

## Risk Register

### 1. INTRODUCTION

- 1.1 The purpose of this report is to provide the Performance and Audit Committee with its six-monthly update on SEStran's risk register.

### 2. BACKGROUND

- 2.1 The Performance and Audit Committee, at its meeting in November 2021 approved the [SEStran Risk Management Framework Policy](#). This policy supports the management of the overall risk process within the organisation, including its governance arrangements.
- 2.3 The latest version of the risk register can be found at **Appendix 1** of this report.

### 3. MAIN REPORT

- 3.1 The Committee should note that all changes made to the register are highlighted in red. Key changes made to the register since the last update are as follows:

#### 3.1.1 **R001 (1.1) Strategic - Regional Governance**

The risk has been updated to include planned response details on RTP joint working provisions, including the refreshed Develop to Deliver report, which will be finalised by the end of the calendar year. The risk appetite score for this risk is low to medium. All mitigating actions are being taken to manage the risk but it remains high.

#### 3.1.2 **R001 (1.2) Strategic - Regional Governance**

This risk details the lack of clarity on the role of non-statutory bodies and has been updated to include the concordat between SEStran and its constituent councils. The net risk score is medium with a risk appetite score of low to medium and due to the mitigating measures in place, the risk will be tolerated.

#### 3.1.3 **R002 (2.5) Financial - Sources of Additional Income**

There is a risk that sources of funding may be constrained. The net risk score has been calculated as medium, whilst the risk appetite score is rated as low to medium. Additional actions after mitigation have been included to treat the risk, including exploring alternative funding options and lobbying/bidding for additional funding. The budget for 2023/24 has also been confirmed.

#### 3.1.4 **R002 (2.9) Financial – Other Funding Sources**

This risk has now been closed. It specifically addressed the lack of access to EU project funding and as all SEStran/EU funded projects have

ceased, any risks associated with lack of funding will be addressed under risk 2.5.

**3.1.5 R003 (3.2) Reputational – Project Management**

This risk is seeking to address any issues around supplier insolvency. Whilst the net risk score is medium and within the risk appetite range, new mitigating measures are being undertaken to reduce the risk, although the implementation of these has been extended to January 2024.

**3.1.6 R005 (5.1) External - Contract Management**

This risk to address the implications of poor contract management has been updated with a new completion date of January 2024.

**3.1.7 R005 (5.2) External – Grant Funding**

This new risk has been developed to mitigate the consequences of failure to comply with conditions of grant, resulting in funding being withheld or reclaimed. Whilst the risk score is medium and within the risk appetite tolerance range, the risk requires treatment and is linked to risk 2.9 Other Funding Sources.

**3.1.8 R009 (9.1) and (9.2) – Inadequate Measures for Staff Health Safety & Wellbeing**

Staff have been working successfully on a hybrid working arrangement therefore these risks have been downgraded to low and will be tolerated. Management will continue to review and monitor all relevant policies and government guidelines.

**3.1.9 R009 (9.3) People – Loss of Key Personnel**

This identifies the risks to the organisation due to loss of key staff and the actions and measures in place to mitigate those risks. An update has been added to reflect that staff will be at full complement as of 20 November 2024.

## **4. RECOMMENDATIONS**

4.1 The Committee are asked to comment on the contents of the report, and;

4.2 To note that a final version of the Risk Register will be referred to the Partnership Board for noting;




Angela Chambers  
**Business Manager**  
11 November 2023





**Appendix 1: SEStran Risk Register**

|                             |  |
|-----------------------------|--|
| Policy Implications         | Policies have been reviewed and updated. |
| Financial Implications      | As highlighted in the register.          |
| Equalities Implications     | None                                     |
| Climate Change Implications | None                                     |

| Risk Number | Risk Category | Risk Detail  | Gross Risk Assessment |          |            |          | Planned Response/Mitigation | Net Risk Assessment |   |            |          | Risk After Mitigation | Date and Owner | Risk Appetite |        | Action Required  |   |     |     |   |
|-------------|---------------|--|-----------------------|----------|------------|----------|-----------------------------|---------------------|---|------------|----------|-----------------------|----------------|---------------|--------|--|---|-----|-----|---|
|             |               |  | Probability           | Impact   | Risk Score |          |                             | Probability         | Impact  | Risk Score |          |                       |                | Low           | Med    |  |   |     |     |   |
| R001<br>1.1 | Strategic     | <b>Regional Governance</b><br>Transport Scotland review of regional transport governance arrangements could result in changes to functions of RTPs. This could present either a risk or an opportunity to SEStran. | 4                     | Probable | 4          | Major    | 16                          | High                | SG has paused the NTS2 WG review of regional governance arrangements, but RTPs are working together to persuade SG to re-start the review. <del>This will include presenting a refreshed business case to Transport Scotland. SEStran will also aim to create a 'coalition of the willing' amongst partner LAs.</del> The joint RTPs are finalising a refreshed Develop to Deliver report which will submitted to SG by the end of the calendar year. | 4          | Probable | 4                     | Major          | 16            | High   | High<br><b>Treat (because mitigations are ongoing)</b>   | Ongoing Partnership Director              | Low | Med | ↓ |
| R001<br>1.2 | Strategic     | <b>Regional Governance</b><br>Lack of clarity on role of non statutory REP/ESES City Region Deal groupings   | 4                     | Probable | 3          | Possible | 12                          | Medium              | Joint working group created between SEStran and ESESCRD members to agree working arrangements<br><br>As a result of the joint working group a Concordat has been agreed between SEStran and the partner LAs   | 2          | Unlikely | 3                     | Possible       | 9             | Medium | Medium<br><del>Treat</del><br><b>Tolerate</b>  | July 2023<br>Ongoing Partnership Director | Low | Med | ↔ |
| R001<br>1.3 | Strategic     | <b>Pandemic / Epidemic:</b><br>Interruption of normal service/inability to deliver functions. Financial impact of crisis on sources of funding.  | 3                     | Possible | 4          | Major    | 12                          | Medium              | Adhere to Government restrictions, rules or guidance. Regular communication with Transport Scotland and constituent councils officials to guide any operational changes. Business Continuity Plan. Maintain current functions that can be delivered within working guidance.  | 3          | Possible | 3                     | Moderate       | 9             | Medium | Medium<br>An ongoing risk-remains for future spikes of Covid-19 or other kinds of disease outbreaks<br>Working from home arrangements now tried and tested and effective.<br><b>Tolerate</b> | Ongoing Partnership Director              | Low | Med | ↔ |





|                            |                  |  |          |                        |          |                 |           |               |   |          |                 |          |                 |           |               |  |   |            |            |   |
|----------------------------|------------------|--|----------|------------------------|----------|-----------------|-----------|---------------|---|----------|-----------------|----------|-----------------|-----------|---------------|--|---|------------|------------|---|
| <p><b>R002</b><br/>2.0</p> | <p>Financial</p> | <p><b>Financial:</b><br/>Significant deviation from budgeted spend</p>   | <p>2</p> | <p>Unlikely</p>        | <p>3</p> | <p>Moderate</p> | <p>6</p>  | <p>Low</p>    | <p>The Financial Rules do not permit spending (whether revenue or capital) to exceed available budget. Budget and spend is monitored on a monthly basis by SEStran officers, using financial information provided by CEC through the Partnership's Financial Services Service Level Agreement with CEC and supported by qualified accounting staff of CEC. Action is taken by Partnership officers to develop alternative savings measures, including options for development of contingency arrangements, if required and subject to approval by the Partnership. The Partnership's Financial Rules require reporting of financial performances to the Partnership Board on a quarterly basis.</p> | <p>1</p> | <p>Remote</p>   | <p>2</p> | <p>Minor</p>    | <p>2</p>  | <p>Low</p>    | <p><b>Low</b><br/>Transport (Scotland) Act 2019 includes section on RTPs carrying reserves.<br/><b>Tolerate</b></p>  | <p>November 2023<br/>Partnership Director</p> | <p>Low</p> | <p>Med</p> |    |
| <p><b>R002</b><br/>2.1</p> | <p>Financial</p> | <p>The approved budget for 2023/24 makes provision for a pay award of up to 3%.</p>  | <p>5</p> | <p>Highly Probable</p> | <p>3</p> | <p>Moderate</p> | <p>15</p> | <p>High</p>   | <p>Prudent planning assumption with ongoing monitoring of public sector pay negotiations.</p>   | <p>4</p> | <p>Probable</p> | <p>3</p> | <p>Moderate</p> | <p>12</p> | <p>Medium</p> | <p><b>Medium</b><br/>Ongoing monitoring and review of all costs and forecasts during 2023/24. <b>Costs will be aligned with COSLA pay offer.</b><br/><b>Tolerate</b></p> | <p>November 2023<br/>Partnership Director</p> | <p>Low</p> | <p>Med</p> |  |
| <p><b>R002</b><br/>2.2</p> | <p>Financial</p> | <p>Staff recharges - externally funded projects: The approved budget assumes that £4,000 of staff time can be recharged to Projects. There is a risk this may not be achievable.</p> | <p>3</p> | <p>Possible</p>        | <p>3</p> | <p>Moderate</p> | <p>9</p>  | <p>Medium</p> | <p>Any shortfall in employee cost recharges will be offset by a corresponding reduction in Projects Budget expenditure.</p>   | <p>3</p> | <p>Possible</p> | <p>3</p> | <p>Moderate</p> | <p>9</p>  | <p>Medium</p> | <p><b>Medium</b><br/>Other funding sources will continue to be pursued.<br/><b>Tolerate</b></p>  | <p>November 2023<br/>Partnership Director</p> | <p>Low</p> | <p>Med</p> |  |
| <p><b>R002</b><br/>2.3</p> | <p>Financial</p> | <p>Inflation: There is a risk that the indicative budget does not adequately cover price inflation and increasing demand for services.</p>   | <p>4</p> | <p>Probable</p>        | <p>4</p> | <p>Major</p>    | <p>16</p> | <p>High</p>   | <p>When setting the revenue budget, allowance was made for specific known price inflation. Budgets adjusted in line with current cost forecasts.</p>  | <p>4</p> | <p>Probable</p> | <p>3</p> | <p>Moderate</p> | <p>12</p> | <p>Medium</p> | <p><b>Medium</b><br/>Ongoing monitoring and review of all costs and forecasts during 2023/24.<br/><b>Tolerate</b></p>  | <p>November 2023<br/>Partnership Director</p> | <p>Low</p> | <p>Med</p> |  |




|                            |                  |  |          |                 |          |                 |           |               |  |          |                 |          |                 |           |               |   |   |            |            |   |
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| <p><b>R002</b><br/>2.4</p> | <p>Financial</p> | <p>Delays in payment of external grants results in additional short-term borrowing costs.</p>  | <p>3</p> | <p>Possible</p> | <p>3</p> | <p>Moderate</p> | <p>9</p>  | <p>Medium</p> | <p>SEStran grant claims for projects are submitted in compliance with grant funding requirements to ensure minimal delay in payment. Ongoing monitoring of cash flow is undertaken to manage exposure to additional short-term borrowing costs.</p>  | <p>3</p> | <p>Possible</p> | <p>3</p> | <p>Moderate</p> | <p>9</p>  | <p>Medium</p> | <p><b>Medium</b><br/>Grant submission procedures in place, along with financial planning.<br/><b>Tolerate</b></p>   | <p>November 2023<br/>Partnership<br/>Director</p>                           | <p>Low</p> | <p>Med</p> |    |
| <p><b>R002</b><br/>2.5</p> | <p>Financial</p> | <p>Sources of additional income to the Partnership may become constrained in the current economic climate and/or due to changes in operating arrangements.</p>                                 | <p>4</p> | <p>Probable</p> | <p>4</p> | <p>Major</p>    | <p>16</p> | <p>High</p>   | <p>Active Travel funding a high priority for Government with funds consistently available to bid for. Revenue budget for 2023/24 developed to take account of most likely level of external income in 2023/24.<br/><b>Budget confirmed for 2023/24</b></p>   | <p>3</p> | <p>Possible</p> | <p>4</p> | <p>Major</p>    | <p>12</p> | <p>Medium</p> | <p><b>Medium</b><br/><b>Continue to explore</b> alternative funding options<br/>Lobby/bid for additional funds<br/><b>Treat</b></p>   | <p><del>June 2023</del><br/><b>Ongoing</b><br/>Partnership<br/>Director</p> | <p>Low</p> | <p>Med</p> |    |
| <p><b>R002</b><br/>2.6</p> | <p>Financial</p> | <p>Funding reductions: Future reductions in core funding from Scottish Government and/or council requisitions. This could result in difficulty in delivering statutory obligations/duties.</p> | <p>3</p> | <p>Possible</p> | <p>4</p> | <p>Major</p>    | <p>12</p> | <p>Medium</p> | <p>The Partnership will continue to source and develop external funding.</p>   | <p>3</p> | <p>Possible</p> | <p>4</p> | <p>Major</p>    | <p>12</p> | <p>Medium</p> | <p><b>Medium</b><br/>Manage organisation in accordance with available funding but ability of organisation to deliver RTS objectives will inevitably be dictated by available funding.<br/>Engagement/advocating with SG/TS to maintain/increase funding<br/>Working with other RTPs to influence SG review of allocation of funding<br/><b>Tolerate</b></p> | <p>June 20<del>23</del><b>24</b><br/>Partnership<br/>Director</p>           | <p>Low</p> | <p>Med</p> |  |
| <p><b>R002</b><br/>2.7</p> | <p>Financial</p> | <p>The funding position of the staff pension fund could lead to increases in the employers pension contribution</p>  | <p>4</p> | <p>Probable</p> | <p>3</p> | <p>Moderate</p> | <p>12</p> | <p>Medium</p> | <p>Following the Lothian Pension Fund Triennial Actuarial Review of 2020, Partnership contribution rates have been advised until 2023/24. Planning assumptions have been updated and included in the revenue budget 2023/24 and indicative budget for 2024/25 reported to the Partnership Board on 17th March 2023. <b>The outcome of the Triennial Actuarial Review of 2023 will be included in the revenue budget for 2024/25.</b></p> | <p>4</p> | <p>Probable</p> | <p>3</p> | <p>Moderate</p> | <p>12</p> | <p>Medium</p> | <p><b>Medium</b><br/><b>Tolerate</b></p>  | <p>November 2023<br/>Partnership<br/>Director</p>                           | <p>Low</p> | <p>Med</p> |  |

|                                       |                     |  |          |                        |          |                 |           |               |   |          |                        |          |                 |           |               |   |  |            |            |   |
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| <p><b>R002</b><br/>2.8</p>            | <p>Financial</p>    | <p>Current staffing levels cannot be maintained due to funding constraints and the Partnership incurs staff release costs</p>  | <p>3</p> | <p>Possible</p>        | <p>4</p> | <p>Major</p>    | <p>12</p> | <p>Medium</p> | <p>The Partnership continues to seek additional sources of funding for activities aligned to the Partnership's objectives to supplement resources. Recruitment control measures in place. Additional resources can be managed through consultancy as required.</p>  | <p>3</p> | <p>Possible</p>        | <p>4</p> | <p>Major</p>    | <p>12</p> | <p>Medium</p> | <p><b>Medium</b><br/>Other funding sources will continue to be pursued.<br/><b>Tolerate</b></p>   | <p>Ongoing Partnership Director</p>                                  | <p>Low</p> | <p>Med</p> |    |
| <p><b>R002</b><br/><del>2.9</del></p> | <p>Financial</p>    | <p><b>Other Funding Sources:</b><br/>Reduced access to EU project funding and lack of replacement funding from UK Government</p>   | <p>5</p> | <p>Highly Probable</p> | <p>3</p> | <p>Moderate</p> | <p>15</p> | <p>High</p>   | <p>The Partnership has sought to engage in as many relevant EU projects and funds as it can whilst UK authorities are allowed to access these funds. This should mitigate the short-term impact of any EU Exit negotiated and implemented.<br/>The Partnership has a proven track record in securing funding for relevant projects from the UK and other partners. It is anticipated that this will continue. Horizon projects being pursued.</p> | <p>5</p> | <p>Highly Probable</p> | <p>2</p> | <p>Minor</p>    | <p>10</p> | <p>Medium</p> | <p><b>Medium:</b> The risk remains as there is significant uncertainty around the immediate and medium (3-5year) horizon for access to funds. Other funding applications will be made when available.<br/>There has been no confirmation from UK Government on participation in EU funded programmes, like Horizon. Advocate for access to UK replacement funds. Explore further ongoing calls for Horizon programme when available.<br/><b>Treat</b></p> | <p><del>Ongoing</del><br/><b>CLOSED</b><br/>Partnership Director</p> | <p>Low</p> | <p>Med</p> |    |
| <p><b>NEW R002</b><br/>2.9</p>        | <p>Financial</p>    | <p><b>Funding/Grant Awards:</b><br/>The timing of some funding applications and grant awards do not align with the financial year, resulting in an inability to spend allocated funding within prescribed timescales</p> | <p>4</p> | <p>Probable</p>        | <p>3</p> | <p>Moderate</p> | <p>12</p> | <p>Medium</p> | <p>The Partnership will seek to introduce a number of suitable on the shelf schemes</p>   | <p>3</p> | <p>Possible</p>        | <p>3</p> | <p>Moderate</p> | <p>9</p>  | <p>Medium</p> | <p><b>Medium</b><br/>Regular budget monitoring and reports to the Partnership Board.<br/><b>Treat</b></p>   | <p>Ongoing Partnership Director</p>                                  | <p>Low</p> | <p>Med</p> |  |
| <p><b>R003</b><br/>3.0</p>            | <p>Reputational</p> | <p><b>Project Management:</b><br/>Project incomplete or of poor quality<br/>Late Delivery</p>  | <p>2</p> | <p>Unlikely</p>        | <p>4</p> | <p>Major</p>    | <p>8</p>  | <p>Medium</p> | <p>Monthly monitoring and management intervention by the project officer and oversight by the Programmes Manager. Regular monitoring and management/project team meetings provides all across the organisation with a clear view of progress and expenditure against budget.</p>  | <p>2</p> | <p>Unlikely</p>        | <p>3</p> | <p>Moderate</p> | <p>6</p>  | <p>Low</p>    | <p><b>Low</b><br/>Regular reports presented to the Partnership Board, which have been revised to provide focused monitoring template. Weekly projects staff team meeting to be reinstated with Partnership Director in attendance.<br/><b>Tolerate</b></p>  | <p>Ongoing Programmes Manager</p>                                    | <p>Low</p> | <p>Med</p> |  |

|             |              |  |   |          |   |          |    |        |  |   |          |   |          |   |        |  |  |     |     |   |
|-------------|--------------|--|---|----------|---|----------|----|--------|--|---|----------|---|----------|---|--------|--|--|-----|-----|---|
| R003<br>3.1 | Reputational | <b>Reputation:</b><br>Regard by the public and stakeholders. Negative or inaccurate media coverage leading to misrepresentation of SEStran position                | 3 | Possible | 3 | Moderate | 9  | Medium | Good relationships with media. Quick response to negative or inaccurate coverage. Board members regularly updated on SEStran work successes and issues.<br><br>Agreed broad media positions. Availability of Spokesperson - Senior staff only. No unauthorised media statements. | 3 | Possible | 2 | Minor    | 6 | Low    | Low<br>Partnership staff and Board Members continue to promote and advocate activities via speaking, writing or wider networking<br>Continue to work closely with regional partners<br><b>Tolerate</b> | Ongoing<br>Partnership Director  | Low | Med | ↔ |
| R003<br>3.2 | Reputational | <b>Project Management:</b><br>Potential insolvency of 3rd party supplier   | 3 |          | 4 | Major    | 12 | Medium | Improved supplier viability checks before award, renewal or modification of contracts or grants to be introduced by <del>August 2023</del> <b>January 2024</b> .<br><br>Individual risks and mitigations to be developed for any contract or grant over an agreed threshold.     | 2 | Unlikely | 4 | Major    | 8 | Medium | <b>Medium</b><br>Full review of procurement procedures to be carried out by Legal Advisers<br><b>Treat</b>   | Ongoing<br><del>Senior Project Officer</del><br>Partnership Director     | Low | Med | ↓ |
| R005<br>5.0 | External     | <b>Third party Service Level Agreements:</b><br>Failure or inadequacy of service   | 2 | Unlikely | 2 | Minor    | 4  | Low    | Service Level Agreements in place for Financial Services, HR and Insurance services. Reviewed annually by senior officers. Subject to independent audit scrutiny. Action: Progress renewals of SLA's to secure continuity of services  | 2 | Unlikely | 2 | Minor    | 4 | Low    | <b>Low</b><br>Cross RTP discussion exploring viability of introducing shared services<br><b>Tolerate</b>   | <del>September 2023</del><br><b>January 2024</b><br>Partnership Director | Low | Med | ↔ |
| R005<br>5.1 | External     | <b>Contract Management:</b><br>Failure to manage contracts leads to under performance and failure to obtain best value and delivery from contractual relationship. | 3 | Possible | 4 | Major    | 12 | Medium | Conditions of contract are being reviewed, including Contract Standing Orders and Procurement Strategy<br>Ensure contract documentation sound and up to date.<br>Apply adequate supervision to the contract.   | 2 | Unlikely | 3 | Moderate | 6 | Low    | <b>Low</b><br>Business propriety/credit/analytic criteria to be written in to documentation.<br>Contract management process to be included as part of full procurement review.<br><b>Tolerate</b>      | <del>August 2023</del><br><b>January 2024</b><br>Partnership Director    | Low | Med | ↔ |



|                            |                              |  |          |                 |          |                 |           |               |  |          |                 |          |                 |          |               |  |   |            |            |   |
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| <p><b>R005</b><br/>5.2</p> | <p>External</p>              | <p><b>Grants:</b><br/>Failure to adhere to grant conditions could result in grants being withheld or reclaimed, impacting the SEStran budget</p>   | <p>4</p> | <p>Probable</p> | <p>4</p> | <p>Major</p>    | <p>16</p> | <p>High</p>   | <p>Develop processes to ensure that grant conditions are understood before application is submitted, that relevant team members are briefed on grant conditions, and that adequate controls are in place to ensure that all steps and approvals are documented</p> | <p>2</p> | <p>Unlikely</p> | <p>4</p> | <p>Major</p>    | <p>8</p> | <p>Medium</p> | <p><b>Medium</b><br/>Also refer to risk 2.9.<br/>Successful management of risk 5.2, reduces likelihood of risk 2.9<br/><b>Treat</b></p>  | <p><del>June 2023</del><br/>March 2024<br/>Partnership Director</p> | <p>Low</p> | <p>Med</p> |    |
| <p><b>R006</b><br/>6.0</p> | <p>Legal and Regulatory</p>  | <p><b>Statutory Duties:</b><br/>Failure to adhere to duties described in legislation and related documentation</p>   | <p>1</p> | <p>Remote</p>   | <p>4</p> | <p>Major</p>    | <p>4</p>  | <p>Low</p>    | <p>Board members regulary updated on SEStran work successes and issues.<br/>Ongoing liaison with Transport Scotland and relevant governing bodies.<br/>Regular liaison with Auditors.</p>  | <p>1</p> | <p>Remote</p>   | <p>2</p> | <p>Minor</p>    | <p>2</p> | <p>Low</p>    | <p><b>Low</b><br/>Regular monitoring and programming of statutory duties is undertaken by the Partnership Director, Senior Partnership Manager and Business Manager. Audited by third parties.<br/><b>Tolerate</b></p>   | <p>Ongoing Partnership Director</p>                                 | <p>Low</p> | <p>Low</p> |    |
| <p><b>R008</b><br/>8.0</p> | <p>System and Technology</p> | <p><b>Digital/IT:</b><br/>Server failure<br/>Comms failure<br/>Website breach<br/>Resulting in loss of service to business operations</p>  | <p>3</p> | <p>Possible</p> | <p>4</p> | <p>Major</p>    | <p>12</p> | <p>Medium</p> | <p>Regular review of the Management Plan for Business Continuity. IT/Website maintained under contract. Both proactively managed by third parties. IT hardware/software/licences upgraded at regular intervals.</p>  | <p>1</p> | <p>Remote</p>   | <p>4</p> | <p>Major</p>    | <p>4</p> | <p>Low</p>    | <p><b>Low</b><br/>Contracted IT consultants deliver IT services. Website contract includes security updates. Robust Information Security Policy in place with regular monitoring reports. GDPR compliant and Cyber Essentials Plus Accreditation maintained.<br/><b>Tolerate</b></p> | <p>Ongoing Business Manager</p>                                     | <p>Low</p> | <p>Med</p> |   |
| <p><b>R009</b><br/>9.0</p> | <p>People</p>                | <p><b>HR:</b><br/>Non-compliance with employment and/or data privacy laws may result in poor reputation as an employer, difficulty in attracting skilled resource and greater probability of litigation and / or financial penalties</p> | <p>3</p> | <p>Possible</p> | <p>3</p> | <p>Moderate</p> | <p>9</p>  | <p>Medium</p> | <p>SLA in place until May 2024-with Falkirk Council to provide specialist HR advice as required and is under regular review. Legal advice is provided, when required, through a framework contract, which is in place until August 2024</p>                        | <p>1</p> | <p>Remote</p>   | <p>3</p> | <p>Moderate</p> | <p>3</p> | <p>Low</p>    | <p><b>Low</b><br/><b>Tolerate</b></p>  | <p>May-2024 Partnership Director</p>                                | <p>Low</p> | <p>Low</p> |  |

|                            |               |  |          |                 |          |                 |           |               |   |          |                 |          |                      |          |            |  |   |            |            |   |
|----------------------------|---------------|--|----------|-----------------|----------|-----------------|-----------|---------------|---|----------|-----------------|----------|----------------------|----------|------------|--|---|------------|------------|---|
| <p><b>R009</b><br/>9.1</p> | <p>People</p> | <p>Inadequate measures in place to facilitate staff health, safety and well-being during contingency arrangements or future office arrangements.</p> | <p>3</p> | <p>Possible</p> | <p>4</p> | <p>Major</p>    | <p>12</p> | <p>Medium</p> | <p>Regular review of appropriate policies. Carry out appropriate assessments of office equipment and working arrangements, following landlords guidance in relation to access to the office. Risk Management Framework approved by P&amp;A Committee.<br/>Liaise with HR Adviser, SG facilities team. Hybrid Working Policy implemented to facilitate transition arrangements to normal working arrangements</p>  | <p>2</p> | <p>Unlikely</p> | <p>3</p> | <p>Moderate</p>      | <p>6</p> | <p>Low</p> | <p><del>Medium</del><br/><del>Low</del><br/>An ongoing risk remains for future pandemics and future widespread disease or other outbreaks. Measures will be adjusted in accordance with government advice.<br/><del>Treat</del><br/>Tolerate</p>                 | <p>Ongoing Partnership Director (Subject to SG advice)</p>        | <p>Low</p> | <p>Low</p> |    |
| <p><b>R009</b><br/>9.2</p> | <p>People</p> | <p>Inadequate measures in place to facilitate staff health, safety and well-being during working from home arrangements.</p>                         | <p>3</p> | <p>Possible</p> | <p>4</p> | <p>Major</p>    | <p>12</p> | <p>Medium</p> | <p>Appropriate policies are reviewed and updated. Risk assessments of staff personal home working arrangements have been completed and will be subject to regular review. Risk Management Framework approved-by P&amp;A Committee. Business Continuity Plan reviewed.<br/>Liaise with HR Adviser. Review transition arrangements to normal working arrangements at appropriate time. Hybrid Working Policy <del>will facilitate this-</del> implemented and working well.</p> | <p>2</p> | <p>Unlikely</p> | <p>3</p> | <p>Moderate</p>      | <p>6</p> | <p>Low</p> | <p><del>Medium</del><br/><del>Low</del><br/>An ongoing risk remains for future pandemics and future widespread disease or other outbreaks. Measures will be adjusted in accordance with government advice and legislation.<br/><del>Treat</del><br/>Tolerate</p> | <p>Ongoing Partnership Director (Subject to SG advice)</p>        | <p>Low</p> | <p>Low</p> |   |
| <p><b>R009</b><br/>9.3</p> | <p>People</p> | <p>Loss of key personnel may lead to inability to deliver strategy and projects.</p>   | <p>3</p> | <p>Possible</p> | <p>3</p> | <p>Moderate</p> | <p>9</p>  | <p>Medium</p> | <p>Recruitment strategy. Development of existing staff through performance appraisal. Staff training Specialist HR recruitment consultancy</p>  | <p>3</p> | <p>Possible</p> | <p>1</p> | <p>Insignificant</p> | <p>3</p> | <p>Low</p> | <p>Low<br/>Work programme will be monitored and redistributed as necessary.<br/>Recruitment exercise <del>has-</del> commenced-complete and full staff complement in place by 20 Nov 2023.<br/>Tolerate</p>  | <p><del>September-2023</del><br/>Ongoing Partnership Director</p> | <p>Low</p> | <p>Low</p> |  |

| Risk Number | Risk Detail   | Risk Category | Gross Risk Assessment |                 |            |          | Planned Response/Mitigation | Net Risk Assessment |   |            |          | Risk After Mitigation/Appetite for Risk | Date and Owner |    |        |  |  |         |   |
|-------------|---|---------------|-----------------------|-----------------|------------|----------|-----------------------------|---------------------|---|------------|----------|---|----------------|----|--------|--|--|---------|---|
|             |   |               | Probability           | Impact          | Risk Score |          |                             | Probability         | Impact  | Risk Score |          |   |                |    |        |  |  |         |   |
|             | Restricted ability to undertake RTS re-write: Inadequate senior staff resourcing available due to continued absence of Partnership Director   | Strategic     | 4                     | Probable        | 3          | Moderate | 12                          | Medium              | Resolve absence as soon as possible and appoint external resources as required.   | 2          | Unlikely | 2                                       | Minor          | 4  | Low    | Partnership Director appointed May 2019. Funds identified for RTS re-write   | June 2019<br><b>CLOSED</b>                       |         |   |
|             | Accommodation: Occupancy Agreement with SG due for renewal February 2019. SG may not renew and alternative premises required at market rates. | Financial     | 3                     | Possible        | 3          | Moderate | 9                           | Medium              | A notice period of 12 months must be served by each party under the current occupancy agreement. Occupancy Agreement renewed until February 2022.   | 3          | Possible | 3                                       | Moderate       | 9  | Medium |  | June 2019<br><b>CLOSED</b>                       |         |   |
|             | ECOMM: Agreement to commit to ECOMM on the basis of being cost neutral. Income depends on number of delegates attending conference.           | Financial     | 3                     | Possible        | 3          | Moderate | 9                           | Medium              | SEStran withdrew offer to host ECOMM due to uncertainty over Brexit and subsequent impact on attendance at the conference.  | 3          | Possible | 2                                       | Minor          | 6  | Low    |  | June 2019<br><b>CLOSED</b>                       |         |   |
|             | Following the outcome of the EU Referendum, the Partnership is unable to access EU funding.   | Financial     | 5                     | Highly Probable | 3          | Moderate | 15                          | High                | The Partnership continues to seek alternative funding sources to progress knowledge exchange/transfer.  | 4          | Probable | 3                                       | Moderate       | 12 | Medium | <b>Medium Tolerate:</b> Adapt expenditure accordingly<br>Currently involved in 5 EU projects, the completion of which are underwritten by the UK Treasury.   | June 2021<br><b>CLOSED</b>                       |         |   |
|             | <b>Governance:</b><br>Succession Planning<br>Business Continuity  | Governance    | 3                     | Possible        | 3          | Moderate | 9                           | Medium              | Governance Scheme contains adequate provision to deal with senior officer absence. Staff structure and Business Continuity Plan in place. Senior Partnership Manager appointed.   | 2          | Unlikely | 2                                       | Minor          | 4  | Low    | <b>Low Tolerate</b>  | <b>CLOSED</b><br>Partnership Director            |         |   |
|             | <b>Policy Appraisal:</b><br>Poor Quality<br>Lack of consultation  | Strategic     | 1                     | Remote          | 3          | Moderate | 3                           | Low                 | Advised by Government of relevant policy changes and Partnership Director and Officers regularly looking out for further policies and responding accordingly. Consultative forums also enable greater visibility and integration of local policies into regional strategy. Make full use of online consultancy options. | 1          | Remote   | 2                                       | Minor          | 2  | Low    | <b>Low.</b> Partnership staff also continue to monitor their networks for relevant policy discussions.<br>Draft RTS approved for statutory consultation.<br><b>Tolerate</b>  | <b>CLOSED</b><br>Partnership Director            | Low Med | ↔ |
|             | <b>Regional Transport Strategy:</b><br>Introduction of new RTS. Delay in approval by ministers. Delayed introduction of the new strategy.     | Strategic     | 3                     | Possible        | 2          | Minor    | 6                           | Low                 | Regular comms with Transport Scotland at all stages in the development of the RTS.  | 1          | Remote   | 2                                       | Minor          | 2  | Low    | <b>Low Tolerate</b>  | 28 March 2023<br>Jim Stewart<br><b>CLOSED</b>    | Low Med | ↔ |
|             | <b>Newly Appointed Board.</b><br>Risk of lack of continuity and loss of expertise due to high turnover in members for the new term of office. | Governance    | 3                     | Possible        | 3          | Moderate | 9                           | Medium              | Ensure that full training and support is provided to the new Board in 2022 to enable strategic decisions to be made.<br>A Regular schedule of meetings of the Succession Planning Committee.  | 2          | Unlikely | 2                                       | Minor          | 4  | Low    | <b>Low</b><br>Skills audit will identify future training requirements<br>Option to appoint Board Observers to supplement areas of expertise<br>Partnership Director 1:1 meetings with Board Members<br><b>Tolerate</b> | Ongoing<br>Partnership Director<br><b>CLOSED</b> | Low Med | ↔ |

## Risk Description and Impacts Table

| Ref  | Type of Risk          | Description   | Impact   |
|------|-----------------------|---|--|
| R001 | Strategic             | Inability to design and / or implement a strategic plan or strategy for SEStran.  | Lack of clarity regarding future direction and structure of SEStran impacting quality and alignment of strategic decisions   |
| R002 | Financial             | Inability to perform financial planning; deliver an annual balanced budget; manage cash flows; and confirm ongoing adequacy of reserves                               | SEStran is unable to continue to deliver in line with strategic objectives; inability to meet financial targets; adverse external audit opinion; adverse reputational consequences |
| R003 | Reputational          | Adverse publicity because of decisions taken and / or inappropriate provision of sensitive strategic, commercial and / or operational information to external parties | Significant adverse impact to SEStran's reputation in the public domain  |
| R004 | Governance            | Inability of management and members to effectively manage and scrutinise performance, and take appropriate strategic, financial and operational decisions             | Poor performance is not identified, and decisions are not aligned with strategic direction   |
| R005 | External              | Inability to effectively manage SEStran's most significant supplier and partnership relationships   | Inability to deliver strategy and major projects within budget and achieve best value  |
| R006 | Legal / regulatory    | Delivery of services and decisions are not aligned with applicable legal and regulatory requirements  | Regulatory censure and penalties; legal claims; financial consequences   |
| R007 | Specific Operational  | Inability to deliver projects and programmes effectively, on time and within budget   | Inability to deliver projects; achieve service improvements; and deliver savings targets   |
| R008 | System and technology | Potential failure of cyber defences; network security; application security; and physical security and operational arrangements                                       | Inability to use systems to support services; loss of data and information; regulatory and legislative breaches; and reputational consequences                                     |
| R009 | People                | Employees and / or citizens suffer unnecessary injury and / or harm   | Legal; financial; and reputational consequences  |
| R010 | New Project Income    | Inability to attract new projects to fill the funding gap left by diminishing EU projects/Brexit  | Inadequate funding streams and lack of innovation.   |

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**Risk Impact**

| Likelihood |                 | Severity |               | Risk Score |             |
|------------|-----------------|----------|---------------|------------|-------------|
| 1          | Remote          | 1        | Insignificant | 1          | Low Risk    |
| 2          | Unlikely        | 2        | Minor         | 2          |             |
| 3          | Possible        | 3        | Moderate      | 3          |             |
| 4          | Probable        | 4        | Major         | 4          |             |
| 5          | Highly Probable | 5        | Catastrophic  | 5          |             |
|            |                 |          |               | 6          | Medium Risk |
|            |                 |          |               | 8          |             |
|            |                 |          |               | 9          |             |
|            |                 |          |               | 10         | High Risk   |
|            |                 |          |               | 12         |             |
|            |                 |          |               | 15         |             |
|            |                 |          |               | 16         |             |
|            |                 |          |               | 20         |             |
|            |                 |          |               | 25         |             |

| At Risk               |
|-----------------------|
| Strategic             |
| Financial             |
| Reputational          |
| System and Technology |
| Governance            |
| Specific Operational  |
| External              |
| Legal and Regulatory  |
| People                |
| New Project Income    |

| Impact        |       |   |   |   |
|---------------|-------|---|---|---|
| Descriptor    | Score | Health and Safety Impact                          | Impact on Service and Reputation  | Financial Impact                            |
| Insignificant | 1     | No injury or no apparent injury.                  | No impact on service or reputation. Complaint unlikely, litigation risk remote.   | Loss/costs up to £5000.                     |
| Minor         | 2     | Minor injury (First Aid on Site)                  | Slight impact on service and/or reputation. Complaint possible. Litigation possible.  | Loss/costs between £5000 and £50,000.       |
| Moderate      | 3     | Reportable injury                                 | Some service disruption. Potential for adverse publicity, avoidable with careful handling. Complaint expected. Litigation probable.   | Loss/costs between £50,000 and £500,000     |
| Major         | 4     | Major injury (reportable) or permanent incapacity | Service disrupted. Adverse publicity not avoidable (local media). Complaint expected. Litigation expected.  | Loss/costs between £500,000 and £5,000,000. |
| Catastrophic  | 5     | Death   | Service interrupted for significant time. Adverse publicity not avoidable (national media interest.) Major litigation expected. Resignation of senior management/directors. | Theft/loss over £5,000,000                  |

| Likelihood      |       |   |
|-----------------|-------|---|
| Descriptor      | Score | Example   |
| Remote          | 1     | May only occur in exceptional circumstances.            |
| Unlikely        | 2     | Expected to occur in a few circumstances.               |
| Possible        | 3     | Expected to occur in some circumstances.                |
| Probable        | 4     | Expected to occur in many circumstances.                |
| Highly Probable | 5     | Expected to occur frequently and in most circumstances. |

| Impact        |        |          |          |          |                 |
|---------------|--------|----------|----------|----------|-----------------|
| Impact        | 5      | 10       | 15       | 20       | 25              |
| Catastrophic  | 5      | 10       | 15       | 20       | 25              |
| Major         | 4      | 8        | 12       | 16       | 20              |
| Moderate      | 3      | 6        | 9        | 12       | 15              |
| Minor         | 2      | 4        | 6        | 8        | 10              |
| Insignificant | 1      | 2        | 3        | 4        | 5               |
| Likelihood    | Remote | Unlikely | Possible | Probable | Highly Probable |

### Risk Appetite

| Risk Rating | Net Risk Assessment | Risk Appetite Response  |
|-------------|---------------------|---|
| High        | 15-25               | Unacceptable level of risk exposure which requires action to be taken urgently.   |
| Medium      | 7-14                | Acceptable level of risk but one which requires action and active monitoring to ensure risk exposure is reduced                               |
| Low         | 1-6                 | Acceptable level of risk based on the operation of normal controls. In some cases, it may be acceptable for no mitigating action to be taken. |

### Risk Response

There are four categories of risk response:

*Terminate:* risk avoidance – where the proposed activity is outwith the current risk appetite level;

*Treat:* risk reduction – where proactive action is taken to reduce the likelihood or impact of an event occurring or limiting the consequences should it occur

*Transfer:* risk transfer – where the liability for the consequences is transferred to an external organisation in full or part (e.g. insurance cover)

*Tolerate:* where certain risks are accepted

Risk Appetite Target Scores

| Risk Description                                 | From   | To     | Commentary  |
|--|--------|--------|---|
| Strategic  | Low    | Medium | SEStran has a low to medium appetite in relation to its strategic risks and aims to ensure effective delivery of its commitments in line with agreed timescales.<br>Strategic delivery is monitored through ongoing reporting processes and governance processes.   |
| Financial  | Low    | Medium | SEStran has a low to medium appetite in relation to financial risk and may be prepared to accept some risk, subject to: <ul style="list-style-type: none"> <li>· setting and achieving an annual balanced revenue budget, in line with legislative requirements</li> <li>· maintaining an unallocated general reserve fund, in line with legislative requirements</li> </ul> Financial risk is set out in SEStran's Governance Scheme.  |
| Reputational                                     | Low    | Medium | SEStran is prepared to tolerate a low to medium level of occasional isolated reputational damage.<br>Media response protocols are set out in the Governance Scheme.   |
| System and Technology                            | Low    | Medium | SEStran has a low to medium appetite in relation to system and technology risk.<br>The risk appetite will vary depending on the nature, significance and criticality of systems used, and the services they support.<br>Risks are managed through ongoing use of inbuilt technology, security controls, encryption, data loss prevention, firewalls and vulnerability scanning, plus a range of security protocols and procedures.<br>SEStran has achieved Cyber Essentials Plus accreditation. |
| Governance                                       | Low    | Low    | SEStran has a low appetite in relation to governance and decision making.<br>The partnership's governance arrangements are detailed in the Governance Scheme.<br>No officer or member may knowingly take or recommend decisions or actions which breach legislation.  |
| Specific Operational                             | Low    | Medium | SEStran has a low to medium appetite in relation to specific operational risks.<br>The Partnership Director and Management Team are expected to design, implement and maintain appropriate programme, project management and governance controls to manage these risks.   |
| External<br>(Suppliers/contractors/partnerships) | Low    | Medium | SEStran has a low to medium appetite in relation to external risks. The appetite will vary depending on the criticality of the service or third-party support.<br>SEStran has an established procurement process, supported by the Contract Standing Orders and use of Public Contract Scotland frameworks.   |
| Legal and Regulatory                             | Low    | Low    | SEStran aims to fully comply with all applicable regulatory and legislative requirements.<br>No officer or member may knowingly take or recommend decisions or actions which breach the law.  |
| People   | Low    | Low    | SEStran recognises that accidents can occur because of unknown and/or unplanned events and has an appetite to fully comply with all relevant health and safety requirements to minimise any health and safety risks that could potentially result in loss of life or injury.  |
| New Project Income                               | Medium | High   | SEStran has a medium to high appetite in relation to attracting new projects to enable innovation and attract new funding streams.<br>SEStran has an established procurement process, supported by the Contract Standing Orders and use of Public Contract Scotland frameworks.<br>Financial risk is set out in SEStran's Governance Scheme.  |