Agenda Item	7
Report No	AS/5/19

HIGHLAND COUNCIL

Committee: Audit and Scrutiny Committee

Date: 27 March 2019

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

Report By: **Depute Chief Executive/ Director of Corporate Resources**

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 every six months and presented to 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.

ii. Note that six monthly reviews of the Corporate Risk Register will continue to be reported each March and September to the Audit and Scrutiny committee.

iii. Note that the annual review of the Council's Risk Management Strategy and associated guidance has been completed with only minor grammatical changes required.

3.   Corporate Risk Register

3.1   As part of the risk management process, Highland Council has a Corporate Risk Register, **Appendix 1**. This is reviewed every six months by the Executive Leadership Team (ELT), and is then presented to the Audit and Scrutiny committee. Overall responsibility for the Corporate Risk Register sits with the Chief Executive.

3.2   The Corporate Risk Register was last presented to the Audit and Scrutiny committee in September 2018. The Register was reviewed by the Executive Leadership team in March 2019, and the following significant changes were made:

- Corporate Risk 1: Financial Sustainability. One new risk action has been added (CR1.8: Delivery of the Change Programme). The description of CR1.4: Budget savings, has been altered to reflect the budget for 2019/20 and the additional governance for this.
- Corporate Risk 3: Legislation that Significantly Changes the Council's Role. Following the reduction in the current risk status to below the risk appetite line, this has now been removed from the Corporate Risk Register.
- Corporate Risk 4: Brexit. The current risk rating has been increased from C2 to B2 and five new actions have been added: CR4.7 (Resilience planning); CR4.8 (Consultation on immigration); CR4.9 (Impact assessment); CR4.10 (Government funding); and CR4.11 (Share prosperity fund)
- Corporate Risk 5: Effective Governance in Local Decision Making. New risk action added, CR5.6 (Internal governance review).
- Corporate Risk 6: Workforce Planning. Three new actions have been added CR6.6 (Succession planning), CR6.7 (Absence management), and CR6.8 (Workforce transition).
- Corporate Risk 8: Demographic Change, CR4.8 (Consultation on immigration) has also been added as a mitigating action.
- Corporate Risk 9: Safe and Effective Property. Actions CR9.1 to CR9.4 have been removed as mitigating actions but the underlying work will continue as business as usual. Four new risk actions have been added, CR9.8 (Corporate property landlord model), CR9.9 (Annual property maintenance review), CR9.10 (Property compliance risk register), and CR9.11 (Directory of thematic strategies).

3.3   As part of the annual audit planning process, the Chief Audit Executive has reviewed the Corporate Risk Register and Service Risk Registers to inform the planned audits for 2019/20. Where an audit is planned in respect of one of the corporate risks this has been detailed within the mitigating action section. There are planned internal audits on:

- CR1.9: Purchase to pay process
- CR1.10: Procurement expenditure
- CR2.10: Cyber security arrangements
- CR4.12: EU funded schemes
- CR6.9: Absence management
- CR7.2: CRC scheme

3.4   There are now nine risks listed on the Corporate Risk Register. For each risk the following information is given:

- Risk name;
- Risk type;
- Current and target risk rating;
- A description of the risk;
- A risk owner;
- Current risk RAG status (Reflects the cumulative RAG status of the risk actions);

- Mitigating actions (with the responsible officer, target date, and current RAG); and
- Notes (where applicable).

3.5 The current and target risk ratings assigned to these risks are based on the risk matrix, **Appendix 2**, and have been determined by the Executive Leadership Team.

3.6 There are two risk actions which have a red RAG status (no significant progress):
- CR4.2 Financial Implications (Brexit)
- CR4.6 EU Funding (Brexit)

With both of these risk actions there are significant unknown financial implications, reliant on external factors, out with the Council's control.

4. Next Steps

4.1 Reports on the Corporate Risk Register will continue to be presented every six months to the Audit and Scrutiny committee in March and September.

4.2 The Council's Risk Management Strategy and associated guidance was redrafted working with Zurich Municipal and then approved by the Audit and Scrutiny committee in March 2018. As part of this there was a commitment to review this annually. This review was completed by the Corporate Performance Manager in March 2019, and only minor grammatical and immaterial changes were required.

4.2 Corporate Risk Management Group
In terms of the wider corporate risk management process in the Council, an officer working group is established and meets quarterly. This group pulls together officers from all Services and specialist expertise from across the Council on risk management.

5. Implications

5.1 Resource: Having a robust approach to risk management will continue to help the Council minimise future financial risks and implications.

5.2 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.

5.3 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 refreshed register will reduce the likelihood and potential impact of risks affecting our communities.

5.4 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.

5.5 Risk: The corporate risk management process reduces the Council's exposure to risk by ensuring that corporate risks are identified and proactively managed.

5.6 Gaelic: There are no Gaelic implications identified at this time.

Designation: Depute Chief Executive/Director of Corporate Resources
Author: Stephen Carr, Corporate Performance Manager, 18/03/2019

Appendix 1: Corporate Risk Register

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

CR1	**Financial Sustainability**			Risk Rating		RAG
				Current	Target	
Risk Owner: Depute Chief Executive/ Director of Corporate Resources		**Risk Type:** Financial		A2	C2	**G**

The Council faces a range of financial challenges, both revenue and capital, and we need to be able to plan and meet these challenges so that we can continue to deliver effective services and achieve all the priorities that we wish to. We will also need to act more commercially as an organisation to ensure this financial sustainability.

Mitigating Actions:		Responsible Officer	Target Date	RAG
CR1.2	Multi-year Budgets: Our financial approach is based on considering a range of different scenarios to address uncertain grant settlements and other external factors. A key part of the approach is looking at multi-year budgets with the flexibility to accelerate or slip actions as conditions change. External factors, including anticipated funding levels, will be reviewed every three months.	Head of Corporate Finance and Commercialism	Ongoing	**G**
CR1.4	Budget Savings: The delivery of 2018/19 budget savings is being monitored within Services and reported every three months to respective strategic committees. Overview of all savings delivered will be reported to Corporate Resources committee. The Council agreed its budget for 2019/20 at Council in February 2019. Additional scrutiny and support will be provided through the monthly member briefing beginning in March 2019 and the Resources and Implementation Board meeting weekly. However, there is still a risk around managing in-year (2018/19) budget pressures and addressing and resolving these pressures in a sustainable way from 2019/20 onwards.	Depute Chief Executive/ Dir. Corporate Resources	Ongoing	**A**
CR1.7	Three Year Revenue Budget: Agreement of Council to progress a three year revenue budget - medium term financial plan.	Depute Chief Executive/ Dir. Corporate Resources	February 2019	**C**
CR1.8	Delivery of the Change Programme: 16 projects agreed, supported where necessary by the new Change Fund, overseen by a Programme Management Office (PMO) and with additional scrutiny as described as part of CR1.4 along with a Programme Board of ELT.	Council Redesign Lead	March 2020	**G**
CR1.9	Internal audit of the purchase to pay process: Audit of the purchase to pay process to be undertaken including consideration of the budgetary control process. Exact scope and timing will be agreed with management.	Corporate Audit Manager	March 2020	**G**

CR1.10	Internal audit of procurement expenditure: Audit of procurement expenditure to ensure that contract arrangements are complied with to achieve best value for the Council and any off-contract spend is valid. Exact scope and timing will be agreed with management.	Corporate Audit Manager	March 2020	G

Notes:
CR1.4: Following the agreement of the Revenue Budget in February 2019, the Council committed to establishing additional governance around the delivery of all agreed budget savings. This will be monitored very closely on a weekly basis by the Chief Executive, Depute CEO and Budget Leader. Also planned is a monthly cross-party briefing to provide regular updates on progress. The risk action has been updated to reflect this ongoing activity.
CR1.7: Agreed at Council on 14th February 2019.
CR1.8: Delivery of the Change Programme – new action which has been added.
There are two planned related internal audits, one on the purchase to pay process (CR1.9), and one on procurement expenditure (CR1.10)

CR2	Security and Resilience		Risk Rating		RAG
			Current	Target	G
Risk Owner: Chief Executive		**Risk Type:** Physical, Technological	C2	D2	

The Council must take all reasonable steps to protect our staff and communities from risks to their safety and security. Our physical buildings and ICT networks and systems must be secure to protect against terrorist and criminal activity. Also, the Council must plan adequately to respond effectively to an emergency, to mitigate the impact upon our communities.

Mitigating Actions:		Responsible Officer	Target Date	RAG
CR2.1	Building Access Policies: All of our Responsible Premises Officers (RPOs) will develop site specific Building Access Policies. These will include evacuation and lockdown plans.	Head of Property Services	March 2018	A
CR2.3	Off-site Plans: We will implement Control of Major Accident Hazards (COMAH), and Radiation Emergency Preparedness and Public Information Regulations (REPPIR) off-site plans.	Communications and Resilience Manager	Ongoing	G
CR2.4	General Emergency Plan: We will update the Highland Council General Emergency Plan	Communications and Resilience Manager	March 2019	G
CR2.6	Multi-agency planning and exercising: 1. We will continue to fully participate in multi-agency planning and exercising Regional Resilience Partnership (RRP) and Local Resilience Partnership (LRP) for emergencies based on the national risk register 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	Communications and Resilience Manager	Ongoing	G

CR2.7	ICT Vulnerability Scans: Wipro, our ICT provider, will manage quarterly vulnerability scans including an annual IT Health Check in support of the Public Sector Network accreditation. This will help to highlight security gaps in the ICT estate. Remediation plans will be instigated in response to any issues identified.	ICT Operations Manager	Ongoing	**G**
CR2.8	Cyber Security: Our adherence to the "National Cyber Security Centre 20 Critical Controls will be pro-actively monitored. Where security gaps are identified, action plans will be developed to reduce cyber security risk.	ICT Operations Manager	Ongoing	**G**
CR2.9	Cyber Accreditation: We will achieve the cyber essentials security accreditation. We expect Scottish Government to set us a target to achieve this by October 2018.	ICT Operations Manager	October 2018	**C**
CR2.10	Internal audit of cyber security arrangements: Audit of the Council's Cyber Security arrangements to ensure that these are operating effectively and being adhered to by staff. Exact scope and timing will be agreed with management.	Corporate Audit Manager	March 2020	**G**

Notes:

CR2.1: Good progress has been made to complete building access policies for each of our sites. An assessment is currently being carried out to calculate how many sites still require a policy, and then install a revised target date for this action.

CR2.4: This is at an advance stage and will be completed by March 2019

CR2.9: Cyber essentials has been achieved and are now working towards Cyber Essentials Plus

CR2.10: An internal audit has been planned on cyber security arrangements.

CR4	Brexit		Risk Rating		RAG
			Current	**Target**	**A**
Risk Owner: Executive Leadership Team		**Risk Type:** Legislative/ Economic	**B2**	**D3**	

An exit from the EU will have a number of impacts on the Council, its partners and its communities. Negative impacts need to be mitigated where possible. Risk is especially high to business continuity for the Council if a no deal exit occurs, causing disruption to supplies, increased demands for service, price increases and potential loss of income and with insufficient time to plan mitigation especially where Government guidance is not provided or provided very late. Brexit will result in the loss of EU funding which, if not replaced by the Government, may pose a risk to the economic and social programmes of the Council and its partners. Interest rates and exchange rates may be affected by the withdrawal process impacting on the affordability of the Council's capital programme. Restrictions on the free movement of people could lead to skills gaps in the Council, our partner organisations and local businesses. These potential impacts need to be planned for and mitigated where possible.

Mitigating Actions:			Responsible Officer	Target Date	RAG
CR4.1	Networking: We will continue to engage and participate on key legislation and resilience through our networks including COSLA, COHI, Scottish Government, professional associations, and with our partners.		Chief Executive	Ongoing	**G**

CR4.2	Financial Implications: Our financial strategy will include an assessment of the risks associated with Brexit.	Head of Corporate Finance and Commercialism	Ongoing	R
CR4.3	Treasury Management: Our Treasury Management strategy will include an assessment of the risks associated with Brexit, and that the maturing debt profile is monitored and managed to avoid exposure to interest rate fluctuations.	Head of Corporate Finance and Commercialism	Ongoing	G
CR4.4	Capital Plan: The Capital Plan will include a risk assessment of the cost of borrowing, and it will be reviewed constantly to ensure its continued affordability.	Head of Corporate Finance and Commercialism	Ongoing	G
CR4.5	Workforce Strategies: Our workforce strategies will include an assessment of EU workforce dependencies and plans will be in place to maintain service delivery. Action to support EU nationals in the Council's workforce to remain if that is their choice began in 2018, and we will continue to promote information and resources to our workforce and to businesses.	Head of People and ICT	Ongoing	G
CR4.6	EU Funding: Our budget planning will include an assessment of European Union (EU) funding that can be accessed in order to maximise the degree of service delivery that can be achieved within Council budgets.	Director of Development and Infrastructure	Ongoing*	R
CR4.7	Resilience Planning: We will participate in the local, regional and national resilience planning for a no deal exit. We will identify short and medium term impacts and any mitigation through our business continuity plans. We will participate in any multi-agency response to significant impacts, and have plans in place to re-prioritise council work should this be required in the first three months of exit and then plan for sustained impacts. We will review this action in mid-late March 2019 when the likelihood of a no deal exit should be clarified.	Communications and Resilience Manager	June 2019 *Review mid-March 2019*	G
CR4.8	Consultation on Immigration: We will engage in the UK Government's consultation on Immigration and make the case for immigration policy to support the socio-economic development of the region.	Director of Development and Infrastructure	Dec 2019	G
CR4.9	Impact assessment: We will assess the impact of an EU exit with a Withdrawal Agreement and transition period on the Council, its partners and communities. We will plan for an orderly exit with negative impacts mitigated as far as possible and identify and maximise any opportunities.	Head of Policy and Reform	Jan 2021	G
CR4.10	Government funding: We will quantify any new costs arising to the Council from EU withdrawal and seek Government funding as appropriate.	Head of Corporate Finance and Commercialism	Dec 2019	G

| CR4.11 | Shared Prosperity Fund: We will engage with the UK and Scottish Governments on the Shared Prosperity Fund, the successor fund for EU structural and social funds, and on agricultural support. | Director of Development and Infrastructure | Dec 2019 | G |
| CR4.12 | Internal audit of EU funded schemes: Audit of EU funded schemes to ensure that the Scheme requirements are complied with and that all eligible funds are claimed. Exact scope and timing will be agreed with management. | Corporate Audit Manager | March 2020 | G |

Notes:

This risk and the mitigating actions will be reviewed frequently by the Executive Leadership Team given the uncertain, complex and evolving nature of EU exit arrangements. The risk description has been redefined to better represent the current risk to the Council.

The current risk rating has been increased from C2 to B2.

CR4.1: The description has been redefined to clarify the ongoing activity

CR4.2 and CR4.6: Both these risk actions are marked as red (no significant progress) as there are significant unknown financial implications, reliant on external factors, out with the Council's control.

Five new actions (CR4.7 to CR4.11) have been added to the risk register to mitigate the risks arising from Brexit

CR4.12: There is a planned internal audit of EU funded schemes.

*until end of EU funding guarantee (~2021)

CR5	Effective Governance in Local Decision Making		Risk Rating		RAG
			Current	**Target**	**G**
Risk Owner: Head of Corporate Governance		**Risk Type:** Political, financial, citizen	**C3**	**D3**	

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
CR5.1	Code of Corporate Governance: We will ensure compliance with the seven principles outlined in the Code of Corporate Governance.	Head of Corporate Governance	Ongoing	C
CR5.2	Standing Orders and Scheme of Delegation: We will review both of these, at least annually to ensure they are fit for purpose	Head of Corporate Governance	Ongoing	C
CR5.3	Devolved Budgets: We will develop and review policies for minimum standards for devolved budgets as required.	Depute Chief Executive/ Dir. Corporate Resources	Ongoing	G
CR5.4	Local Participation: We will work with Members in local areas to define localism and to explore new ways to widen public participation in Council decisions and in community-run services.	Head of Policy and Reform	December 2018	A

CR5.5	Local Partnerships: We will develop and facilitate the work of Community Partnerships as a forum for local partnership priorities and action.	Acting Head of Policy	Ongoing	**G**
CR5.6	Internal Governance Review: Having engaged Members in local workshops in 2017/2018 and in the Member seminar in January 2019, the Governance Review Steering Group will develop proposals for Council in June 2019.	Chief Executive's Business Manager	June 2019	**G**

Notes:

CR5.4: Work is progressing to take forward new options for local participation. This builds on feedback from the engagement undertaken with Community Councils and the wider community in 2018 and will be supported by the internal governance review. It has been agreed that the approach to local income generation, which will include local engagement and participation, will be delivered as part of the Change Programme and overseen through the Programme Management Office. The engagement programme is currently being developed which is intended to begin in April and run until November 2019 and undertaken on an area by area basis.

CR5.6: New risk action has been added. The Local Governance Review will help provide effective governance in local decision making.

CR6	Workforce Planning		Risk Rating		RAG
			Current	Target	**G**
Risk Owner: Head of People and ICT		**Risk Type:** Financial	B2	C2	

Our most important resource is our staff, and they are at the centre of the services that we provide. Given the changing nature of the organisation, and the need to reduce the workforce, we need to make sure we continue to have the right people, with the right skills, in the right place at the right time.

Mitigating Actions:		Responsible Officer	Target Date	RAG
CR6.1	Corporate Workforce Plan: Our service workforce plans will be presented to our strategic committees in October/ November 2017, with the Corporate action plan to be produced by January 2018.	Head of People and ICT	June 2018	**C**
CR6.2	Modern Apprenticeship Programme: We will achieve our ambitious target to build capacity to engage 150 Modern Apprenticeships in Highland Council.	Head of People and ICT	September 2019	**G**
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 and ICT	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 and ICT	TBD	**A**
CR6.5	Senior staff recruitment: We will conduct effective recruitment and inductions for senior vacancies in the organisation to ensure stability in performance.	Head of People and ICT	March 2019	**C**

CR6.6	Succession Planning: The workforce planning cycle is established and all services are developing succession plans.	Head of People and ICT	April 2020	G
CR6.7	Absence management: A newly established Attendance Support Officer (ASO) has been working with Services since March 2018, with an additional ASO to be appointed in May 2019 to focus support in costs attributable from absence in schools. Also resilience, wellbeing and performance training is being planned for FY 2019 with an ambition of supporting as many employees as possible during the period.	Head of People and ICT	April 2020	G
CR6.8	Workforce transition: Transition of employees across the workforce is a critical factor in realising many of the Council's budget savings options, particularly in the Care and Learning Service. Transition planning is one of four priorities in the Council's workforce strategy. A transition portal is being developed to support this process. Two additional HR Officers, resourced by the change fund, will be recruited create capacity to support transition.	Head of People and ICT	April 2020	G
CR6.9	Internal audit of absence management: Audit of absence management to ensure that the policies are being complied with across the Council and that accurate, complete and timely absence data is produced and acted upon. Exact scope and timing will be agreed with management.	Corporate Audit Manager	March 2020	G

Notes:

CR6.4: Target date is to be determined and is dependent on the ICT Transformation Programme

CR6.5: The Council has recently recruited a new Chief Executive. The target deadline was met and a new candidate successfully appointed. The Council is currently embarked upon a restructure of the Senior Leadership of the Council with a scope encompassing all Directors and Head of Service positions.

CR6.6 to CR6.8: New risk actions have been added. CR6.7: The Council has conducted compulsory Absence Management training for all managers.CR6.8: Effective workforce transition is critical to deliver budget savings.

CR6.9: There is a planned internal audit on absence management

CR7	Climate Change			Risk Rating		RAG
				Current	Target	G
Risk Owner: Director of Development and Infrastructure		**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).

Mitigating Actions:		Responsible Officer	Target Date	RAG
CR7.1	Adaptation Strategy: Our climate change adaptation strategy was last updated in January 2012. We will revise this to identify the key climate change risks to the Council and the Highlands, and set out an action plan to address these.	Climate Change Officer	December 2020	G
CR7.2	Internal audit of CRC scheme: review in 2019/20 audit plan: annual audit of Compliance with the Carbon Reduction Energy Efficiency Scheme undertaken. Exact timing to be agreed with management but will be either quarter 3 or 4.	Corporate Audit Manager	March 2020	G

Notes:
CR7.1: The target date for completing the Adaptation Strategy has been revised from December 2018 to December 2020. As reported to committee in September, this is as a result of the level of stakeholder and community engagement, strategy and governance work required to develop this.
CR7.2: An annual audit of the CRC scheme will be undertaken.

CR8	Demographic Change			Risk Rating		RAG
				Current	Target	G
Risk Owner: Executive Leadership Team		**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.	Director of Care & Learning	Ongoing	G
CR8.3	Balance of Care: Push for progress on shifting the balance of care.	Resource Manager (Adult Services)	Ongoing	A
CR8.4	Workforce Plans: We will ensure there are sustainable recruitment strategies in our workforce plans.	Service Directors	Ongoing	G

CR8.5	Workforce Strategies: Our workforce strategies will include an assessment of changing and increasing demands for services.	Head of People and ICT	Ongoing	**G**
CR8.6	Financial Strategy: Our financial strategy will include an assessment of the risks and implications associated with demographic change.	Head of Corporate Finance and Commercialism	Ongoing	**G**
CR8.7	Partnership Working: Work with our partners, principally the Community Planning Partnership, to plan services that are responsive to demographic changes.	Chief Executive	Ongoing	**G**
CR4.8	Consultation on Immigration: We will engage in the UK Government's consultation on Immigration and make the case for immigration policy to support the socio-economic development of the region.	Director of Development and Infrastructure	Dec 2019	**G**

Notes:

CR8.3 Draft strategic plan not yet agreed.

CR8.5 Workforce strategies are in place (complete) and projects are being developed to deliver these. The target has been changed from March 2018 to ongoing to reflect the nature of this work.

CR4.8: this new risk action relates both to the Brexit and the Demographic Change risks.

CR9	Safe and Effective Property		Risk Rating		RAG
			Current	**Target**	**G**
Risk Owner: Head of Property Services		**Risk Type:** Physical, Financial	**B2**	**D2**	

We need to ensure that our buildings and premises provide safe and effective environments for people who use our services, and our staff. We must rationalise property assets to reduce the amount of money we have tied up in fixed assets, and the associated running costs.

Mitigating Actions:		Responsible Officer	Target Date	RAG
CR9.1	Corporate Property Strategy: We will implement our Corporate Property Strategy and review our Corporate Property Asset Management Plan. This will help to align our property assets with our goals and objectives.	Head of Property Services	March 2018	
CR9.2	Property Review: Following the completion of CR9.1, we will conduct a review of how we can measure condition, suitability and sufficiency of the property portfolio. This will include: a desktop study of existing information; updating of existing condition surveys; procurement of surveys to properties that currently don't have a condition survey; review outcomes and risk profile from surveys; and prioritise findings.	Property Manager	September 2018	
CR9.3	Maintenance programme: Following the completion of CR9.1, we will prepare a programme of works to address backlog maintenance and upgrade property conditions to satisfactory / legislative compliance standards.	Property Manager	September 2018	

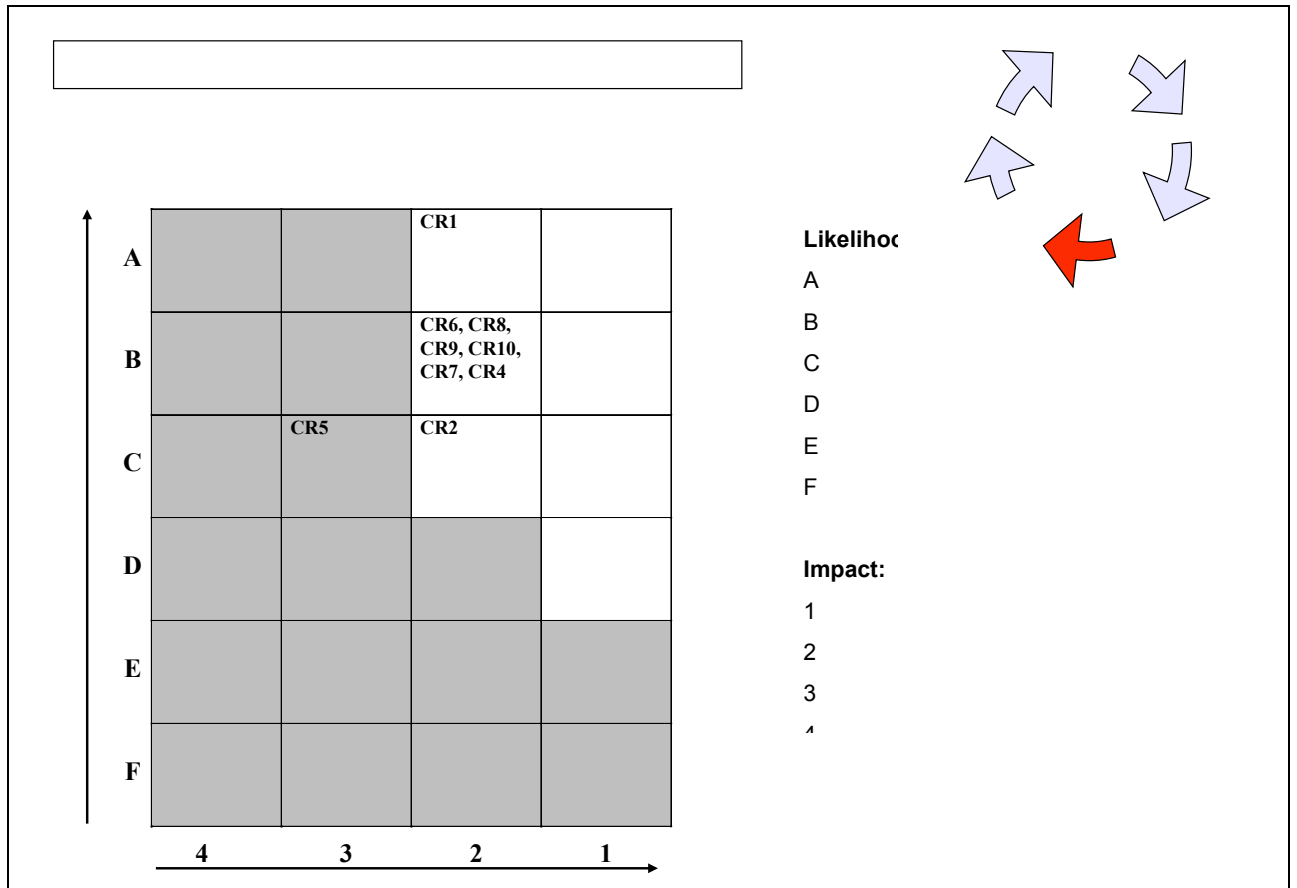|				
CR9.4	Corporate Property Management: Following the completion of CR9.1, we will define arrangements for implementing the corporate property direction including transfer/ alignment of budgets for property improvement.	Head of Property Services	September 2018	
CR9.7	Fire Safety: We will review and update current fire safety arrangements across all our properties. This work will continue to be taken forward by the Fire Safety Working Group.	Director of Development and Infrastructure	Ongoing	**A**
CR9.8	Corporate property landlord model: Following from the Property Management policy which sets out current arrangements for property, a paper to the Executive Leadership Team will explore the next steps to establish a corporate landlord model. This will enable coherent strategies to simplify and improve decision making on maintaining a compliant property portfolio within available resources.	Head of Property Services	August 2019	**G**
CR9.9	Annual property maintenance review: An annual position statement on all property related risks will be produced for management purposes.	Property Manager	May 2019	**G**
CR9.10	Property compliance risk register: This risk register has been established and will be further developed to cover all areas of property related risk. Action plans to mitigate risk will form part of the register and will continue to be developed and implemented for each significant risk identified.	Property Manager	Ongoing	**G**
CR9.11	Directory of Thematic strategies: short thematic strategies will be produced for each type of property risk e.g. fire, water, gas etc.). The first strategy 'Driving Down Fire Risk' has been drafted, updated and tabled at the last Fire Safety Group meeting.	Property Manager	Ongoing	**G**

Notes:

CR9.1 to 9.4 are to be removed as mitigating actions but the underlying work will continue as business as usual. For information, the overarching Property management policy was approved by the EDI committee in November 2017; property condition and suitability surveys are underway via Property and Care and Learning teams; Property maintenance budgets have been transferred from Care and Learning Service to the Development and Infrastructure Service.

CR9.7: The Fire Safety Group is now being chaired by the Director of Development and Infrastructure, as such the responsible officer has been updated. A Fire Safety Action Plan is in place and many of the actions are complete. The remaining actions are ongoing and will require regular review, as such the target date has been updated to ongoing to reflect this.

Four new actions have been added: CR9.8 Corporate property landlord model; CR9.9 Annual property maintenance review; CR9.10 Property compliance risk register; CR9.11 Directory of thematic strategies.

CR10	Condition of our Roads		Risk Rating		RAG
			Current	Target	G
Risk Owner: Director of Community Services		**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	
CR10.1	Free up additional resources: Officers will work with Members throughout 2018/19 to identify ongoing capital savings through better cost management and realisation of project underspends in order to redirect funds to these vital road repairs.	Director of Community Services	April 2019	G
CR10.2	Innovation and Partnership working: The Service will continue to use innovative techniques to secure best value for the Council and will work closely with partners, including Transport Scotland, to achieve this.	Head of Roads and Transport	Ongoing	G
CR10.3	Additional Inward Investment: Support lobbying activity to secure additional inward investment in road maintenance.	Director of Community Services	Ongoing	G

Notes:
CR10.1: Additional £1.5m recurring revenue for roads agreed in the Council budget set on 14 February 2019.

Appendix 2: Refreshed Risk Matrix

	4	3	2	1
A			CR1	
B			CR6, CR8, CR9, CR10, CR7, CR4	
C		CR5	CR2	
D				
E				
F				

Likelihoo
A
B
C
D
E
F

Impact:
1
2
3
4

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