there are clear connections made in reports to Council or Strategic Committees where policy changes or actions will mitigate a Corporate or Service • Ensure service risks are adequately communicated to other services if appropriate • Ensure significant contracts, partnerships and projects the service relies upon or is delivering have appropriate risk management arrangements in place • Encourage a culture of risk awareness through involving others in the risk management process as appropriate, and challenging risk information • Escalate, if appropriate, risks to the CRMG for consideration and possible inclusion on the Corporate Risk Register • Encourage a culture of openness to allow risks to be identified and fully considered • Encourage a culture of learning from risk events when they happen
Programme, Project, Contract, and Partnership Managers	• Maintain an up-to-date risk register for each significant programme, project, contract or partnership • Escalate, if appropriate, risks to Service representatives/ CRMG for consideration and inclusion on service risk registers/ corporate risk register.
Risk Owners	• Take the lead in monitoring own risks to ensure they are being managed in line with appetite set for that risk • Co-ordinate any further action needed to treat the risk • Review progress of the risk treatment actions • Take the lead on communicating with interested internal stakeholders about the risk • Ensure connections to Corporate or Service risks are adequately made in the implications section of committee reports.
Internal Audit	• Ensure the Council's audit plan is linked to the significant risks facing the council • Scrutinise the controls and mitigation in place to address significant risks • Report on the overall risk management arrangements within their annual report
All employees	• Maintain an awareness and knowledge of the risk management responsibilities appropriate to their role • Notify line manager, or another appropriate manager, of any significant Service, Project, Contract or Partnership risks they identify or become aware of in their role

Appendix 2: 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		**Risk Type:** Financial	**A2**	**C2**
The Council faces a range of financial challenges, both revenue and capital, and we need to be able to plan and meet these challenges so that we can continue to deliver effective services and achieve all the priorities that we wish to. 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	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	Ongoing	**G**
Notes: CR1: The Current Risk Rating has been increased from B2 to A2. A report on the Council's financial outlook was presented to Council on the 22nd September 2022. CR1.2: Budget approved in March 2022 was for 2022/23 only. Officer work has begun on medium term financial planning work to cover the period 2023 to 2028.				

CR2	Security and Resilience – Cyber Security		Risk Rating	
			Current	**Target**
Risk Owner: Interim Depute Chief Executive		**Risk Type:** Technological	**B2**	**D2**
The Council must take all reasonable steps to protect ICT networks and systems from the risks of cyberattack. The Council must also plan effectively to respond to and mitigate the impacts of a cyberattack.				
Mitigating Actions:		Responsible Officer	Target Date	RAG
CR2.8	Cyber Security: ICT undertake an external ICT Security Health check annually to	ICT Operations Manager	Ongoing	**G**

	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.	(Service)		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	C
CR2.12	Identify critical impacts of a cyber-attack or ICT outage: Identification of critical corporate functions and applications for prioritisation in event of a cyber-attack or serious ICT long-term outage	Interim Depute Chief Executive	December 2022	G
CR2.13	Increase senior manager awareness related to cyber security: Training and awareness of the potential impact of a cyber-attack and the Council's response plans for all senior managers, and provision of guidance for developing Business Continuity Plans	ECO Performance and Governance	March 2022	C
CR2.14	Review Business Continuity Plans in relation to cyber security: Effective business continuity plans to be in place which take account of the potential impacts of a cyber-attack or serious long-term ICT outage. These should prioritise the critical corporate functions which have been identified and detail mitigation.	All ECOs	January 2022	G
CR2.15	Scenario testing Business Continuity Plans: Scenario testing of business continuity plans prioritising the critical corporate functions	All ECOs	January 2022	G
CR2.16	Cyber security staff training: Ongoing programme of training and awareness of all staff of their role in prevention of a cyber-attack and their role in the Council's response to an attack.	Interim Depute Chief Executive	March 2022 and then ongoing	G
CR2.17	ICT Infrastructure Resilience: Make infrastructure changes to allow secure direct access to "cloud" systems without having to route via the data centre.	Head of ICT & Digital Transformation	July 2022	G
CR2.18	Backup hardware and email service: Provide backup hardware and email service to allow key staff to continue to operate independently of the Council network in the event of a major cybersecurity incident.	Head of ICT & Digital Transformation	August 2022	G
CR2.19	Cloud-first Strategy: Produce a roadmap for remaining systems and services located in the data centre to migrate to the "cloud" where possible.	Head of ICT & Digital Transformation	October 2022	G
CR2.20	Business case for external cybersecurity services: Investigate options and the business case for contracting external cybersecurity services to provide increased protection from threats and ability to react effectively to a major incident.	Head of ICT & Digital Transformation	May 2022	A

Notes:
CR2: Risk Owner Changed from ECO Communities and Place to Interim Depute Chief Executive.
CR2.8: Highland Council passed the Public Services Network (PSN) accreditation in June 2022.
CR2.11: Marked as complete Q4 2021/22.
CR2.12, CR2.16: Responsible Officer changed from ECO Communities and Place to interim Depute Chief Executive.

CR2.13: Marked as complete Q1 2022/23.
CR2.18: Back up hardware is available. Back up email system in place. Final task is to fully test with senior team. Target date changed from April 2022 to August 2022.
CR2.19: ResourceLink move to cloud in August 2022. Roadmap being developed for remaining applications. Target date changed from May 2022 to October 2022.
CR2.20: Working through options with Wipro.

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.	All ECOs	Ongoing	G
CR5.4	Local Participation: We will work with Members in local areas 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:				

CR6	Workforce Planning		Risk Rating	
			Current	Target
Risk Owner: Head of People		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.	Head of People	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.	Head of People	October 2022	A
CR6.6	Succession Planning: The workforce planning cycle is established and all services are developing succession plans.	Head of People	April 2022	C

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.	Head of People	April 2022	C

Notes:
CR6.4: Contract awarded and commencing implementation. Target date amended from April 2022 to October 2022.
CR6.6 and CR6.7 Marked as complete Q1 2022/23.

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	A
CR7.5	Net zero corporate emissions: Agree target date for net zero corporate carbon emissions	Climate Change & Energy Team Manager	September 2022	G

Notes:
CR7.4: Thematic groups are now established and work within several thematic groups is progressing well. The fact that a small number of workstreams are not progressing as planned will impact on the output from the net zero strategy group. If the Council is to deliver a cohesive and robust strategy and work plan progress across the thematic groups needs to progress concurrently. As workstreams develop there are clear signals that there will be various cross overs within each group. Where no progress is being made in one area it will impact in the long term across multiple thematic groups.

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 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.	Head of People	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	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, Environment and Economy	March 2022	C

Notes:
CR8.8: Marked as complete Q4 2021/22.

CR9	Safe and Effective Property		Risk Rating	
			Current	**Target**
Risk Owner: ECO Housing & Property		**Risk Type:** Physical, Financial	**B2**	**D2**
We need to ensure that our buildings and premises provide safe and effective environments for people who use our services, and our staff.				

Mitigating Actions:		Responsible Officer	Target Date	RAG
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	C
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	A
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	A
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 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	Head of People	March 2022	A

	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	A

Notes:
CR9.12: Meetings are diarised and occurring.
CR9.14: Some slippage due to impact of COVID-19.
CR9.15: Responsible Officer changed from ECO Resources and Finance to Head of People. Property Compliance Board set up and this will assist in monitoring Health and Safety issues in capital bids.
CR9.17: Work in progress

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

Highland Council is responsible for the largest road network in Scotland, comprising over 6,700 km of carriageways and 1,902 km of footways. The Road Condition Indicator (RCI) is a national Key Performance Indicator (KPI). The national average for 2016 was 36.7% and Highland Council was 39.1%. Highland was ranked 21st out of the 32 Scottish Councils, but the rate at which the roads are deteriorating in Highland is increasing. In 2012 the RCI was 29.3%, so there has been a 10% decrease in road condition over the last 5 years. This has been exacerbated and accelerated by the prolonged 2017/18 winter with regular freeze-thaw-freeze conditions causing rapid decline across the whole network. Failure to maintain investment in (capital) re-surfacing programmes and structural repairs will accelerate the deterioration of our roads, resulting in higher (revenue) maintenance costs, and increase the risk to the Council of litigation claims arising from damage to vehicles and personal injuries.

Mitigating Actions:		Responsible Officer	Target Date	RAG
CR10.2	Innovation and Partnership working: The Service will continue to use innovative techniques to secure best value for the Council and will work closely with partners, including Transport Scotland, to achieve this.	ECO Infrastructure, Environment and Economy	Ongoing	G
CR10.3	Additional Inward Investment: Support lobbying activity to secure additional inward investment in road maintenance.	ECO Infrastructure, Environment and Economy	Ongoing	G

Notes:

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

The residual waste project focuses on developing a legally compliant solution for the management of residual waste collected by Highland Council from 2025 when the Waste (Scotland) Regulations 2012 landfill ban becomes active. Complying with the landfill ban poses a range of risks, including:

- Financial – changing practice will produce revenue and capital costs to the Council. Business models need to be carefully costed and reviewed to ensure the most affordable long-term solution is selected.
- Legal – the project is required to comply with the Waste (Scotland) Regulations 2012 – not having a compliant solution in place from 2025 poses a risk of non-compliance.
- Reputational/Physical/Environmental – without a compliant solution there would be the risk of residual waste building up within Highland, with attendant storage, environmental, and reputational impacts.

Mitigating Actions:		Responsible Officer	Target Date	RAG
CR11.2	Project Governance: Ensure appropriate governance 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.	Interim Depute Chief Executive	On-going	G
CR11.5	Waste Contract Procurement: Re-procure residual waste contracts for 2023-27	ECO Communities & Place	December 2022	C
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	G

Notes:
CR11.2: Responsible Officer changed from ECO Communities and Place to Interim Depute Chief Executive
CR11.5: Marked as complete Q4 2021/22.

CR12	NHS Highland Partnership		Risk Rating	
			Current	**Target**
Risk Owner: The Chief Executive		**Risk Type:** Financial, Legal, Reputational	D2	D2

The partnership agreement between NHS Highland and The Highland Council determines that NHS Highland is the lead agency for Adult Services and The Highland Council is the lead agency for services for children. The re-negotiation of this Agreement 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 NHSH.

Mitigating Actions:		Responsible Officer	Target Date	RAG
CR12.4	Feeley Report: Monitor the implications of legislation to implement the proposed	Head of Integration Adult	Ongoing	G

	National 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	

Notes:
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 and Economy	**Risk Type:** Financial, Reputational	D2	D2

The Inverness and Highland City Region Deal is a significant programme of investment in the Highlands, coordinated on behalf of partners, by The Highland Council. Given the profile and importance of this investment, it bears associated financial and reputational corporate risks.

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.

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
CR14.4	Project Benefits Realisation Plan: Revise and publish project benefits realisation plan	City Region Deal Programme Manager	March 2022	C
CR14.5	Programme Benefits Realisation Plan: Revise and publish programme benefits realisation plan	City Region Deal Programme Manager	March 2022	C
CR14.6	Remedy project underspends: Identify underspend issues and agree rectification plan	City Region Deal Programme Manager	July 2021	C

Notes:
CR14.4; CR14.5; and CR14.6: All marked complete Q1 2022/23.

CR17	**Open Water Safety**	**Risk Rating**	
		Current	**Target**
Risk Owner: ECO Performance and Governance	**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.	Policy Manager	December 2022	G

Notes:
CR17.1: Policy to be submitted for committee approval in Autumn 2022. Target date changed from December 2020 to December 2022.

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 and any new variants as they arise.

Mitigating Actions:		Responsible Officer	Target Date	RAG
CR18.1	Staff Health and Safety: Reducing the immediate, short and long term health and safety risks to all staff. • Preparation of risk assessments per Service led by ECOs followed by mitigation • Each Service to complete its own Health and Safety Plan • Protective measures to reduce the risk of staff exposure to the virus • 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 hybrid working arrangements • Developing a process to manage outbreaks impacting the workplace • Liaison and engagement with staff and with Trade Union representatives to understand concerns and address issues	Head of People	Ongoing	A
CR18.4	Customer and Client Health and Safety: Reducing the risk of the virus to customers and clients in council estate and assets. • 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 Property and Housing	Ongoing	G
CR18.5	Operational Continuity: Reducing risk to operational activities and ensuring service		Ongoing	G

	continuity and prioritisation where necessary. • 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. • Continued development of ICT resource and capacity and security to support remote working • Revised approach to performance and prioritisation • Provision of COVID related projects • Development of mitigation for any delays to Project Dochas (bringing ICT in-house) resulting from COVID. To include options to ensure ICT business continuity. Identify emerging risks and possible mitigation	All ECOs		
CR18.6	Reducing Financial Impact: Reducing the current and future financial impact of COVID-19 to the Council. • Financial recovery planning • Implementation of policies and measures to reduce and prioritise spend • Support Elected Member lobbying for resources • Draw down of relevant Covid funding streams to be maximised	ECO Resources and Finance	Ongoing	C
CR18.9	Support the Socio-Economic Recovery of the Highlands: Identify any potential socio-economic impacts of COVID-19 on the Highlands, and where relevant design and implement appropriate interventions. • Poverty Reduction Strategy (led by ECO Communities and Place) • Economic Recovery Strategy (ECO Infrastructure, Environment and Economy) • Improvement and Transformation Programme (Interim ECO Transformation) • Implementation of Budget for Health and Prosperity (ECO Resources and Finance) • Future Highland Health and Prosperity Plan (Chief Executive)	Chief Executive	Ongoing	G
CR18.10	Supply chain and procurement of Personal Protective Equipment (PPE) and delivery of enhanced cleaning services and other building control measures: • 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	C

	• 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			
CR18.11	Supporting partners to reduce the risk of all COVID harms to the Highland communities: • Supporting the roll-out of asymptomatic testing • Supporting the rollout of the vaccination programme • Leading ongoing resilience support via helplines and food support • Participating in Local Resilience Partnership activity to tackle and reduce harm	ECO Communities and Place	Ongoing	G

Notes:
Each risk action is developing a corresponding action plan which is being managed by the responsible officer.
CR18.1: Responsible Officer changed from ECO Resources and Finance to Head of People. Some Services not fully compliant with risk assessment approach – reminder to be issued.
CR18.4: ECO Resources and Finance removed as a responsible officer.
CR18.6: Marked as complete Q1 2022/23. Some of these actions are being managed through CR1: Financial Sustainability. Lobbying for resources and drawdown of funding streams is no longer applicable.
CR18.10: Marked as complete Q1 2022/23.

CR19	Continuation of Education post COVID-19		Risk Rating	
			Current	Target
Risk Owner: ECO – Education and Learning		**Risk Type:** Physical, Financial, Reputational	E2	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	C
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	C
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	C
CR19.12	Options for pupil devices: Significant proportion of Chromebook estate will be	Head of Resources –	March 2022	C

	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).	Education & Head of ICT		

Notes:
CR19: All risk actions are no marked as complete. The current risk rating has changed from C2 to E2 (the target risk rating). The risk will no longer be managed on the Corporate risk Register.
CR19.2: Marked as complete Q4 2021/22.
CR19.3: Marked as complete Q1 2022/23.
CR19.7; Marked as complete Quarter 4 2021/22.
CR19.12: Marked as complete Quarter 4 2021/22. Full refresh of chromebooks has now either been delivered or on order.

		Risk Rating	
CR21	**Elections**	**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 has also undertaken an exercise to understand the allocation of staff against the overall resource plan for poll and count services to 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:				

CR22	Security and Resilience – Physical Assets and Infrastructure		Risk Rating	
			Current	**Target**
Risk Owner: Chief Executive		**Risk Type:** Physical	C2	D2

The Council must take all reasonable steps to protect our staff and communities from risks to their safety and security. Our infrastructure 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 and to enable business continuity of critical services and full recovery. *This should include preparation for the impact of extreme weather events, power outages and other risks in line with the Regional Risk Register*

Mitigating Actions:		Responsible Officer	Target Date	RAG
CR22.1	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**
CR22.2	Multi-agency planning and exercising: 1. We will continue to fully participate in multi-agency planning and exercising Regional Resilience Partnership (RRP) and Local Resilience Partnership (LRP) for emergencies based on the national *and regional* risk register 2. We will continue to participate in the multi-agency CONTEST Group as part of the UK government's Counter-terrorism strategy 3. All Emergency Liaison Groups (ELGs) will take part in exercises 4. *Review Care for People plans with partners*	Communications and Resilience Manager	Ongoing	**G**
CR22.3	New Protect Duty: Prepare for new legislation placing a duty of Local Authorities as owners of Publicly Accessible Locations.	ECO Property and Housing, ECO Infrastructure, Environment and Economy, and ECO Performance & Governance	TBC	**TBC**
CR22.4	NETs failure: All service Business Continuity Plans should be reviewed and exercised for the potential impacts of a major sustained power outage or series of outages.	All ECOs	December 2022	**TBC**

Notes:

CR22: The risk description and mitigating actions have been updated. New text is in italics.

CR22.3 and CR22.4 were added as mitigating actions in Quarter 2.

CR22.3: Although details of the new Protect Duty have yet to be published, the findings of the public consultation indicated that there is an expectation local authorities will have a significant part to play, in addition to being subject to the legislation as owner/operators of Publicly Accessible Locations (PAL). This could see local authorities become responsible for (a) bringing together those operating public spaces to establish security partnerships, (b) facilitating the sharing of best practice and (c) driving compliance. Potentially, this could include ensuring that operators engage with appropriate training, risk management information and, where appropriate, invest in physical security.

CR23	**Refugee Resettlement Programmes**		**Risk Rating**	
			Current	**Target**
Risk Owner: Head of Housing and Building Maintenance		**Risk Type:** Reputational	**C2**	**D3**

The Council is currently supporting several distinct resettlement programmes including refugees and displaced persons from Syria, Afghanistan, and Ukraine. In the case of the Ukraine crisis the response, is based on individual property owners offering to host displaced people on a temporary basis. Highland has seen one of the highest response rates in Scotland from the public.

In addition, the Scottish Government has entered into direct agreements with a hotel in Aviemore to place Ukrainian people on a temporary basis. There is a reputational risk associated with the high volume of property inspections to be undertaken against the expectations of hosts who have offered property and where Ukrainian families have not been able to move in pending inspections and disclosure checks.

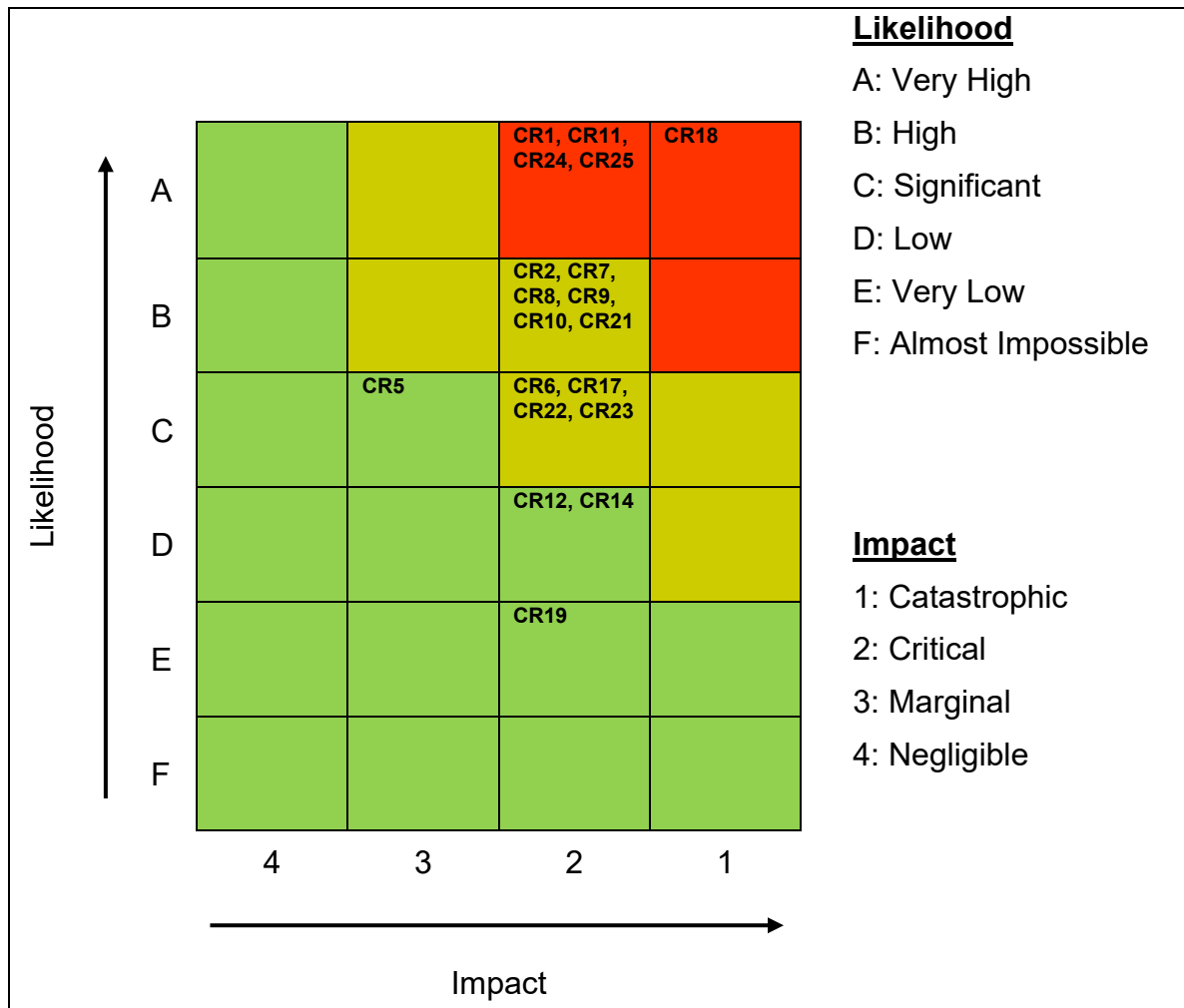| **Mitigating Actions:**		**Responsible Officer**	**Target Date**	**RAG**
CR23.1	Risk of Delay in property inspections: Addressed by prioritising work of Environmental Health Officers & options for additional support	Strategic Lead Environment Health and Bereavement Services	30 July 2022	**G**
CR23.2	Delays in disclosure checks	Head of Revenues and Customer Service	30 July 2022	**G**
CR23.3	Coordination of financial support and other services to Ukrainian Families	Head of Revenues and Customer Service and the Housing Policy and Investment Manager	Ongoing	**G**
CR23.4	Engagement with Scottish Government and COSLA related to refugee resettlement: Continue to engage fully with Scottish Government / COSLA national planning and coordination structures.	Housing Policy and Investment Manager	Ongoing	**G**
CR23.5	Excess demand for welfare services	Head of Revenues and Customer Service	Ongoing	**G**
CR23.6	Local Taxation & Benefits Administration	Head of Revenues and Customer Service	Ongoing	**G**
CR23.7	Excess demand on education services	Additional Support Needs Officer	Ongoing	**A**
CR23.8	Refugee Resettlement Press Releases: Regular press releases prepared to keep the public informed of the Council's role and response to the refugee crisis	Corporate Communications Manager and Resilience Manager	Ongoing	**G**
CR23.9	Potential for future homelessness presentations and associated housing support requirements	Head of Housing and Building Maintenance	Ongoing	**A**
CR23.10	Availability of interpretation services	Principal Policy Officer	Ongoing	**A**
CR23.11	Recovering Costs associated with Refugee Resettlement: Ensure all costs associated with the Ukraine crisis are collated and are recovered from Scottish and UK Governments	Service Finance Manager	Ongoing	**TBC**

Notes:
CR23.11: Mitigating action added in Q2 2022/23.

CR24	Care Home Viability		Risk Rating	
			Current	**Target**
Risk Owner: Head of Integration Adult Social Care		**Risk Type:** Financial and Social	A2	B3

Since the COVID-19 pandemic, five care homes have been transferred in that they have gone into administration or ceased trading. Two have been sold as a going concern (Mo Dhachaidh and Home Farm), two have closed, one is being sold by administrators and a further 3 are on the market. Other care homes in Highland are being financially supported by NHS Highland. This sum has arisen as a result of supplements being paid to providers to ensure ongoing service delivery and is part of the cost of delivering adult social care albeit currently funded by monies from Scottish Government.

As a result of these closures, a number of beds are not available. Further beds are not available as care homes which continue to operate do not have a full complement of staff to provide care for those waiting for care home availability. This has an impact in terms of cost and also the social cost in terms of waiting lists both for those at home and those delayed in hospital who are awaiting a care home placement.

The care home sector is also adversely impacted by the recent increases in utility costs (including insurance and food) which together with the staffing difficulties means that there is a very significant vulnerability in terms of the future viability of the sector illustrated by the closures to date.

Mitigating Actions:		Responsible Officer	Target Date	RAG
CR24.1	Ongoing work with NHSH to support ongoing service delivery.	Head of Integration Adult Social Care	Ongoing	G
CR24.2	Care Home Workforce planning: Workforce planning work to support a sustainable social care workforce to reduce numbers of agency workers required and/or beds which are not filled because of staff shortages.	Head of Integration Adult Social Care	Ongoing	R
CR24.3	Transformational work related to Care Home Viability: Transformational work looking to come up with care solutions which are not predicated on admission to a care home	Head of Integration Adult Social Care	Ongoing	R
CR24.4	National Care Service effect on Care Home viability: Creation and commencement of National Care Service is likely to have an impact which may mitigate risk but extent is yet to be determined.	ECO Health and Social Care	Ongoing	G

Notes:
CR24.1- CR24.3: Head of Integration Adult Social Care as link with NHS Highland as the lead agency
CR24.2: There is ongoing work but the assessment is such that the impact of this is not considered to be significant at this stage because the work was impacted by the urgent need to address the mitigating action identified at CR24.1 Now that CR24.1 is on target, this should reflect favourably on progress with CR24.2 and CR24.3, although difficulties in recruitment which are experienced nationally across the social care workforce will continue to impact.
CR24.3: There is ongoing work and the strategic planning group has been re-established after being on hold during the pandemic and there is a degree of optimism that this will lead to progress soon. The work was impacted by the urgent need to address the risk identified at CR24.1.

CR25	**Capital Programme Affordability and Deliverability**	**Risk Rating**	
		Current	**Target**
Risk Owner: ECO Infrastructure, Economy and Environment	**Risk Type:** Financial and Physical	**A2**	**TBC**

In December 2021, Highland Council approved a near £1bn, 15 year plan for investment across the Council's asset base. This investment is a critical part of ensuring the Council's assets are fit for purpose and support the effective delivery of services. Wider economic factors (that also impact on CR1: Financial Sustainability) will provide challenges to the successful delivery of all planned projects. Specific risks to the successful delivery of the programme include:

- Wider financial challenges (including rising interest rates) may mean the funding envelope for capital investment needs to reduce- this would necessitate a reduction in the size of the programme
- Wider construction market inflation means that many projects are seeing increasing costs. Any projects that exceed their budgets would require reduction or removal of other planned projects in order to fund the overspends

Contractor and material availability poses a significant challenge to delivering works on time and on budget.

Mitigating Actions:		Responsible Officer	Target Date	RAG
CR25.1	Capital Programme Review: Work to review the capital programme is underway with the intention to provide a revised and reduced programme for Council approval later in the financial year	ECO Infrastructure, Economy and Environment	March 2023	**G**
CR25.2	Enhanced Capital Programme Governance: The newly established officer Capital Programme Board will actively review individual project progress in order to ensure early mitigation of any issues arising.	ECO Infrastructure, Economy and Environment	Ongoing	**G**
CR25.3	TBC			

Notes:
CR25.3: An additional mitigating action is under development by officers related to project delivery to ensure success.

Appendix 3: Corporate Risk Matrix

Likelihood					
A			CR1, CR11, CR24, CR25	CR18	
B			CR2, CR7, CR8, CR9, CR10, CR21		
C		CR5	CR6, CR17, CR22, CR23		
D			CR12, CR14		
E			CR19		
F					
	4	**3**	**2**	**1**	

Likelihood (vertical axis) — **Impact (horizontal axis)**

Likelihood
A: Very High
B: High
C: Significant
D: Low
E: Very Low
F: Almost Impossible

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

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.