

Risk Register

1. INTRODUCTION

- 1.1 The purpose of this report is to provide the Performance and Audit Committee with its quarterly update on SEStran's strategic 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 This report focuses on the 3 main current strategic risks, based on the total risk scores shown in the strategic risk register, which is included as an appendix to the report. These risks have not changed since the report to the P&A Committee meeting on 6 June 2025.

3.2 A Potential Change to Transport Governance

Transport governance defines the roles and responsibilities of Transport Scotland, the seven Regional Transport Partnerships (RTPs), 32 local authorities, and selected partners in shaping Scotland's transport landscape.

Recent discussions and independent reports have consistently advocated for Transport Scotland to delegate more of its workload to organisations better positioned to address regional and local priorities. These entities, with their deeper understanding of specific transport needs, may be better equipped to prioritise and deliver projects effectively within their respective areas.

For the Partnership, this shift presents both challenges and opportunities. The recent transfer of People and Place responsibilities underscores Transport Scotland's support for a regional approach to certain transport functions, reflecting its confidence in RTPs. Building on this momentum, SEStran is actively engaging with Transport Scotland to explore additional areas where it can contribute meaningfully. However, as new governance arrangements take shape, there is a risk that RTPs' influence could be diluted, potentially limiting their ability to drive regional transport priorities effectively.

Furthermore, Transport Scotland intends to review transport governance in the near future, subject to resource availability. RTPs, along with

COSLA and SCOTS, are expected to participate in a working group that will report to the Cabinet Secretary for Transport.

3.3 **Funding Reductions**

Transport Scotland's annual grant remained unchanged for over a decade before being reduced by 5% in 2024/25, reflecting wider Scottish Government budget cuts. This reduced funding level has continued into 2025/26, with a real risk of further reductions in 2026/27 and beyond, potentially affecting the Partnership's core operational costs.

SEStran maintains ongoing engagement with Transport Scotland to ensure its work is recognised and valued. Efforts focus on demonstrating the broader impact SEStran could achieve with increased funding.

Council requisitions have declined by 10% over the past decade. In response, Transport Scotland has encouraged RTPs to seek increases. No decision has been made on the approach to 2026/27, but a separate update to this meeting explores the possibility of submitting a report to the December meeting of the Partnership Board in December this year seeking an increase to Council Requisitions.

Project funding has historically accounted for up to 50% of SEStran's total income but is typically announced mid-financial year, excluding it from budget planning. Due to ongoing fiscal pressures, no such funding was allocated in 2024/25, and availability remains unlikely for 2025/26.

European Union funding ceased entirely in 2023/24 following the UK's exit from the EU. However, UK organisations remain eligible to bid for Horizon Europe funding. SEStran is actively collaborating with UK and EU partners to explore these opportunities.

3.4 **Cyber Security**

Public sector entities are increasingly being targeted by cyber-attacks and data breaches, posing risks to sensitive information and service continuity.

To support its cybersecurity defences, SEStran's Information Technology (IT) service provider oversees all aspects of IT support, including cyber protection. This includes implementing technological defences against attacks and delivering staff training to enhance awareness of social engineering tactics and threats via common communication channels such as email, SMS, phishing, and vishing.

SEStran undergoes an annual **Cyber Essentials Plus** audit, maintaining full accreditation. Additionally, it receives daily threat intelligence updates and weekly vulnerability assessments from the Scottish and National Cyber Security Centres. As part of its IT service contract, SEStran also benefits from monthly in-person consultations with an IT consultant or engineer to ensure ongoing security enhancements.

4. **RECOMMENDATIONS**

- 4.1 The Committee is 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

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 1.1	Strategic	Regional Governance 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	The joint RTPs have submitted a refreshed Develop to Deliver report to TS and COSLA in 2024. TS currently are looking for resource to restart the review of regional governance. Discussions being held with TS on review of regional governance. Response to consultation on Regional Economic Partnerships provides another opportunity to shape debate on RTP roles going forward. Continue to input as SEStran as well as through Joint RTPs	4	Probable	4	Major	16	High	High Treat	Review at end of September 2025 Partnership Director	Low	Med	↓
R001 1.2	Strategic	Regional Governance Lack of clarity on role of non statutory REP/ESES City Region Deal groupings	4	Probable	3	Possible	12	Medium	A Concordat has been established and is functioning effectively between SEStran and the ESESCRD. This agreement commits both parties to collaborate openly and transparently to support land use planning and economic growth across the region. The benefits of this partnership are already evident, with the regional electric vehicle charging strategy and the RTS Delivery Plan development being two key examples. The Partnership will continue to work with partners and stakeholders at Scottish and UK government levels to promote the benefits of regional partnership delivery. Response to REP consultation (see above) will assist building partnerships at regional level.	2	Unlikely	3	Moderate	9	Medium	Medium Tolerate	Review at end of Dec 2025 Partnership Director	Low	Med	↔

R001 1.3	Strategic	Pandemic / Epidemic: Interruption of normal service/inability to deliver functions. Financial impact of crisis on sources of funding. Could we not close this risk for now? Arguably covered now by 9.1	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. Ensure that all staff are trained on the Business Continuity Plan, and that it is reviewed regularly. Maintain current functions that can be delivered within working guidance. Working from home arrangements now tried, tested and effective.	3	Possible	3	Moderate	9	Medium	Medium Tolerate	Review at end of September 2025 Partnership Director	Low Med	↔
R001 1.4	Strategic	Political/Govt Change There is a risk that a change in government could lead to changes to RTPs/Regional Governance	3	Possible	4	Major	12	Medium	Continued engagement with all political parties and agencies. Partnership Director to offer meetings with MSP Transport Spokesperson from each scottish political party.	3	Possible	3	Moderate	9	Medium	Medium Tolerate	Review at end of September 2025 Partnership Director	Low Med	↔
R002 2.0	Financial	Financial: Significant deviation from budgeted spend	2	Unlikely	3	Moderate	6	Low	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. Transport (Scotland) Act 2019 includes section on RTPs carrying reserves.	1	Remote	2	Minor	2	Low	Low Tolerate	September 2025 Partnership Director	Low Med	↔




R002 2.1	Financial	The approved budget for 2025/26 makes provision for a pay award of up to 3%. Superseded?	5	Highly Probable	3	Moderate	15	High	Prudent planning assumption with ongoing monitoring of public sector pay negotiations. Ongoing monitoring and review of all costs and forecasts during 2025/26. Costs will be aligned with COSLA pay offer. As the 2025/26 pay award of 4% is higher than the 3% budgeted provision, forecasts for 2025/26 have been reviewed to identify measures to mitigate the additional cost of £7,600.	2	Unlikely	3	Moderate	6	Low	Medium Tolerate	September 2025 Partnership Director	Low Med	
R002 2.2	Financial	Staff recharges - externally funded projects: The approved budget assumes that £149,000 of staff time can be recharged to Projects. There is a risk this may not be achievable.	3	Possible	3	Moderate	9	Medium	Any shortfall in employee cost recharges will be offset by a corresponding reduction in Projects Budget expenditure. Other funding sources will continue to be pursued.	3	Possible	3	Moderate	9	Medium	Medium Tolerate	September 2025 Partnership Director	Low Med	
R002 2.3	Financial	Inflation: There is a risk that the indicative budget does not adequately cover price inflation and increasing demand for services.	4	Probable	4	Major	16	High	When setting the revenue budget, allowance was made for specific known price inflation. Budgets adjusted in line with current cost forecasts. Ongoing monitoring and review of all costs and forecasts during 2025/26. In preparing estimates for 2026/27 and beyond, the Partnership will review all cost estimates to determine if it will be necessary to make a case to increase council contributions.	3	Possible	3	Moderate	9	Medium	Medium Tolerate	September 2025 Partnership Director	Low Med	
R002 2.4	Financial	Delays in payment of external grants results in additional short-term borrowing costs.	3	Possible	3	Moderate	9		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. Grant submission procedures in place, along with financial planning.	3	Possible	3	Moderate	9	Medium	Medium Tolerate	September 2025 Partnership Director	Low Med	

R002 2.5	Financial	Sources of additional income to the Partnership may become constrained in the current economic climate and/or due to changes in operating arrangements.	4	Probable	4	Major	16	High	Revenue budget for-2025/26 developed to take account of most likely level of external income. Continue to explore alternative funding options Lobby/bid for additional funds	3	Possible	4	Major	12	Medium	Medium Treat	September 2025 Partnership Director	Low	Med	↓
R002 2.6	Financial	Funding reductions: Future reductions in core funding from Scottish Government and/or council requisitions. This could result in difficulty in delivering statutory obligations/duties.	3	Possible	4	Major	12	Medium	The Partnership will continue to source and develop external funding. Manage organisation in accordance with available funding but ability of organisation to deliver RTS objectives will inevitably be dictated by available funding. Engagement/advocating with SG/TS/constituent councils to maintain/increase funding Working with other RTPs to influence SG review of allocation of funding	3	Possible	4	Major	12	Medium	Medium Tolerate	September 2025 Partnership Director	Low	Med	↔
R002 2.7	Financial	The funding position of the staff pension fund could lead to increases in the employers pension contribution	4	Probable	3	Moderate	12	Medium	Following Lothian Pension Fund's Triennial Actuarial Review in 2023, Partnership employer pension fund contribution rates are now confirmed at 26.8% until 31 March 2027. Financial planning assumptions have been updated and included in the revenue budget for 2025/26 and indicative budget for 2026/27 approved by the Partnership Board on 14th March 2025.	4	Probable	3	Moderate	12	Medium	Medium Tolerate	September 2025 Partnership Director	Low	Med	↔
R002 2.8	Financial	Current staffing levels cannot be maintained due to funding constraints and the Partnership incurs staff release costs	3	Possible	4	Major	12	Medium	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. People and Place Programme has increased financial flexibilty.	2	Unlikely	4	Major	8	Medium	Medium Tolerate	September 2025 Partnership Director	Low	Med	↔

<div>R0022.9</div>	Financial	<div>Funding/Grant Awards: 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</div>	4	Probable	3	Moderate	12	Medium	<div>As part of the ongoing business planning process the Partnership will continue to develop and introduce where appropriate a number of suitable on the shelf schemes. All potential schemes will be subject to detailed impact assessments to ensure impacts on the Partnership's core activities are minimised or mitigated.</div> <div>Regular budget monitoring and reports to the Partnership Board.</div>	3	Possible	3	Moderate	9	Medium	<div>Medium</div> <div>Treat</div>	<div>September 2025</div> <div>Partnership Director</div>	Low	Med	<div>↓</div>
<div>R0033.0</div>	Reputational	<div>Project Management: Project incomplete or of poor quality Late Delivery</div>	3	Possible	4	Major	12	Medium	<div>All project progress reported to the Projects Team monthly and the Project and Strategy Delivery Oversight Subgroup quarterly.</div> <div>Minutes of PaSDOS and the full project report are also taken to P&A Committee quarterly for additional oversight.</div> <div>Management action taken as required.</div> <div>Project and Strategy Delivery Oversight Subgroup of the P&A Committee set up with quarterly meetings planned for 25/26 to support P&A with its role in scrutinising project delivery.</div>	2	Unlikely	3	Moderate	6	Low	<div>Low</div> <div>Tolerate</div>	<div>Review at end September 2025</div> <div>September 2025 March 2026</div> <div>Programme Manager</div>	Low	Med	<div>↔</div>

<div>R003</div> <div>3.1</div>	Reputational	<div>Reputation:</div> <div>Regard by the public and stakeholders. Negative or inaccurate media coverage leading to misrepresentation of SEStran position</div>	3	Possible	3	Moderate	9	Medium	<div>Quick response to negative or inaccurate coverage managed by Communications & Marketing Officer,</div> <div>Proactive profile and reputation management via social media, website and press releases. Partnership staff and Board Members continue to promote and advocate activities via speaking, writing or wider networking</div> <div>Continue to work closely with regional partners</div> <div>Board members regularly updated on SEStran work successes and issues.</div> <div>Agreed approach to media position set out in Standing Orders.</div>	2	Unlikely	3	Moderate	6	Low	<div>Low</div> <div>Tolerate</div>	<div>Review end of September 2025</div> <div>Partnership Director</div>	Low	Med	↔
<div>R003</div> <div>3.2</div>	Reputational	<div>Project Management:</div> <div>Potential insolvency of 3rd party supplier</div>	3	Possible	4	Major	12	Medium	<div>Improved supplier viability checks before award, renewal or modification of contracts or grants now in place.</div> <div>Individual risks and mitigations to be developed for any contract or grant over an agreed threshold.</div> <div>Where appropriate, Government frameworks will be utilised.</div> <div>Full review of procurement procedures to be carried out by is nearing completion by Legal Advisers. Staff training on new procedures to be developed.</div>	2	Unlikely	4	Major	8	Medium	<div>Medium</div> <div>Treat</div>	<div>Review at end of September 2025</div> <div>Partnership Director</div>	Low	Med	↓
<div>R005</div> <div>5.0</div>	External	<div>Third party Service Level Agreements:</div> <div>Failure or inadequacy of service</div>	2	Unlikely	2	Minor	4	Low	<div>Service Level Agreements in place for Financial Services, HR and Insurance services. Reviewed annually by senior officers. Subject to independent audit scrutiny.</div>	2	Unlikely	2	Minor	4	Low	<div>Low</div> <div>Tolerate</div>	<div>Review at end of 2025</div> <div>Partnership Director</div>	Low	Med	↔

<div>R005</div> <div>5.1</div>	External	Contract Management: 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 reviewed, including Contract Standing Orders. This work will shape a new Procurement Strategy and Manual which is being developed by Anderson Strathern. Ensure contract documentation sound and up to date. Ensure contracts are adequately managed. Business propriety/credit/analytic criteria to be written in to documentation. Contract management process to be included as part of full procurement review.	2	Unlikely	3	Moderate	6	Low	Low Tolerate	Review at end of September 2025 Partnership Director	Low	Med	↔
<div>R005</div> <div>5.2</div>	External	Grants: Failure to adhere to grant conditions could result in grants being withheld or reclaimed, impacting the SEStran budget	4	Probable	4	Major	16	High	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. Grant standing orders? Also refer to risk 2.9. Successful management of risk 5.2, reduces likelihood of risk 2.9	2	Unlikely	4	Major	8	Medium	Medium Treat	Review at end of September 2025 Partnership Director	Low	Med	↓
<div>R006</div> <div>6.0</div>	Legal and Regulatory	Statutory Duties: Failure to adhere to duties described in legislation and related documentation	3	Possible	4	Major	12	Medium	Regular monitoring and programming of statutory duties is undertaken by the Partnership Director, Senior Partnership Manager and Business Manager. Audited by third parties. Officers to carry out a review of compliance with Public Sector Equality Duty. Horizon scanning of consultations which may lead to new statutory responsibilities.	2	Unlikely	4	Major	8	Medium	Treat	Review at end September 2025 Partnership Director	Low	Low	↔
<div>R007</div> <div>7.0</div>	Specific Operational	People and Place Plan: Funding changes result in programme not continuing regionally beyond 2025/26 2026/27	3	Possible	3	Moderate	9	Medium	Engage regularly with Transport Scotland. Ensure outcomes and outputs from the programme delivery are captured to evidence efficacy of regional approach. With the election in early 2026, the impact of this on P&P is unknown and so likelihood of this has been upgraded to possible despite the mitigations.	3	Possible	3	Moderate	9	Medium	Low Tolerate	September 2025 March 2026 Programme Manager	Low	Med	↔

R008 8.0	System and Technology	Digital/IT: Server failure Comms failure Website breach Resulting in loss of service to business operations	3	Possible	4	Major	12	Medium	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. 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.	1	Remote	4	Major	4	Low	Low Tolerate	Ongoing Business Manager	Low Med	
R008 8.1	System and Technology	Cyber Security: Public sector entities are prime targets for cyberattacks and data breaches, which can compromise sensitive information and disrupt services.	3	Possible	4	Major	12	Medium	Annual Cyber Essentials Plus audit and accreditation awarded. In receipt of daily threats and weekly vulnerability emails from the Scottish/National Cyber Security Centre. Regular Staff training and exercises. Monthly in person visit by IT Consultant/Engineer under contracted services provision.	3	Possible	3	Moderate	9	Medium	Medium Treat	Review Sept Dec 2025 Business Manager	Low Med	
R009 9.0	People	HR: Non-compliance with employment and/or data privacy laws may result in poor repuation as an employer, difficulty in attracting skilled resource and greater probability of litigation and / or financial penalties	3	Possible	3	Moderate	9	Medium	SLA in place until May 2026 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 2027	1	Remote	3	Moderate	3	Low	Low Tolerate	Review at end March 2026 Partnership Director	Low Low	

R009 9.1	People	Inadequate measures in place to facilitate staff health, safety and well-being during contingency arrangements or future office arrangements.	3	Possible	4	Major	12	Medium	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&A Committee. Liaise with HR Adviser, SG facilities team. Hybrid Working Policy implemented to facilitate transition arrangements to normal working arrangements. An ongoing risk remains for future pandemics and future widespread disease or other outbreaks. Measures will be adjusted in accordance with government advice.	2	Unlikely	3	Moderate	6	Low	Low Tolerate	Review at end September-2025 Partnership Director (Subject to SG advice)	Low	Low	↔
R009 9.2	People	Inadequate measures in place to facilitate staff health, safety and well-being during working from home arrangements.	3	Possible	4	Major	12	Medium	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&A Committee. Business Continuity Plan reviewed. Liaise with HR Adviser. Review transition arrangements to normal working arrangements at appropriate time. Hybrid Working Policy implemented and working well. 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.	2	Unlikely	3	Moderate	6	Low	Low Tolerate	Review at end September-2025 Partnership Director (Subject to SG advice)	Low	Low	↔
R009 9.3	People	Loss of key personnel may lead to inability to deliver strategy, projects and/or operations	3	Possible	3	Moderate	9	Medium	Recruitment Policy in place. Development of existing staff through performance appraisal. Staff training Work programme will be monitored and redistributed as necessary.	3	Possible	1	Insignificant	3	Low	Low Tolerate	Review at end September-2025 Partnership Director	Low	Low	↔

R009 9.4	People	Climate Change Staff are unable to access the office more frequently due to increase in adverse weather events.	3	Possible	3	Moderate	9	Medium	Home working policy in place and procedures for inability to access the office outlined in the SEStran Business Continuity Plan (Jan 2024). Train team in BCP, and review regularly.	3	Possible	2	Minor	6	Low	Low Tolerate	Review at end September-2025 Partnership Director	Low	Low	↔
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