Risk Register

1. INTRODUCTION

1.1 The purpose of this report is to provide the Performance and Audit Committee with a quarterly update on SEStran's corporate 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. KEY NET RISKS

3.1 This report focuses on 4 risks: the 3 top rated risks based on the total risk scores shown in the strategic risk register and 1 for the new risk covering serious organised crime and fraud.

3.2 The Partnership continues to operate within a context of external uncertainty, and the highest-rated risks within the current register reflect this position.

Top Risks

3.3 R001 1.1 Transport Governance

3.3.1 The principal net risk remains R001 1.1, reflecting continuing uncertainty arising from the Scottish Government's review of transport governance arrangements. Recent Programme for Government commitments to review the future configuration of transport bodies and bring Transport Scotland more closely within central government reinforce the potential for changes to the roles and responsibilities of Regional Transport Partnerships. While the outcome remains uncertain, there is also an opportunity to strengthen regional transport delivery and influence. SEStran continues to engage with Transport Scotland, RTP partners and constituent authorities to monitor developments and ensure the Partnership is well positioned to respond to any emerging proposals. No significant change in risk exposure is currently assessed.

3.4 R002 2.4 Sources of Additional Income

3.4.1 Risk R002 2.4 concerns the possibility that additional sources of income may become constrained because of the wider economic climate or changes in operating arrangements. Following mitigation, the risk remains assessed as Medium, with a net score of 12, making it one of the highest financial risks in the register. The risk remains significant because SEStran relies on additional income to support delivery beyond its core resources. The revenue budget reflects the most likely level of external income, while officers continue to explore alternative funding options, submit funding bids and make the case for additional investment.

3.5 R002 2.5 Funding Reductions

3.5.1 Risk R002 2.5 relates specifically to potential reductions in core funding from the Scottish Government and council requisitions. The risk remains assessed as Medium, with a net score of 12. A reduction in core funding could affect SEStran's ability to fulfil its statutory duties and deliver the Regional Transport Strategy. Mitigation includes continuing to identify external funding, engaging with the Scottish Government, Transport Scotland and constituent councils, and working with other Regional Transport Partnerships to influence the review of funding allocations. However, the scale of future activity will continue to be determined by the resources available to the Partnership.

New Risk

3.6 R002 2.10 Fraud and Serious Organised Crime

3.6.1 A new risk, R002 2.10 Fraud and Serious Organised Crime, has been added following the Internal Audit recommendation that these matters should be formally reflected in SEStran's risk management arrangements. The risk covers potential financial loss, regulatory action, reputational damage and reduced public confidence arising from a failure to prevent, detect or respond effectively to fraud, corruption or serious organised crime. It is assessed as Medium, with a net score of 8. Mitigating actions include maintaining anti-fraud, whistleblowing and financial controls; reviewing compliance with the Economic Crime and Corporate Transparency Act 2023; undertaking risk assessments and supplier checks; providing staff awareness training; and reporting relevant risks or incidents to the Performance and Audit Committee.

3.7 Summary

3.7.1 The overall corporate risk profile remains stable, with no significant change in risk exposure currently assessed. R001 1.1 Transport Governance remains the highest residual risk, reflecting uncertainty around the Scottish Government's review of transport governance and the future role of Regional Transport Partnerships. SEStran will continue to engage with Transport Scotland, RTP partners and constituent authorities to monitor developments and respond to emerging proposals.

3.7.2 The most significant financial risks continue to relate to R002 2.4 Sources of Additional Income and R002 2.5 Funding Reductions, both of which remain medium-rated risks. These risks reflect ongoing uncertainty within the wider public sector funding environment and the potential impact on SEStran's ability to deliver strategic priorities and statutory functions.

3.7.3 The Corporate Risk Register has also been strengthened through the addition of R002 2.10 Fraud and Serious Organised Crime, following recommendations arising from the Internal Audit review of risk management arrangements. This new risk formally recognises emerging fraud, financial crime and compliance risks, including obligations under the Economic Crime and Corporate Transparency Act 2023.

4. RISK REGISTER REVIEW UPDATE

4.1 The Committee should note that Officers have begun work on a redesigned risk register template that moves towards a more structured "cause, risk event and consequence" approach. The new template introduces clearer risk descriptions, explicit risk consequences, gross and net risk scoring, risk appetite alignment, SMART mitigation actions, ownership, status tracking, review dates and action monitoring. It also strengthens the distinction between strategic, financial, governance, operational, legal, technology and people-related risks, while providing improved oversight of risk trends and management actions.

4.2 The draft register currently contains approximately 40 potential risk statements and risk drivers which officers are reviewing, consolidating and restructuring into a more strategic set of corporate risks. These include risks relating to transport governance reform, funding sustainability, external income, fraud, cyber security, workforce resilience, statutory compliance, contractor and grant management, political change, partnership arrangements and project delivery. The intention is to reduce duplication; improve clarity and ensure the register focuses on the most significant risks to delivery of SEStran's strategic objectives. A revised and updated risk register will be presented to the next Committee meeting on 20 November 2026.

5. RECOMMENDATIONS

The Committee is asked to:

5.1 Comment on the contents of the report

5.2 Note that a revised and updated risk register will be presented to the 20 November 2026 Committee meeting

5.3 Note that the corporate risk register will be presented to the 25 September 2026 Partnership Board for noting

Angela Chambers
Business Manager

Appendix 1: SEStran Risk Register

Policy Implications	The report supports SEStran's Risk Management Framework. Relevant policies and controls will be reviewed where required in response to identified or emerging risks.
Financial Implications	Financial risks and mitigating controls are detailed in the Corporate Risk Register and will continue to be monitored through established financial arrangements.
Equalities Implications	No direct implications. Equalities impacts will be considered as part of the management of individual risks.
Climate Change Implications	No direct implications. Climate-related considerations will be addressed where relevant through individual risk assessments and mitigation actions.

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APPENDIX 1

Risk Number	Risk Category	Risk Detail	Gross Risk Assessment						Planned Response/Mitigation							Risk After Mitigation	Date and Owner	Risk Appetite		Action Required
			Probability		Impact		Risk Score			Probability		Impact		Risk Score						
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.~~ Scottish Government and Transport Scotland reviews of transport governance arrangements, including proposals to reform the structure and responsibilities of national and regional transport bodies, could result in changes to the role, functions and funding of Regional Transport Partnerships. This presents both risks and opportunities for SEStran.	**4**	**Probable**	**4**	**Major**	**16**	**High**	~~A new Directorate within TS has been created and an officer has been appointed to lead the transport governance review, which should begin around May 2026. This presents a real opportunity for SEStran, the other RTPs, and local authorities to gain more direct control over delivery of the RTS.~~ SEStran is actively engaging with Transport Scotland, RTP partners and constituent authorities to influence emerging transport governance reforms and ensure the benefits of regional transport planning and RTS delivery are recognised within future governance arrangements. The Partnership continues to monitor Programme for Government proposals and prepare for potential changes to RTP roles, responsibilities and funding. The TS review will have a high depndency on the separate SG work on giving regional economic partnerships legal status	**4**	**Probable**	**4**	**Major**	**16**	**High**	**High** **Treat**	Review at end of Sept 2026 Partnership Director	Low	Med	
RO01 1.2	**Strategic**	**Pandemic / Epidemic:** 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 consituent 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. Hybrid Working Policy in place.	3	Possible	3	Moderate	9	Medium	**Medium** **Tolerate**	Review at end of Sept 2026 Partnership Director	Low	Med	
RO01 1.3	**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. A SEStran Manifesto was launched at the SEStran Summit on 4 December. A comms plan targetting MSPs before and after the election is being prepared in conjunction with our public affairs advisers. Officers will outreach to local government politicians in advance of the local government elections in May 2027	3	Possible	4	Major	12	Medium	**Medium** **Tolerate**	Review at end of Sept 2026 Partnership Director	Low	Med	

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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**	~~June~~ Sept 2026 Partnership Director	Low	Low	↔
R002 2.1	Financial	Staff recharges - externally funded projects: The approved budget assumes 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. 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.	3	Possible	3	Moderate	9	Medium	**Medium** **Tolerate**	~~June~~ Sept 2026 Partnership Director	Low	Med	↔
R002 2.2	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, allowances are made for specific known price inflation. Budgets adjusted in line with current cost forecasts. Ongoing monitoring and review of all costs and forecasts. In preparing estimates for future financial years, 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**	~~June~~ Sept 2026 Partnership Director	Low	Med	↔
R002 2.3	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.	2	Unlikely	3	Moderate	6	Low	**Medium** **Tolerate**	~~Sept~~ Dec 2026 Partnership Director	Low	Med	om possible - unlikely (the mitigations we have have have avoided this occuring) ↔
R002 2.4	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 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**	~~June~~ Sept 2026 Partnership Director	Low	Med	↓
R002 2.5	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**	~~June~~ Sept 2026 Partnership Director	Low	Med	↔
R002 2.6	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 approved by the Partnership Board.	4	Probable	3	Moderate	12	Medium	**Medium** **Tolerate**	~~June~~ Sept 2026 Partnership Director	Low	Med	↔

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R002 2.7	**Financial**	The Partnership may incur additional staff release costs if current staffing levels cannot be maintained due to funding constraints.	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**	~~June~~ Sept 2026 Partnership Director	Low	Med	↔
R002 2.8	**Financial**	**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	4	**Probable**	3	**Moderate**	12	**Medium**	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. Regular budget monitoring and reports to the Partnership Board. Continue to press case through available channels for multi year funding	3	**Possible**	3	**Moderate**	9	**Medium**	**Medium** **Treat**	~~June~~ Sept 2026 Partnership Director	Low	Med	↓
R002 2.9	**Financial**	**Increase in employers on-costs:** Changes to UK Government policy (for example increases in employer National Insurance contributions or other statutory on costs) could lead to higher staffing costs than budgeted, placing pressure on revenue budgets and limiting the Partnership's ability to deliver planned activities.	3	**Possible**	3	**Moderate**	9	**Medium**	Monitor UK Government fiscal announcements and emerging policy changes. Reflect known or anticipated changes in medium term financial planning where possible. Maintain dialogue with constituent councils and finance partners on cost pressures and assumptions. Consider mitigation through budget re profiling or prioritisation if increases materialise.	2	**Unlikely**	3	**Moderate**	6	**Low**	**Low** Review annually or following significant fiscal announcements. **Tolerate**	~~June~~ Sept 2026 Partnership Director	Low	Med	↔
R002 2.10	**Financial**	**Fraud and Serious Organised Crime:** Failure to prevent, detect or respond effectively to fraud, corruption or serious organised crime could result in financial loss, regulatory action, reputational damage and reduced public confidence. This includes compliance risks associated with the Economic Crime and Corporate Transparency Act 2023.	3	**Possible**	4	**Major**	12	**Medium**	**Compliance Requirements:** ECCTA 2023, financial governance requirements, procurement regulations, anti-bribery obligations, whistleblowing legislation and information governance requirements. **Key Mitigations:** • Maintain Anti-Fraud, Whistleblowing and Financial Regulations. • Undertake fraud and organised crime risk assessments. • Review ECCTA compliance and prevention controls. • Provide fraud awareness training. • Undertake supplier due diligence and procurement checks. • Report fraud risks and incidents to the Performance and Audit Committee. • Maintain cyber security controls.	2	**Unlikely**	4	**Major**	8	**Medium**	**Medium** **Treat**	Dec 2026 Partnership Director	Low	Med	↓
R003 3.0	**Reputational**	**Project Management:** Project incomplete or of poor quality Late Delivery	3	**Possible**	4	**Major**	12	**Medium**	All project progress reported to the Projects Team monthly and the Project and Strategy Delivery Oversight Subgroup quarterly. Minutes of PaSDOS and the full project report are also taken to P&A Committee quarterly for additional oversight. Management action taken as required.	2	**Unlikely**	3	**Moderate**	6	**Low**	**Low** **Tolerate**	Review at end Dec 2026 Programme Manager	Low	Med	↔

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R003 3.1	**Reputational**	**Reputation:** Regard by the public and stakeholders. Negative or inaccurate media coverage leading to misrepresentation of SEStran position	3	**Possible**	3	**Moderate**	9	**Medium**	Quick response to negative or inaccurate coverage managed by Communications & Marketing Officer, 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 Continue to work closely with regional partners Board members regulary updated on SEStran work successes and issues. Agreed approach to media position set out in Standing Orders.	2	**Unlikely**	3	**Moderate**	6	**Low**	**Low** **Tolerate**	Review at end Dec 2026 Partnership Director	Low	Med	↔
R003 **3.2**	**Reputational**	**Project Management:** Potential insolvency of 3rd party supplier	3	**Possible**	3	**Major**	9	**Medium**	Improved supplier viability checks before award, renewal or modification of contracts or grants now in place. Individual risks and mitigations to be developed for any contract or grant over an agreed threshhold. Where appropriate, Government frameworks will be utilised. Full review of procurement procedures is nearing completion by Legal Advisers. Staff training on new procedures to be developed.	2	**Unlikely**	3	**Moderate**	6	**Low**	**Medium** **Treat**	Review at end Dec 2026 Programme Manager	Low	Med	↓
R005 5.0	**External**	**Third party Service Level Agreements:** 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. Financial Services SLA to be reviewed.	2	**Unlikely**	2	**Minor**	4	**Low**	**Low** **Tolerate**	Review by end Dec 2026 Business Manager	Low	Med	↔
R005 5.1	**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 Dec 2026 Programme Manager	Low	Med	↔
R005 5.2	**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 Dec 2026 Programme Manager	Low	Med	↓
R006 6.0	**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. Create Register of Statutory Duties, to be kept updated, ensure smooth succession planning	2	**Unlikely**	4	**Major**	8	**Medium**	**Treat**	Review at end Dec 2026 Partnership Director	Low	Low	↔

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R007 7.0	**Specific Operational**	**People and Place Plan:** Funding changes result in programme not continuing regionally beyond ~~2026/27~~ 2027/28	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 remains unknown and so likelihood of this has been upgraded to possible despite the mitigations until a clear politcal direction is available.	3	**Possible**	3	**Moderate**	9	**Medium**	**Low** **Tolerate**	Review at end ~~Apr~~ Dec 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 / review Dec 2026 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.	2	**Unlikely**	4	**Major**	8	**Medium**	**Medium** **Treat**	Ongoing / review Dec 2026 Business Manager	Low	Low	
R009 9.0	**People**	**HR:** Non-compliance with emloyment 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 2027 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 Dec 2026~~ March 2027 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 Dec 2026 Partnership Director	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 Dec 2026 Partnership Director	Low	Low	

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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**	**2**	**Minor**	**6**	**Low**	**Low** **Tolerate**	Review at end Dec 2026 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. Train team in BCP and review regularly.	**3**	**Possible**	**2**	**Minor**	**6**	**Low**	**Low** **Tolerate**	Review at end Dec 2026 Partnership Director	Low	Low	

Risk Number	Risk Detail	Risk Category	Gross Risk Assessment						Planned Response/Mitigation	Net Risk Assessment						Risk After Mitigation/Appetite for Risk	Date and Owner			
			Probabilit		Impact		Risk Score			Probabilit		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 **CLOSED**			
	Accommodation: Occupancy Agreeement 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 **CLOSED**			
	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 uncertaintity over Brexit and subsequent impact on attendance at the conference.	3	Possible	2	Minor	6	Low		June 2019 **CLOSED**			
	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	**Medium** **Tolerate:** Adapt expenditure accordingly Currently involved in 5 EU projects, the completion of which are underwritten by the UK Treasury.	June 2021 **CLOSED**			
	Governance: Succession Planning 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	**Low** **Tolerate**	**CLOSED** Partnership Director			
	Policy Appraisal: Poor Quality 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	**Low.** Partnership staff also continue to monitor their networks for relevant policy discussions. Draft RTS approved for statutory consultation. **Tolerate**	**CLOSED** Partnership Director	Low	Med	
	Regional Transport Strategy: 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	**Low** **Tolerate**	28 March 2023 Jim Stewart **CLOSED**	Low	Med	
	Newly Appointed Board. 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 decisons to be made. A Regular schedule of meetings of the Succession Planning Committee.	2	Unlikely	2	Minor	4	Low	**Low** Skills audit will identify future training requirements Option to appoint Board Observers to supplement areas of expertise Partnership Director 1:1 meetings with Board Members **Tolerate**	Ongoing Partnership Director **CLOSED**	Low	Med	
	Other Funding Sources: Reduced access to EU project funding and lack of replacement funding from UK Government	Financial	5	Highly Probable	3	Moderate	15	High	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. 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.	5	Highly Probable	2	Minor	10	Medium	**Medium:** 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. 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. **Treat**	**CLOSED** Partnership Director	Low	Med	
	Regional Governance Lack of clarity on role of non statutory REP/ESES City Region Deal groupings	Strategic	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**	**CLOSED** Partnership Director	Low	Med	
	The approved budget for 2025/26 makes provision for a pay award of up to 3%.	Financial	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. 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**	**CLOSED** ~~December 2025~~ Partnership Director	Low	Med	

Close 1.2

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.

Risk Impact

Likelihood		Severity		
1	Remote	1	Insignificant	
2	Unlikely	2	Minor	
3	Possible	3	Moderate	
4	Probable	4	Major	
5	Highly Probable	5	Catastrophic	

Risk Score	
1	Low Risk
2	Low Risk
3	Low Risk
4	Low Risk
5	Low Risk
6	Low Risk
8	Medium Risk
9	Medium Risk
10	Medium Risk
12	Medium Risk
15	High Risk
16	High Risk
20	High Risk
25	High Risk

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 distruption. 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 exeptional 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					
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. 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: · setting and achieving an annual balanced revenue budget, in line with legislative requirements · maintaining an unallocated general reserve fund, in line with legislative requirements The target appetite score for any significant budget overspend will be low. 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. 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. The risk appetite will vary depending on the nature, significance and criticality of systems used, and the services they support. 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. SEStran has achieved Cyber Essentials Plus accreditation, however any specific cyber risks will have a target score of low.
Governance	Low	Low	SEStran has a low appetite in relation to governance and decision making. The partnership's governance arrangements are detailed in the Governance Scheme. 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. 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 (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. 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. 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. SEStran has an established procurement process, supported by the Contract Standing Orders and use of Public Contract Scotland frameworks. Financial risk is set out in SEStran's Governance Scheme.