

## **RISK REGISTER**

### **1. INTRODUCTION**

- 1.1 The purpose of this report is to provide the Partnership Board with a quarterly update on SEStran's corporate risk register.
- 1.2 This report was presented to the Performance and Audit Committee on 27 February 2026.

### **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 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.
- 3.2 R001 1.1 Transport Governance
  - 3.2.1 Transport governance refers to the roles and responsibilities of Transport Scotland, the seven Regional Transport Partnerships (RTPs), 32 local authorities, and other key partners in shaping how transport is managed across Scotland.
  - 3.2.2 Transport Scotland has committed to carrying out a review of transport governance in 2026/27, and this likely to start after May 2026. The review presents an opportunity for SEStran to increase its direct influence and control over the delivery of the Regional Transport Strategy.
  - 3.2.3 At the request of the Performance and Audit Committee, a full paper setting out the risks, opportunities and potential outcomes of the review was presented to the Partnership Board in December 2025. A further update will be presented to the Board meeting on 13 March 2026.
  - 3.2.4 On 28 November 2025, at the State of the City Conference in Glasgow, the First Minister in his [speech](#) indicated his administration's intention to introduce enabling legislation to allow regional economic partnerships to seek legal status, unlock new powers, and design delivery models tailored

to local priorities. His speech mentioned economic development, planning and skills, but did not mention transport.

3.2.5 However, it is unlikely that Transport will not feature prominently in the discussions, particularly as both Edinburgh and Glasgow growth deals have both made it clear that Transport should be included. As with the review of transport governance, this is both a threat and an opportunity for SEStran, and much work has already been undertaken to explore the possibilities. A report detailing the latest position will be presented to the Partnership Board on 13 March, and a new risk will be added to the risk register in the interim period.

### 3.3 Funding

3.3.1 For the purposes of financial planning, it is assumed that Transport Scotland's core revenue grant will remain at the reduced 2025/26 level into 2026/27.

3.3.2 Council requisitions are assumed to remain at current levels for 2026/27. While discussions have taken place with constituent authorities regarding potential increases, the proposal to increase requisitions were not taken forward. The risk associated with continued flat rate requisitions reflects the wider financial constraints facing local government and has been reflected in the financial plan.

3.3.3 No allowance has been made for ad hoc or discretionary project funding beyond confirmed commitments. Although the People and Place programme continues to provide significant funding, this funding is ring-fenced, time-limited and restricted in use, and therefore does not mitigate risks associated with core operational costs or wider Regional Transport Strategy delivery.

3.3.4 Late note: Transport Scotland confirmed on 19 February 2026 that additional one-year funding will be made available to Regional Transport Partnerships to help eradicate child poverty. It is likely that SEStran will receive in excess of £2.6m to help remove transport barriers to employment. Given the timing of this announcement, it has not been possible to bring a report to this meeting of the Performance and Audit Committee, but a report will be taken to the Partnership Board meeting on 13 March.

3.3.5 No European Union funding is assumed for 2026/27. Participation in Horizon Europe and similar programmes remains possible but is competitive and uncertain and has therefore not been included in forward financial planning.

3.3.5 Overall, the funding assumptions for 2026/27 adopt a prudent approach, avoiding reliance on unconfirmed income streams. The residual risks arising from funding uncertainty, and their potential impact on service capacity and delivery, are reflected in the Indicative Financial Plan and monitored through the Partnership's financial risk management arrangements.

### 3.4 Scottish Parliament Election 2026

- 3.4.1 The upcoming election on 7 May presents both a risk and an opportunity to SEStran. The results could signal a significant shift in transport policy, which could support delivery of the Regional Transport Strategy or make it more challenging.
- 3.4.2 SEStran released a manifesto at its summit on 4 December 2026, with 3 key themes: bus reform, tackling congestion, and strong regions.
- 3.4.3 Work will continue both before and after the election to make strong cases for each as part of an integrated approach to delivery of the RTS.

**4 OTHER CHANGES TO THE RISK REGISTER**

- 4.1 A number of updates have been made to the Risk Register, and these are highlighted in red on the Register itself.
- 4.2 Risk R002 2.1: Pay awards being higher than the budgeted 3%. This risk has been closed as the pay awards for 2026/27 have been agreed and provision made.
- 4.3 Risk R002 2.10: A new risk has been added to the register to consider the risk that employers staff costs may increase due to increases in National Insurance contributions. The gross risk score has been assessed as medium, however, after mitigation measures has been downgraded to low.

**5. RECOMMENDATIONS**

- 5.1 The Board is asked to comment on the contents of the report.

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

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		Low	Med	
R001 1.1	Strategic	<b>Regional Governance</b> 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	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.  The TS review will have a high dependency on the separate SG work on giving regional economic partnerships legal status (see xxx)	4 Probable	4 Major	16 High	High  Treat	Review at end of May 2026  Partnership Director	Low Med	↓
R001 1.2	Strategic	<b>Pandemic / Epidemic:</b> 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. 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 May 2026  Partnership Director	Low Med	↔
R001 1.3	Strategic	<b>Political/Govt Change</b> 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.	3 Possible	4 Major	12 Medium	Medium  Tolerate	Review at end of April 2026  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	June 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	May 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	May 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	Medium	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	May 2026 Partnership Director	Low	Med	↔
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	May 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	May 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	May 2026  Partnership Director	Low  Med	
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 flexibility.	2	Unlikely	4	Major	8	Medium	Medium  Tolerate	May 2026  Partnership Director	Low  Med	
R002 2.8	Financial	<b>Funding/Grant Awards:</b> 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.	3	Possible	3	Moderate	9	Medium	Medium  Treat	May 2026  Partnership Director	Low  Med	

<p><b>R002</b> 2.9</p>	<p>Financial</p>	<p><b>Increase in employers on-costs:</b> 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.</p>	<p>3</p>	<p>Possible</p>	<p>3</p>	<p>Moderate</p>	<p>9</p>	<p>Medium</p>	<p>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.</p>	<p>2</p>	<p>Unlikely</p>	<p>3</p>	<p>Moderate</p>	<p>6</p>	<p>Low</p>	<p><b>Low</b> Review annually or following significant fiscal announcements. <b>Tolerate</b></p>	<p>May 2026 Partnership Director</p>	<p>Low</p>	<p>Med</p>	
<p><b>R003</b> 3.0</p>	<p>Reputational</p>	<p><b>Project Management:</b> Project incomplete or of poor quality Late Delivery</p>	<p>3</p>	<p>Possible</p>	<p>4</p>	<p>Major</p>	<p>12</p>	<p>Medium</p>	<p>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&amp;A Committee quarterly for additional oversight.  Management action taken as required.</p>	<p>2</p>	<p>Unlikely</p>	<p>3</p>	<p>Moderate</p>	<p>6</p>	<p>Low</p>	<p><b>Low</b> <b>Tolerate</b></p>	<p>Review at end Dec 2026  Programme Manager</p>	<p>Low</p>	<p>Med</p>	
<p><b>R003</b> 3.1</p>	<p>Reputational</p>	<p><b>Reputation:</b> Regard by the public and stakeholders. Negative or inaccurate media coverage leading to misrepresentation of SEStran position</p>	<p>3</p>	<p>Possible</p>	<p>3</p>	<p>Moderate</p>	<p>9</p>	<p>Medium</p>	<p>Quick response to negative or inaccurate coverage managed by Communications &amp; 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 regularly updated on SEStran work successes and issues.  Agreed approach to media position set out in Standing Orders.</p>	<p>2</p>	<p>Unlikely</p>	<p>3</p>	<p>Moderate</p>	<p>6</p>	<p>Low</p>	<p><b>Low</b> <b>Tolerate</b></p>	<p>Review at end Dec 2026  Partnership Director</p>	<p>Low</p>	<p>Med</p>	
<p><b>R003</b> 3.2</p>	<p>Reputational</p>	<p><b>Project Management:</b> Potential insolvency of 3rd party supplier</p>	<p>3</p>	<p>Possible</p>	<p>3</p>	<p>Major</p>	<p>9</p>	<p>Medium</p>	<p>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 threshold.  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.</p>	<p>2</p>	<p>Unlikely</p>	<p>3</p>	<p>Moderate</p>	<p>6</p>	<p>Low</p>	<p><b>Medium</b> <b>Treat</b></p>	<p>Review at end Dec 2026  Programme Manager</p>	<p>Low</p>	<p>Med</p>	

R005 5.0	External	<b>Third party Service Level Agreements:</b> 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.	2	Unlikely	2	Minor	4	Low	Low Tolerate	Review at end Dec 2026 Business Manager	Low Med	↔
R005 5.1	External	<b>Contract Management:</b> 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	<b>Grants:</b> 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	<b>Statutory Duties:</b> 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 Dec 2026 Partnership Director	Low Low	↔
R007 7.0	Specific Operational	<b>People and Place Plan:</b> Funding changes result in programme not continuing regionally beyond 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	Review at end Apr 2026 Programme Manager	Low Med	↔

<p><b>R008</b> 8.0</p>	<p>System and Technology</p>	<p><b>Digital/IT:</b> Server failure Comms failure Website breach 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.  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.</p>	<p>1</p>	<p>Remote</p>	<p>4</p>	<p>Major</p>	<p>4</p>	<p>Low</p>	<p>Low Tolerate</p>	<p>Ongoing / review Dec 2026  Business Manager</p>	<p>Low</p>	<p>Med</p>	
<p><b>R008</b> 8.1</p>	<p>System and Technology</p>	<p><b>Cyber Security:</b> Public sector entities are prime targets for cyberattacks and data breaches, which can compromise sensitive information and disrupt services.</p>	<p>3</p>	<p>Possible</p>	<p>4</p>	<p>Major</p>	<p>12</p>	<p>Medium</p>	<p>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.</p>	<p>2</p>	<p>Unlikely</p>	<p>4</p>	<p>Major</p>	<p>8</p>	<p>Medium</p>	<p>Medium Treat</p>	<p>Ongoing / review Dec 2026  Business Manager</p>	<p>Low</p>	<p>Low</p>	
<p><b>R009</b> 9.0</p>	<p>People</p>	<p><b>HR:</b> 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 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</p>	<p>1</p>	<p>Remote</p>	<p>3</p>	<p>Moderate</p>	<p>3</p>	<p>Low</p>	<p>Low Tolerate</p>	<p>Review at end May 2026  Partnership Director</p>	<p>Low</p>	<p>Low</p>	
<p><b>R009</b> 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. 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.</p>	<p>2</p>	<p>Unlikely</p>	<p>3</p>	<p>Moderate</p>	<p>6</p>	<p>Low</p>	<p>Low Tolerate</p>	<p>Review at end Dec 2026  Partnership Director</p>	<p>Low</p>	<p>Low</p>	

<p><b>R009</b> 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. 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.</p>	<p>2</p>	<p>Unlikely</p>	<p>3</p>	<p>Moderate</p>	<p>6</p>	<p>Low</p>	<p>Low Tolerate</p>	<p>Review at end Dec 2026  Partnership Director</p>	<p>Low</p>	<p>Low</p>	
<p><b>R009</b> 9.3</p>	<p>People</p>	<p>Loss of key personnel may lead to inability to deliver strategy, projects and/or operations</p>	<p>3</p>	<p>Possible</p>	<p>3</p>	<p>Moderate</p>	<p>9</p>	<p>Medium</p>	<p>Recruitment Policy in place. Development of existing staff through performance appraisal. Staff training  Work programme will be monitored and redistributed as necessary.</p>	<p>3</p>	<p>Possible</p>	<p>2</p>	<p>Minor</p>	<p>6</p>	<p>Low</p>	<p>Low Tolerate</p>	<p>Review at end Dec 2026  Partnership Director</p>	<p>Low</p>	<p>Low</p>	
<p><b>R009</b> 9.4</p>	<p>People</p>	<p><b>Climate Change</b> Staff are unable to access the office more frequently due to increase in adverse weather events.</p>	<p>3</p>	<p>Possible</p>	<p>3</p>	<p>Moderate</p>	<p>9</p>	<p>Medium</p>	<p>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.</p>	<p>3</p>	<p>Possible</p>	<p>2</p>	<p>Minor</p>	<p>6</p>	<p>Low</p>	<p>Low Tolerate</p>	<p>Review at end Dec 2026  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										
			Probabilit	Impact	Risk Score		Probabilit	Impact	Risk Score			Low	Med	High							
	Restricted ability to undertake RTS re-write: inadequate senior staff resourcing available due to continued absence of Partnership Director	Strategic	4	Probable	3	12	Medium	2	Unlikely	2	Minor	4	Low	Partnerhip Director appointed May 2019. Funds identified for RTS re-write	June 2019	CLOSED					
	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	9	Medium	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.	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	9	Medium	3	Possible	2	Minor	6	Low	SEStran withdrew offer to host ECOMM due to uncertainty over Brexit and subsequent impact on attendance at the conference.	June 2019	CLOSED					
	Following the outcome of the EU Referendum, the Partnership is unable to access EU funding.	Financial	5	Highly Probable	3	15	High	4	Probable	3	Moderate	12	Medium	The Partnership continues to seek alternative funding sources to progress knowledge exchange/transfer.	June 2021	CLOSED					
	<b>Governance:</b> Succession Planning Business Continuity	Governance	3	Possible	3	9	Medium	2	Unlikely	2	Minor	4	Low	Governance Scheme contains adequate provision to deal with senior officer absence. Staff structure and Business Continuity Plan in place. Senior Partnership Manager appointed.		CLOSED	Partnership Director				
	<b>Policy Appraisal:</b> Poor Quality Lack of consultation	Strategic	1	Remote	3	3	Low	1	Remote	2	Minor	2	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.		CLOSED	Partnership Director	Low	Med	↔	
	<b>Regional Transport Strategy:</b> Introduction of new RTS. Delay in approval by ministers. Delayed introduction of the new strategy.	Strategic	3	Possible	2	6	Low	1	Remote	2	Minor	2	Low	Regular comms with Transport Scotland at all stages in the development of the RTS.	28 March 2023	CLOSED	Jim Stewart	Low	Med	↔	
	<b>Newly Appointed Board.</b> 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	9	Medium	2	Unlikely	2	Minor	4	Low	Ensure that full training and support is provided to the new Board in 2022 to enable strategic decisions to be made. A Regular schedule of meetings of the Succession Planning Committee.	Ongoing	CLOSED	Partnership Director	Low	Med	↔	
	<b>Other Funding Sources:</b> Reduced access to EU project funding and lack of replacement funding from UK Government	Financial	5	Highly Probable	3	15	High	5	Highly Probable	2	Minor	10	Medium	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.		CLOSED	Partnership Director	Low	Med	↓	
	<b>Regional Governance</b> Lack of clarity on role of non statutory REP/ESES City Region Deal groupings	Strategic	4	Probable	3	12	Medium	2	Unlikely	3	Moderate	9	Medium	A Concordat has been established and is functioning effectively between SEStran and the ESESCR. 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.		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	15	High	2	Unlikely	3	Moderate	6	Low	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.		CLOSED	December-2025	Partnership Director	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
<b>Likelihood</b>	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: <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> 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.