HIGHLAND COUNCIL

Committee: Audit and Scrutiny Committee

Date: 23 September 2021

Report Title: **Review of Corporate Risks**

Report By: Corporate Audit and Performance Manager

1.   Purpose/Executive Summary

1.1   The Corporate Risk Register identifies the Council's key strategic risks and the actions being taken to mitigate these. It is reviewed by the Executive Leadership Team quarterly and presented to every Audit and Scrutiny Committee.

2.   Recommendations

2.1   Members are asked to:

   i.   Scrutinise the Corporate Risk Register provided at Appendix 1 and consider the risk profile at Appendix 2.

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

3.2   Legal: The Corporate Risk Register supports the Chief Audit Executive (the Corporate Audit Manager) to provide an annual internal audit opinion that concludes on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

3.3   Community (Equality, Poverty and Rural): Having a Council which is resilient to risk means that it is better positioned to support its communities. Some of the actions detailed on the register will reduce the likelihood and potential impact of risks affecting our communities.

3.4   Climate Change / Carbon Clever: As highlighted in Corporate Risk 7, the Council

will need to adapt to the potential impacts of climate change and build resilience in its own operations and in its communities. Corporate Risk 9 also highlights the need to rationalise property assets and to make sure buildings are fit for purpose, which will reduce the Council's carbon emissions.

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

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

4.   Corporate Risk Register
4.1 As part of the risk management process, Highland Council has a Corporate Risk Register, **Appendix 1**. This is reviewed every three months by the Executive Leadership Team and is presented to every Audit and Scrutiny Committee meeting. Overall responsibility for Corporate Risk sits with the Chief Executive.

4.2 The Corporate Risk Register was last presented to this committee in June 2021 and no new risks have been added to the Register.

4.3 There are currently 17 risks on the Corporate Risk Register. For each risk the following information is given:
- Risk name;
- Risk type;
- Current and target risk rating;
- A description of the risk;
- A risk owner;
- Mitigating actions (with responsible officer, target date, and current RAG);
- Notes (where applicable).

4.4 The risk rating of Corporate Risk 6 (Workforce Planning) has been reduced from B2 to C2 in Quarter 1 2021/22. This reflects the likelihood of the risk arising changing from "high" to "significant" given the progress with the mitigating actions.

4.5 The risk owner of Corporate Risk 7 (Climate Change) has changed from ECO Infrastructure and Environment to ECO Performance and Governance.

4.6 The risk definition of Corporate Risk 18 (COVID-19) has been updated to better represent the current nature of the risk. The detail of mitigating actions has been updated to better represent the actions being undertaken.

4.7 The risk definition of Corporate Risk 19 (Return to Education) has been updated to better represent the current nature of the risk. The detail of mitigating actions has been updated to better represent the actions being undertaken.

4.8 For Corporate Risk 20 (Data Transfers and Google for Education) the risk rating has decreased from C2 to D4 and this risk will be removed from the Corporate Risk Register. All mitigating risk actions have been completed.

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

4.10 There is one risk action which has a red RAG status (no significant progress):
- CR1.11: Internal audit of procurement expenditure

This audit was originally planned for completion by March 2021 and has now been carried forward into the 2021/22 audit plan. Work has now started on the audit and an improvement in status is expected to be reported to the 25 November 2021 Audit & Scrutiny Committee.

Designation: Corporate Audit and Performance Manager

Author: Stephen Carr, Corporate Performance Manager, 08/09/2021

Appendix 1: Corporate Risk Register

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

CR1	**Financial Sustainability**			**Risk Rating**	
				Current	**Target**
Risk Owner: Head of Corporate Finance and Commercialism		**Risk Type:** Financial		**C2**	**C2**
The Council faces a range of financial challenges, both revenue and capital, and we need to be able to plan and meet these challenges so that we can continue to deliver effective services and achieve all the priorities that we wish to. These challenges have increased significantly since the emergence of COVID-19 which is placing significant pressure on the Council's budget with limited time to plan a financial response. We will need to act more commercially as an organisation to ensure this financial sustainability.					
Mitigating Actions:			Responsible Officer	Target Date	RAG
CR1.2	Multi-year Budgets: Our financial approach is based on considering a range of different scenarios to address uncertain grant settlements and other external factors. A key part of the approach is looking at multi-year budgets with the flexibility to accelerate or slip actions as conditions change. External factors, including anticipated funding levels, will be reviewed every three months.		Head of Corporate Finance and Commercialism	Ongoing	**A**
CR1.4	Budget Savings: Every year the Council has a requirement to deliver approved budget savings, the delivery of which is important to ensuring a balanced budget in-year. Forecast service outturn positions and updates on the delivery of savings are monitored within Services and reported every three months to respective strategic committees. An overview of all savings and the overall monitoring position is scrutinised by the Executive Leadership Team and reported to Corporate Resources Committee.		Head of Corporate Finance and Commercialism	Ongoing	**G**
CR1.10	Internal audit of the purchase to pay process: Audit of the purchase to pay process to be undertaken including consideration of the budgetary control process. Exact scope and timing will be agreed with management.		Corporate Audit Manager	June 2021	**A**
CR1.11	Internal audit of procurement expenditure: Audit of procurement expenditure to ensure that contract arrangements are complied with to achieve best value for the Council and any off-contract spend is valid. Exact scope and timing will be agreed with management.		Corporate Audit Manager	March 2021	**R**
CR1.13	Financial Recovery Strategy: One of the priorities of the Recovery Action Plan approved by Council on the 25th June is a 'Financial Recovery Strategy'. This strategy contains a number of actions across a range of activity areas that will support both the recovery from COVID-19 but also help ensure the longer-term financial sustainability of the Council.		ECO Finance and Resources	Ongoing	**C**
Notes:					

Notes:
CR1.4: The description of this risk action has been updated from: "The Council agreed its budget for 2019/20 in February 2019, including savings of £21.4m. Not all 2019/20 budget savings were fully delivered but the Council delivered an overall underspend of £7.6m. The 2020/21 budget was agreed in March 2020 is being monitored within Services and reported every three months to respective strategic committees. An overview of all

savings is reported to Corporate Resources Committee. Due to COVID-19 there is significant risk around the delivery of certain savings and managing in-year budget pressures and work is ongoing to resolving these issues in a sustainable way."

CR1.11: Delays in progressing this audit during 2020/21. Revised Terms of Reference for the audit being scoped in Quarter 2 2021/22 and this is now planned to report to November Audit & Scrutiny Committee.

CR1.13: Marked as complete Q1 2021/22. The recovery action plan is complete, with one exception, actions are now complete, business as usual or are subsumed into the Transformation Programme.

CR2	Security and Resilience		Risk Rating	
			Current	Target
Risk Owner: Chief Executive		**Risk Type:** Physical, Technological	C2	D2
The Council must take all reasonable steps to protect our staff and communities from risks to their safety and security. Our physical buildings and ICT networks and systems must be secure to protect against terrorist and criminal activity. Also, the Council must plan adequately to respond effectively to an emergency, to mitigate the impact upon our communities.				

Mitigating Actions:		Responsible Officer	Target Date	RAG
CR2.1	Building Access Policies: All of our Responsible Premises Officers (RPOs) will develop site specific Building Access Policies. These will include evacuation and lockdown plans.	Head of Property Services	March 2018	A
CR2.3	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	C
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
CR2.8	Cyber Security: ICT undertake an external ICT Security Health check annually to ensure independent verification. Regular patching regimes are in place for ICT infrastructure and we review active security notifications from external sources and community of practise groups such as CISP and NCSC. We will follow and adopt national standards as appropriate from UK and Scottish Governments. We constantly monitor security threat and have weekly reviews and monitoring updates through our ICT Security function. ICT updates and changes are reviewed for security risks prior to implementation.	ICT Operations Manager (Service)	Ongoing	G
CR2.11	Internal audit of cyber security arrangements: Audit of the Council's Cyber Security arrangements to ensure that these are operating effectively and being adhered to by staff. Exact scope and timing will be agreed with management.	Corporate Audit Manager	September 2021	A
Notes: CR2.1: As reported to Audit and Scrutiny Committee, 31 March 2021: Headteachers unable to resource action. Funding not in place to support				

lockdown systems. It is important that schools have procedures to follow, know what they should do, with whatever they have at the time, under a lockdown situation and that they have tested these plans. Plans for schools have been developed and are centrally collated in SharePoint. Work is ongoing through the approved Corporate Landlord Model (August 2020) and updated Asset Management Strategy (December 2020) to identify how to identify the investment requirements and consequently the capital and revenue budgets that will be required to address this specific issue. A programme of stock condition surveys is currently in the final stages of being placed for tender and is anticipated to commence in May 2021. Also refer to CR9 on Safe & Effective Property.

CR2.3: Marked as complete Q1 2020/21, all plans are in place.

CR2.8: Annual Public Services Network related IT Health Check in progress, Cyber Incident response process and actions under review. The Cyber Security Centre 20 Critical Controls are no longer valid. Action description changed from "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". Responsible Officer changed from ICT Service and Performance Manager to ICT Operations Manager (Service).

CR2.11: The audit fieldwork is now in progress.

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

The exit of the UK from the EU may impact the Council, its partners and its communities. Negative impacts need to be mitigated where possible. Risks which may arise include: disruption to supply chains; increased demands for service; price increases and potential loss of income and with insufficient time to plan mitigation especially where Government guidance is not provided or provided very late. Brexit will result in the loss of EU funding which, if not replaced by the Government, may pose a risk to the economic and social programmes of the Council and its partners. New national immigration policy restricting the free movement of people could lead to skills gaps in the Council, our partner organisations and local businesses. These potential impacts need to be planned for and mitigated where possible.

Mitigating Actions:		Responsible Officer	Target Date	RAG
CR4.1	Networking: We will continue to engage and participate on key legislation and resilience through our networks including COSLA, COHI, Scottish Government, professional associations, and with our partners.	ECO Performance and Governance	Ongoing	G
CR4.2	Financial Implications: Our financial strategy will include an assessment of the risks associated with Brexit.	Head of Corporate Finance and Commercialism	Ongoing	G
CR4.4	Capital Plan: The Capital Plan will include a risk assessment of the cost of borrowing, and it will be reviewed regularly to ensure its continued affordability.	Head of Corporate Finance and Commercialism	Ongoing	G
CR4.5	Workforce Strategies: Our workforce strategies will include an assessment of EU workforce dependencies and plans will be in place to maintain service delivery. Action to support EU nationals in the Council's workforce to remain if that is their choice began in 2018, and we will continue to promote information and resources to our workforce and to businesses.	Interim Head of HR	Ongoing	C
CR4.6	EU Funding: Our budget planning will include an assessment of European Union (EU) funding that can be accessed in order to maximise the degree of service delivery that can	Economy and Regeneration Manager	Ongoing*	G

	be achieved within Council budgets.			**G**
CR4.8	Immigration Policy: We will continue to work with the UK Government and make the case for regional immigration policy to support the socio-economic development of the Highlands.	Economy and Regeneration Manager	Ongoing	**G**
CR4.10	Government funding: We will quantify any new costs arising to the Council from EU withdrawal and seek Government funding as appropriate.	Head of Corporate Finance and Commercialism	March 2022	**G**
CR4.11	Shared Prosperity Fund: We will continue to engage with the UK and Scottish Governments on the Shared Prosperity Fund, the successor fund for EU structural and social funds. This includes vital funding to third sector organisations in the Highlands.	Economy and Regeneration Manager	Ongoing	**G**

Notes:
CR4.5: This is now considered business as usual, and the action is marked as complete at Q1 2021/22.

*until end of EU funding guarantee (~2021)

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

We need to develop arrangements for effective local decision making and to enable our communities to engage and participate at a local level. We must put in place effective and consistent governance arrangements for local decision making to ensure we are able to fully achieve the priorities of our local communities, while being in alignment with strategic priorities.

Mitigating Actions:		Responsible Officer	Target Date	RAG
CR5.3	Resources for Place Based Approaches: A review of resources to support Place Based approaches.	ECO Resources and Finance	Ongoing	**G**
CR5.4	Local Participation: We will work with Members in local areas to on place-based approaches and to explore new ways to widen public participation in Council decisions and in community-run services including prioritisation of budgets.	Head of Community Support and Engagement	Ongoing	**G**
CR5.5	Local Partnerships: We will develop and facilitate the work of Community Partnerships as a forum for local partnership priorities and action.	Head of Community Support and Engagement	Ongoing	**G**

Notes:
CR5.3: Updates are provided for this action from all ECOs.

		Risk Rating	
CR6	**Workforce Planning**	**Current**	**Target**
Risk Owner: Interim Head of HR	**Risk Type:** Financial	**C2**	**C2**

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

Mitigating Actions:		Responsible Officer	Target Date	RAG
CR6.3	OHSW: We will continue to address the occupational health, safety, and well-being (OSHW) challenges identified through our annual OHSW report with progress monitored quarterly.	Interim Head of HR	Ongoing	**A**
CR6.4	Electronic management system: We will introduce an electronic occupational health, safety, and well-being management system to improve reporting and reduce the risk of sending confidential personal information through the post.	Interim Head of HR	TBD	**A**
CR6.6	Succession Planning: The workforce planning cycle is established and all services are developing succession plans.	Interim Head of HR	April 2022	**G**
CR6.7	Absence management: A newly established Attendance Support Officer (ASO) has been working with Services since March 2018, with an additional ASO to be appointed in May 2019 to focus support in costs attributable from absence in schools.	Interim Head of HR	April 2022	**G**

Notes:

CR6: The risk rating has been reduced from B2 to C2 in Quarter 1 2021/22. This reflects the likelihood of the risk arising changing from "high" to "significant" given the progress with the mitigating actions to date.

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: Risk Owner changed from ECO Infrastructure and Environment in Quarter 1 2021/22.

CR7.1: The target date has been changed from June 2021 to June 2023. The Highland Adapts Principal Project Manager is now in post, and governance for the partnership is currently being developed. An officer workshop was held in June 2021 to better understand the adaptation capability framework, to assess the Council's performance in respect of climate change adaptation. Work is currently underway to assess the Council programme's exposure to climate risk.

CR7.4: The development of this strategy is predicated on the setting of a net zero target date. However, a variety of critical actions which must be taken forward were agreed by the Environment and Infrastructure committee on 5th May 2021.

CR7.5: At a meeting of Environment and Infrastructure committee on 5th May 2021, Members agreed that a Member workshop should be set up to discuss options for the setting of a corporate net zero target date. It is anticipated that this workshop will take place after the summer recess, with a proposal then taken to full Council.

CR8	Demographic Change		Risk Rating	
			Current	**Target**
Risk Owner: ECO Communities & Place		**Risk Type:** Social, Customer, Financial	**B2**	**C3**
The population in Highland, its distribution, its demography and the related service demands are changing. The Council must plan and act for these changes to be able to deliver the services that people require. This includes achieving the benefits of an integrated service health and social care service for adults, involving the development of more community based services.				
Mitigating Actions:		Responsible Officer	Target Date	RAG
CR8.2	Local Partnership Plans: We will ensure targets are included in Local Partnership Plans.	Children's Planning Manager	Ongoing	**G**
CR8.3	Balance of Care: Push for progress on shifting the balance of care.	ECO Health and Social Care	Ongoing	**G**
CR8.4	Workforce Plans: We will ensure there are sustainable recruitment strategies in our workforce plans.	All ECOs	Ongoing	**G**
CR8.5	Workforce Strategies: Our workforce strategies will include an assessment of changing and increasing demands for services.	Interim Head of HR	Ongoing	**G**
CR8.6	Financial Strategy: Our financial strategy will include an assessment of the risks and implications associated with demographic change.	Head of Corporate Finance and Commercialism	Ongoing	**G**
CR8.7	Partnership Working: Work with our partners, principally the Community Planning Partnership, to plan services that are responsive to demographic changes.	ECO Communities and Place	Ongoing	**G**
CR8.8	Economic Recovery Programme: Implement the programme of economic recovery including support for people to access employment as agreed at Council on 04.03.21	ECO Infrastructure and Environment	March 2022	**G**
CR4.8	Immigration Policy: We will continue to work with the UK Government and make the case for regional immigration policy to support the socio-economic development of the Highlands (linked to Risk 4 above)	Economy and Regeneration Manager	Ongoing	**G**
Notes:				

CR9	Safe and Effective Property		Risk Rating	
			Current	**Target**
Risk Owner: ECO Housing & Property		**Risk Type:** Physical, Financial	**B2**	**D2**
We need to ensure that our buildings and premises provide safe and effective environments for people who use our services, and our staff. We must rationalise property assets to reduce the amount of money we have tied up in fixed assets, and the associated running costs.				

Mitigating Actions:		Responsible Officer	Target Date	RAG
CR9.7	Fire Safety: We will review and update current fire safety arrangements across all our properties. This work will continue to be taken forward by the Fire Safety Working Group.	ECO Housing & Property	Ongoing	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
CR9.10	Property compliance risk register: This risk register has been established and will be further developed to cover all areas of property related risk. Action plans to mitigate risk will form part of the register and will continue to be developed and implemented for each significant risk identified.	Property Manager	Ongoing	A

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

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

Highland Council is responsible for the largest road network in Scotland, comprising over 6,700 km of carriageways and 1,902 km of footways. The Road Condition Indicator (RCI) is a national Key Performance Indicator (KPI). The national average for 2016 was 36.7% and Highland Council was 39.1%. Highland was ranked 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 and Environment	Ongoing	G
CR10.3	Additional Inward Investment: Support lobbying activity to secure additional inward investment in road maintenance.	ECO Infrastructure and Environment	Ongoing	G

Notes:

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

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

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

Mitigating Actions:		Responsible Officer	Target Date	RAG
CR11.2	Project Governance: Ensure appropriate governance through the officer project board; senior officer scrutiny from ELT and ORIT, Resources Governance and Transformation Boards; member oversight and scrutiny via the Member Waste Strategy Working Group; Recovery, Improvement and Transformation Board, C&P Committee; and the Council.	ECO Communities & Place	On-going	G
CR11.5	Waste Contract Procurement: Re-procure residual waste contracts for 2023-27	ECO Communities & Place	December 2022	G
CR11.6	Waste Transfer Stations: Progress the development of 3 new waste transfer stations in line with the project plan and waste capital programme	ECO Communities & Place	Ongoing	A
CR11.7	Options Appraisal: Conclude the options appraisal for an Energy from Waste Plant and report recommendations to Committee	ECO Communities & Place	December 2022	G

Notes:
CR11.5: Tender notice published July 2021. Tender evaluation due December 2021/ January 2022.
CR11.6: Inverness development affected by protected species on site and risk of specification for piling changing. Delays to securing Fort William site but progress in Q2. Aviemore development on time.

CR12	**NHS Highland Partnership**	**Risk Rating**	
		Current	**Target**
Risk Owner: The Chief Executive	**Risk Type:** Financial, Legal, Reputational	B2	D2

The partnership agreement between NHS Highland and The Highland Council determines that NHS Highland is the lead agency for Adult Services and The Highland Council is the lead agency for services for children. The re-negotiation of this Agreement and the delegated functions is underway, and the reviewed agreement required to be approved by the Scottish Government by June 2020. As a result of the COVID pandemic the Scottish Government wrote to all Integration Authorities indicating that in the circumstances they did not require work to continue in terms of finalising a review of the Integration Scheme in terms of that timescale and it was agreed with the Scottish Government that the terms of a revised scheme would be

agreed by the end of financial year 20/21. The review requires to be completed and failure of the partners to achieve this target will have significant financial, legal, and reputational risks. In addition, it is necessary to monitor the implications of the adoption of the Feeley Report resulting in potential need to change the model or make other changes impacting on delivery of service in terms of future partnership working with NHSH.

Mitigating Actions:		Responsible Officer	Target Date	RAG
CR12.4	Feeley Report: Monitor the implications of the adoption of the Feeley Report and potential need to change the model or make other changes impacting on delivery of service in terms of future partnership working with NHS Highland.	Head of Integration Adult Social Care	Ongoing	G
Notes:				

CR14	Inverness and Highland City Region Deal	Risk Rating	
		Current	Target
Risk Owner: ECO (Infrastructure & Environment)	Risk Type: Financial, Reputational	D2	D2

The Inverness and Highland City Region Deal is a significant programme of investment in the Highlands, coordinated on behalf of partners, by 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
CR14.2	Programme Board: An officer board meets quarterly to scrutinise the progress of projects.	City Region Deal Programme Manager	Ongoing	G
CR14.3	Member Scrutiny: A Member led scrutiny board meets quarterly and minutes are provided to the Environment, Development and Infrastructure Committee. Quarterly progress is also reported to this Committee, including business cases for approval. An annual report is presented to a Full Council meeting.	City Region Deal Programme Manager	Ongoing	G
CR14.4	Project Benefits Realisation Plan: Revise and publish project benefits realisation plan	City Region Deal Programme Manager	July 2021	G
CR14.5	Programme Benefits Realisation Plan: Revise and publish programme benefits realisation plan	City Region Deal Programme Manager	July 2021	G
CR14.6	Remedy project underspends: Identify underspend issues and agree rectification plan	City Region Deal Programme Manager	July 2021	G
Notes:				

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

Early Learning and Childcare (ELC) expansion to 1140 hours had been a Statutory Duty on Council's to achieve by August 2020 and was both a Council and Scottish Government priority. This major change programme involves a doubling of funded hours of childcare, and significant increases in capacity and resources to implement. ELC provision includes local authority provision, partner centre provision and childminders. Inclusion within the Corporate Risk Register pre-Covid 19 was in recognition of the significant change required to implement 1140 hours, and the significant risk attached. In light of the implications of COVID-19, Scottish Government have subsequently removed that Statutory Duty for 1140 hours, with 600 hours being the current duty. Scottish Government have subsequently confirmed Jointly with COSLA la a new commitment to progress 1140 hours implementation by August 2021, and with the intention of a new Statutory Duty to apply from that date. The Council has made significant progress with its ELC expansion programme in recent months, and as per recent reports to the Education Committee, as at February 2021 194 settings were delivering 1140 hours by that point, with a further 15 due to do so in April and the remaining 19 settings planning for August 2021 delivery. In light of this, the risks as set out below to take account of this current position. For information, as of January 2020, and prior to COVID-19, 50% of the 245 settings were delivering 1140 hours.

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

Mitigating Actions		Responsible Officer	Target Date	RAG
CR16.1	Delivery models and enrolment: Delivery models and enrolment: Communications plan to ensure all stakeholders briefed on models and the rollout of 1140 hours in settings. Review of enrolment data to understand impact; and a review of delivery models and admission arrangements as part of rollout planning.	Senior Manager, Early Years	August 2021	G
CR16.2	Budget and financials: Review of ELC structure and base Council ELC budget, to ensure efficient and sustainable. Consideration of COVID-19 related risks and implications, inc. keyworker provision, and partner funding arrangements.	Head of Resources	April 2021	C
CR16.3	Capital Project Delivery: Ongoing review of capital projects and delivery plans.	ECO Housing and Property	August 2021	A
CR16.4	Capital Programme Management: Risk assessment and contingency planning around the delivery of capital projects; Implications of COVID-19 delays on ELC capital delivery; Communication to key stakeholders regarding delivery.	Head of Resources	August 2021	G
CR16.5	Quality and Standards of Provision: Training strategy for staff, refreshed induction process for Early Years Practitioners, upskilling of all key ELC staff; Rigorous self-evaluation and quality assurance processes; Regular engagement with the Care	Education Change Team Lead	August 2021	A

	Inspectorate.			
CR16.6	Resources: Audit of needs and requirements; Review of solutions achieved elsewhere; and Identification of actions to improve the environment.	Senior Manager, Early Years	May 2021	C
CR16.7	Catering provision: Ongoing review of capital project delivery and contingency plans; Exploring alternative delivery models where appropriate; and ongoing engagement with partner providers re their own catering plans.	ELC Catering Coordinator	August 2021	A
CR16.8	Communications: Communications and enrolment information in place for parents; Communications and engagement plan developed and deployed; Further resources to support communication and engagement; and links with Corporate Communications team.	Senior Manager, Early Years	April 2021	C
CR16.9	Partner Providers: Ongoing engagement with partners at a local and Highland level; and further review of arrangements for ongoing engagement with third sector and partner providers.	Senior Manager, Early Years	August 2021	G
CR16.10	Workforce: Further HR and analyst support to be in place as immediate priority; Further engagement with Trade Unions to take place; Early commencement of recruitment process March 2020; Revised structure arrangements to provide flexibility e.g. ASG base; and review of support structures and requirements for ELC.	Senior Manager, Early Years	May 2021	A
CR16.11	Management Structure: Review of ELC structure as part of wider structure and transformation activity; and ensure appropriate support and development is in place for staff.	Interim Head of Education	August 2021	G

Notes:
Updates for all the risk actions are collected monthly.
CR16.2; CR16.6; CR16.8: Marked as complete Q1 2021/22.
CR16.8 and CR16.10: Responsible officer changed from ELC Programme Manager to Senior Manager, Early Years.
CR16.10: Human Resources and analyst support not in place due to Education restructure and awaiting other posts. Engagement ongoing with Trade Union, recruitment to Early Years Practitioners posts ongoing, and work continuing around restructure.

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

	being developed in line with Scotland's drowning prevention strategy and implemented accordingly.			🟧
Notes:				

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

Coronavirus (COVID-19) has had a devastating impact on nations across the world. The UK and Scottish Governments introduced Emergency legislation in March 2020 to address a national health emergency. It has become apparent that there are 4 harms resulting from the pandemic. These include the impact of the virus on health, but also indirect health, societal and economic harms. Following the lifting of the majority of legislation in August 2021, protection from and recovery from these direct and indirect impacts will continue to present significant risks to the Highland Council as the country learns to live with the virus.

Mitigating Actions:		Responsible Officer	Target Date	RAG
CR18.1	Staff Health and Safety: Reducing the immediate, short and long term health and safety risks to all staff. • Preparation of risk assessments per Service led by ECOs followed by mitigation • Each Service to complete its own Health and Safety Plan • Protecting staff from exposure to the virus • Promoting advice and guidance to staff • Reducing impact on mental health by promoting resources available • Development of policy framework to support new working arrangements • Developing a process to manage outbreaks impacting the workplace • Liaison and engagement with staff and with Trade Union representatives to understand concerns and address issues	ECO Resources and Finance	Ongoing	**G**
CR18.3	Social Work Health and Safety: Reducing health and safety risk to social work clients/vulnerable groups and health provision settings. · Preparation of risk assessments per Service led by ECOs followed by mitigation • Advice and guidance to staff and clients • Provision of appropriate PPE for health and social care settings • Assist with Test and Protect process	ECO Health & Social Care	Ongoing	**C**
CR18.4	Customer and Client Health and Safety: Reducing health and safety risk 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 Resources and Finance	Ongoing	**G**

CR18.5	Operational Continuity: Reducing risk to operational activities and ensuring service continuity. • Preparation of business continuity plans and actioning mitigation and contingency plans to address risk by all Services • Processes to mitigate for and manage outbreaks in the workplace • Agreeing how to prioritise services if staff absence cannot be covered and service disruption cannot be avoided. For some operations this may require Committee agreement in advance and/or Member briefing given public interest in certain areas of front-line service delivery. • Development of ICT resource and capacity and security to enable remote working • Revised approach to performance and prioritisation • Continuity of COVID projects • Development of mitigation for delays to Project Dochas (bringing ICT in-house) resulting from COVID. To include options for partial contract extension with Wipro to ensure ICT business continuity. Target date for options – March 2021	ECO Resources and Finance	Ongoing	G
CR18.6	Reducing Financial Impact: Reducing the current and future financial impact of COVID-19 to the Council. • Financial recovery planning • Implementation of policies and measures to reduce and control spend • Support Elected Member lobbying for resources • Draw down of relevant Covid funding streams are maximised	ECO Resources and Finance	Ongoing	G
CR18.8	Effective Communications: Clear and timely communications to accurately inform stakeholders and reduce any potential negative reputational impacts. • Communication to provide internal and external information, warning, informing and reassurance to stakeholders • Promotion of vaccination and testing • Liaison with Local Resilience Partners to coordinate messaging • Manage expectation of stakeholders	ECO Performance and Governance	Ongoing	G
CR18.9	Support the Socio-Economic Recovery of the Highlands: Identify any potential socio-economic impacts of COVID-19 on the Highlands, and where relevant design and implement appropriate interventions. • Poverty Reduction Strategy (led by ECO Communities and Place) • Economic Recovery Strategy (ECO Infrastructure and Environment) • Recovery Board Action Plan (Interim ECO Transformation) • Implementation of Budget for Health and Prosperity (ECO Resources and Finance) • Future Highland Health and Prosperity Plan (Chief Executive)	Chief Executive	March 2021 & 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 • Provision of enhanced cleaning services • Building risk assessments and implementation of control measures in line with national guidance e.g. CO2 monitors, ventilation, track and trace etc	ECO Property and Housing	Ongoing	G

Notes:
Each risk action is developing a corresponding action plan which is being managed by the responsible officer.
The risk definition has been altered to better represent the current status of the risk from "Coronavirus (COVID-19) has had a devastating impact on nations across the world. The UK and Scottish Governments introduced Emergency legislation in March to address a national health emergency. Although the measures introduced to delay the spread of the virus have resulted in "flattening the curve" and reducing the impact on acute hospital services, the measures in themselves have had an unprecedented detrimental impact on the economy. Recovery will be in the context of an ongoing response to the COVID-19 Emergency and the potential for further lockdowns. COVID-19 has resulted in an unprecedented global health and economic emergency, which presents several significant risks to the Highland Council"
CR18.3: Marked as complete, Quarter 1 2021/22.
CR18.9: Overall good progress with the strategic strands with some slippage in progressing the Poverty Reduction Strategy.

CR19	Return to Education	Risk Rating	
		Current	**Target**
Risk Owner: ECO – Education and Learning	**Risk Type:** Physical, Financial, Reputational	C2	E2

It is paramount to identify and mitigate health and safety risks for all staff and pupils in educational settings, facilities and school transport. There are also financial risks associated with managing the increased operational costs within existing resources for Council and school settings. There are also financial and operational risks regarding the reliance on, and sufficient provision of, devices (primarily Chromebooks) and connectivity to support blended learning. The Council also needs to manage local outbreaks and be prepared for any potential future localised restrictions.

Mitigating Actions:		Responsible Officer	Target Date	RAG
CR19.1	Project Board: Reconvene Project board with 11 sub-groups reporting and meeting initially fortnightly	ECO Education and Learning	Ongoing	C
CR19.2	Tactical Group: Meeting regularly as required for oversight of local and national picture and to agree necessary actions in response to outbreaks or changes in guidance/ restrictions, as well as wider communication to Schools and parents and Public Position statement to be updated based on these discussions	Corporate Communications and Resilience Manager	Ongoing	G
CR19.3	Contingency planning: Planning in place to ensure staffing/resource is available during	Head of Property and	Ongoing	G

	current phase to keep schools and EY establishments open and school meals provision. Return of school lets taking into account risks and the cost of enhanced controls.	Facilities Management		
CR19.4	Resources: Regular review of cost and forecasts. Assumption and risk management to support cost forecasting. Identification of external and alternative funding sources where available, including use of Scottish Government funding. Links to wider Service resource management to ensure ongoing focus to contain and reduce non-essential spend to mitigate COVID-19 related costs. Links to other Local Authorities, ADES, Northern Alliance, COSLA to understand arrangements elsewhere and ensuring best practice.	ECO Resources and Finance	Ongoing	G
CR19.7	Outbreak planning: Service-wide planning for contingencies in event of outbreaks, closures or short periods where close contacts must self-isolate until receiving negative test.	ECO Education and Learning	Ongoing	G
CR19.12	Options for pupil devices: Significant proportion of Chromebook estate will be unsupported by Google and will subsequently be end of life from June 2022 – therefore requirement to establish options for future provision of pupil devices (2022 onwards).	Head of Resources – Education & Head of ICT	March 2021	A

Notes:

The risk definition has been altered to better represent the current status of the risk from "It is paramount to identify and mitigate health and safety risks for all staff and pupils in educational settings as pupils return to schools following the second outbreak of COVID-19. The Council needs to manage the risk (a) staff, vulnerable and keyworker children and young people currently accessing school buildings at the present time and (b) the return of all staff, children and young people returning to full educational statutory provision following lockdown 2. There is a risk that contractors' drivers and maintenance staff may have to shield or self-isolate, which could lead to some routes being unable to operate. There are also financial risks associated with managing the increased operational costs for this programme within existing resources for Council and school settings. In addition, there are financial risks in respect of smaller vehicles that are used for school transport and if there is a change in physical distancing rules for transport, this could result in there being not enough capacity to transport all pupils. There are also financial and operational risks regarding the reliance on, and sufficient provision of, devices (primarily Chromebooks) and connectivity to support blended learning. The Council also needs to be prepared for any potential future local or national lockdowns."

CR19.1: Marked as complete Q1 2021/22

CR19.3: The description of this risk action has been updated from: "Planning in place to ensure staffing/resource is available during current phase to keep schools open and understanding staffing capacity when schools return to remote/full time operation, including school lets and school meals provision."
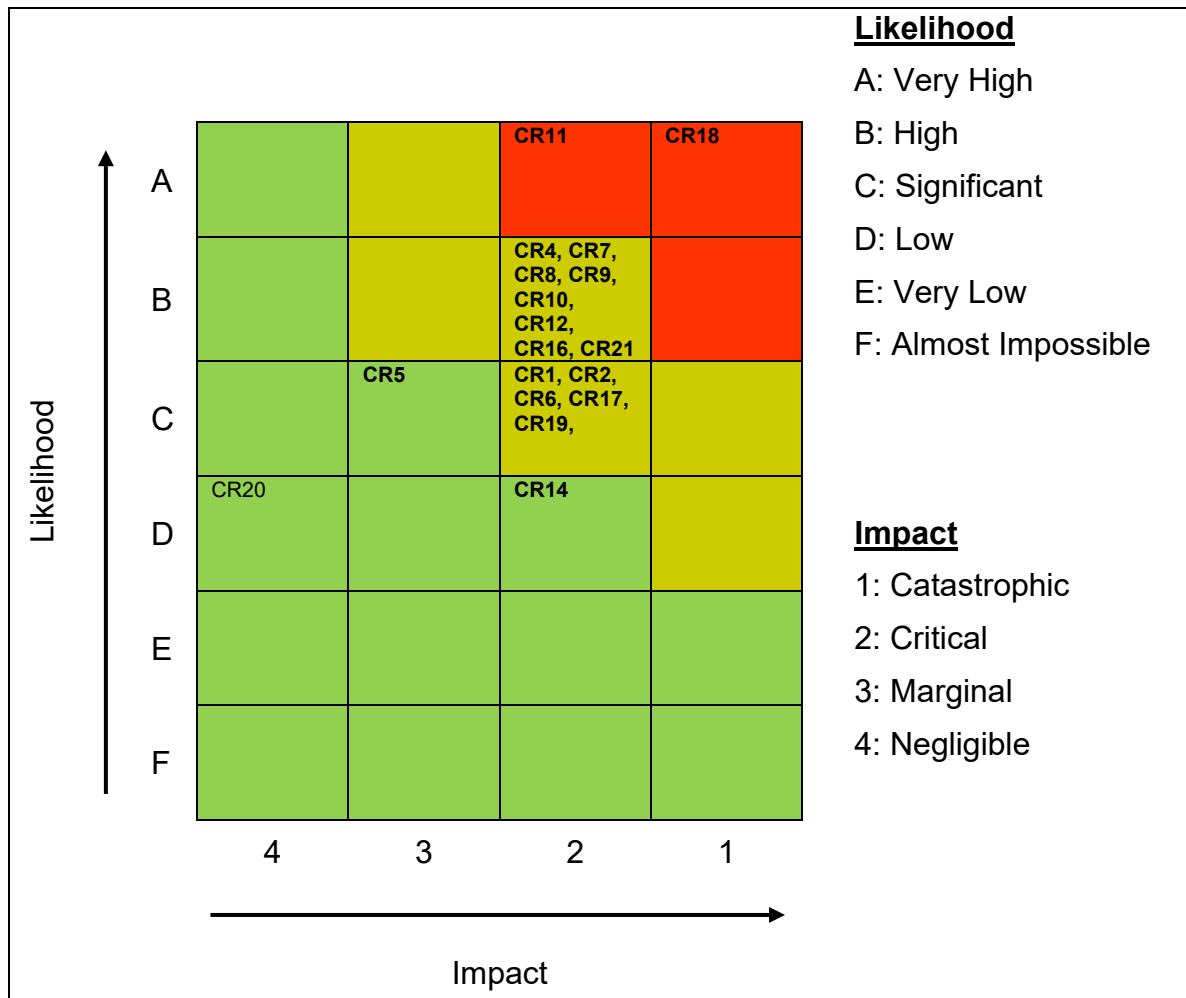
CR19.7 has been updated from: "Lockdown planning: Service-wide planning underway to agree response and actions in the event of phased and full school opening."

CR19.12: Revised ICT capital programme being proposed as part of overall capital review. This factors in a full refresh of Chromebooks before end of support.

CR20	**Data Transfers and Google for Education**		**Risk Rating**	
			Current	**Target**
Risk Owner: Head of Resources - Education		**Risk Type:** Operational, Legal and Reputational	D4	D4

Loss of US Privacy Shield means that data transfers can no longer be made to the US on the grounds of adequacy. Other mechanisms for international transfer of data under General Data Protection Regulation (GDPR) are either unavailable to the Council or have had their legality cast into doubt by the decision of the Court of Justice of the EU (CJEU).

The Council is heavily reliant on "Google for Education" for provision of its curriculum whether in a classroom setting or when children are working at home. It is therefore a critical system which the Council could not stop using without sourcing an alternative solution and transferring our data over. The data is currently stored on Google servers which are located in the USA and data is being transferred to the USA whenever staff and pupils are using the Google services.

The optimum solution is for the Council's data to be stored on servers in UK data centres but Google state that the standard contract clauses (SCCs) they have in place, and which the Council has signed up to, ensure that transfer is legal under Article 46 of GDPR. However, the CJEU decision highlighted that entering into SCCs in itself is not enough. The data controller (the Council) will also need to assess whether, and to what extent, the laws of the country where the personal data is being transferred allow its public authorities to interfere with the exported personal data. If it is not possible for the personal data to be adequately protected, even with SCCs in place, the transfer should not take place. Given that the CJEU has held that the Privacy Shield is invalid due to US Security Laws it is impossible for the Council to accept that SCCs can fix the inadequacy presented by US laws.

The Information Commissioner's Office (ICO) has not provided advice in relation to this issue and existing contracts. The EU data protection board states that, if a data controller intends to keep transferring data despite having concluded that inadequate safeguards are in place, they must notify their supervisory authority (the ICO). The Council has waited for guidance from the ICO prior to deciding what steps to take, but as no further guidance has been issued the Council must now take action to mitigate this risk.

Mitigating Actions:		Responsible Officer	Target Date	RAG
CR20.4	Review of information: Review outcomes of actions and national developments and decide if it is necessary to contact the Information Commissioner.	Data Protection Officer	January 2021	C

Notes:
The risk rating has decreased from C2 to D4 and this risk will be removed from the Corporate Risk Register. All mitigating risk actions have been completed.
The current position of the risk is that the Information Commissioner's Office (ICO) has put the UK international transfer guidance out for consultation, and it is assumed that once the UK version of the standard contract clauses are agreed and published that Google will sign up to these. In terms of risk, The Council is satisfied that, despite there not being finalised guidance, the EU and the UK ICO would accept the risk assessment carried out by Google as being acceptable. There have also been indications that is Google has to relocate data to the UK then they would.
CR20.4: Marked as complete Q1 2021/22.

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

There is a risk to the business continuity of Council Services due to the workforce requirements to deliver effective elections at local and national levels. Democracy is at the core of what we do and delivering safe and secure elections that protects the health of the voter, its stakeholders and the health of the democracy is a priority for the Council.

Resources throughout Council services will be re-prioritised to take on election duties, with the size and scale of undertaking the Scottish Parliamentary Election, specifically during the week of the election 6 May and the beginning of the following week, it is recognised that this will impact the overall delivery of Council services.

Due to COVID-19, all election processes are being redesigned to deliver a safe and secure election with a call upon several specialised services (e.g. Environmental Health, Health and Safety) to support the election team to deliver a safe successful election.

Although a recognised service impact, there is an immediate reduction of this impact:
- due to the in-service day for schools on polling day 6 May safeguarding impact to education of our pupils
- in peak of election week, May Day on 3 May, although election services will be in full operation, is it a national holiday with majority of council services closed.

Mitigating Actions:		Responsible Officer	Target Date	RAG
CR21.1	Critical Services: Safeguard critical services.	All ECOs	Ongoing	G
CR21.2	Communications: Public communications to advise the public that there may be a reduction in service around the election.	Communications and Resilience Manager	May 2021	C
CR21.3	Rest time: Sufficient rest time agreed for staff involved in the Count (this will involve weekend working for the Scottish Parliamentary election) and as agreed with Trade Unions.	ECO Finance and Resources	May 2021	C
CR21.4	Core Election Team resilience: Build resilience in the core election team.	ECO Performance & Governance	Ongoing	G
Notes:				

Appendix 2: Corporate Risk Matrix

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

	4	3	2	1
A			CR11	CR18
B			CR4, CR7, CR8, CR9, CR10, CR12, CR16, CR21	
C		CR5	CR1, CR2, CR6, CR17, CR19,	
D	CR20		CR14	
E				
F				

Likelihood (vertical axis)

Impact (horizontal axis)

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.