

## **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 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 The Partnership continues to operate within a context of external uncertainty, and the highest-rated risks within the current register reflect this position.
- 3.3 R001 1.1 Transport Governance
- 3.3.1 The principal net risk (R001 1.1) relates to the ongoing Transport Scotland review of regional transport governance, which has the potential to lead to changes in the roles, responsibilities and future structure of Regional Transport Partnerships. While this presents a level of uncertainty, it is also recognised as a potential opportunity to strengthen regional delivery arrangements and the Partnership's influence over the implementation of the Regional Transport Strategy. This aligns with recent reports to the Board and Committee on the governance review, and ongoing engagement with Transport Scotland and partner authorities.
- 3.4 R001 1.3 Political/Government Change
- 3.4.1 R001 1.3 recognises the continued risk associated with political and policy change, including the implications of recent and forthcoming electoral cycles and the potential for shifts in national and local transport priorities. This risk is being actively managed through sustained engagement with political stakeholders, the development and promotion

of the SEStran Manifesto, and wider communications activity to ensure the Partnership is well positioned to influence emerging policy direction. The linkage between this risk and the governance review is significant, as the direction of national policy will directly inform the outcomes of structural reform.

### 3.5 R002 2.5 Funding Reductions

3.5.1 In addition, R002 2.5 highlights the ongoing risk of reductions in core funding from the Scottish Government and constituent councils. This reflects the broader financial environment and continued pressure on public sector budgets, with implications for the Partnership's capacity to deliver its statutory duties and strategic objectives. This risk is closely aligned with recent financial planning reports and budget discussions, which emphasise the need for prudent financial management, continued engagement with funding partners, and active pursuit of alternative and external funding streams. The risk also links to wider programme delivery considerations, including reliance on time-limited or restricted funding sources, and the need to ensure that core activities remain sustainable over the medium term.

### 3.6 Summary

3.6.1 Taken together, these risks highlight a consistent theme across the current register: the Partnership's exposure to external factors, including national policy development, political change, and funding pressures. Current mitigation activity is focused on maintaining strong relationships with key stakeholders, ensuring visibility within national discussions, and aligning financial and organisational planning with a range of potential future scenarios.

3.6.2 Alongside this, the Partnership is exploring more efficient ways to deliver services, both internally and with partners. This supports Transport Scotland's focus on shared services and aims to minimise cost increases, rather than relying on additional funding to maintain existing approaches. Overall, this approach strengthens organisational resilience while positioning SEStran to respond proactively to emerging opportunities as the external environment evolves.

## **4. RISK REVIEW**

4.1 The Committee is advised that the Risk Register will be subject to a comprehensive review in response to the Internal Audit findings. As part of this process, the register will be refreshed and rebuilt from first principles to ensure it remains robust, transparent and aligned with current organisational priorities. While the overarching risk management framework will remain unchanged, this review will focus on re-identifying and refining the risks themselves. This approach recognises that the existing register may have become too internally focused over time, and provides an opportunity to strengthen its strategic relevance, improve clarity of risk articulation, and ensure appropriate external context and challenge are incorporated. This will support more effective identification and management of risks associated with key areas of work, including the delivery of programmes and projects. Next steps will include

engaging with senior officers and partners to re-identify key risks and presenting a refreshed register to a future Committee for review and approval.

## **5. RECOMMENDATIONS**

- 5.1 The Committee is asked to comment on the contents of the report;
- 5.2 Note that a revised and updated risk register will be presented to a future Committee, and
- 5.3 Note that the corporate risk register will be presented to the 19 June 2026 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                                     |

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<br>1.1 | Strategic     | <b>Regional Governance</b><br>Transport Scotland review of regional transport governance arrangements could result in changes to functions of RTPs. This could present either a risk or an opportunity to SEStran. | 4<br>Probable         | 4<br>Major | 16<br>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.<br><br>The TS review will have a high dependency on the separate SG work on giving regional economic partnerships legal status | 4<br>Probable         | 4<br>Major    | 16<br>High   | High<br><br>Treat      | Review at end of <del>May 2026</del> Sept 2026<br><br>Partnership Director | Low<br>Med | ↓               |
| R001<br>1.2 | Strategic     | <b>Pandemic / Epidemic:</b><br>Interruption of normal service/inability to deliver functions. Financial impact of crisis on sources of funding.  | 3<br>Possible         | 4<br>Major | 12<br>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.<br><br>Hybrid Working Policy in place.                                      | 3<br>Possible         | 3<br>Moderate | 9<br>Medium  | Medium<br><br>Tolerate | Review at end of <del>May</del> Sept 2026<br><br>Partnership Director      | Low<br>Med | ↔               |
| R001<br>1.3 | Strategic     | <b>Political/Govt Change</b><br>There is a risk that a change in government could lead to changes to RTPs/Regional Governance  | 3<br>Possible         | 4<br>Major | 12<br>Medium | Continued engagement with all political parties and agencies.<br><br>A SEStran Manifesto was launched at the SEStran Summit on 4 December.<br><br>A comms plan targetting MSPs before and after the election is being prepared in conjunction with our public affairs advisers.<br><br><i>Officers will outreach to local government politicians in advance of the local government elections in May 2027</i>                        | 3<br>Possible         | 4<br>Major    | 12<br>Medium | Medium<br><br>Tolerate | Review at end of <del>Apr</del> Sept 2026<br><br>Partnership Director      | Low<br>Med | ↔               |

|             |           |  |   |          |   |          |    |        |  |   |          |   |          |    |        |                    |                                       |     |     |   |
|-------------|-----------|--|---|----------|---|----------|----|--------|--|---|----------|---|----------|----|--------|--------------------|---------------------------------------|-----|-----|---|
| R002<br>2.0 | Financial | Financial:<br>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<br>Tolerate    | June 2026<br>Partnership Director     | Low | Low | ↔ |
| R002<br>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.<br><br>Other funding sources will continue to be pursued.<br><br>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<br>Tolerate | May June 2026<br>Partnership Director | Low | Med | ↔ |
| R002<br>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.<br><br>Ongoing monitoring and review of all costs and forecasts.<br><br>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<br>Tolerate | May June 2026<br>Partnership Director | Low | Med | ↔ |
| R002<br>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.<br><br>Grant submission procedures in place, along with financial planning.   | 3 | Possible | 3 | Moderate | 9  | Medium | Medium<br>Tolerate | May June 2026<br>Partnership Director | Low | Med | ↔ |
| R002<br>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.<br><br>Continue to explore alternative funding options<br>Lobby/bid for additional funds   | 3 | Possible | 4 | Major    | 12 | Medium | Medium<br>Treat    | May June 2026<br>Partnership Director | Low | Med | ↓ |

|             |           |  |   |          |   |          |    |        |   |   |          |   |          |    |        |                        |   |                |  |
|-------------|-----------|--|---|----------|---|----------|----|--------|---|---|----------|---|----------|----|--------|------------------------|---|----------------|--|
| R002<br>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.<br><br>Manage organisation in accordance with available funding but ability of organisation to deliver RTS objectives will inevitably be dictated by available funding.<br><br>Engagement/advocating with SG/TS/constituent councils to maintain/increase funding<br><br>Working with other RTPs to influence SG review of allocation of funding  | 3 | Possible | 4 | Major    | 12 | Medium | Medium<br><br>Tolerate | May June 2026<br><br>Partnership Director | Low<br><br>Med |  |
| R002<br>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<br><br>Tolerate | May June 2026<br><br>Partnership Director | Low<br><br>Med |  |
| R002<br>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.<br><br>Recruitment control measures in place. Additional resources can be managed through consultancy as required.<br><br>People and Place Programme has increased financial flexibility.   | 2 | Unlikely | 4 | Major    | 8  | Medium | Medium<br><br>Tolerate | May June 2026<br><br>Partnership Director | Low<br><br>Med |  |
| R002<br>2.8 | Financial | <b>Funding/Grant Awards:</b><br>The timing of some funding applications and grant awards do not align with the financial year, resulting in an inability to spend allocated funding within prescribed timescales | 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.<br><br>Regular budget monitoring and reports to the Partnership Board.<br><br>Continue to press case through available channels for multi year funding | 3 | Possible | 3 | Moderate | 9  | Medium | Medium<br><br>Treat    | May June 2026<br><br>Partnership Director | Low<br><br>Med |  |

|                     |                     |   |          |                 |          |                 |           |               |  |          |                 |          |                 |          |            |  |   |            |            |   |
|---------------------|---------------------|---|----------|-----------------|----------|-----------------|-----------|---------------|--|----------|-----------------|----------|-----------------|----------|------------|--|---|------------|------------|---|
| <p>R002<br/>2.9</p> | <p>Financial</p>    | <p><b>Increase in employers on-costs:</b><br/>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.<br/>Reflect known or anticipated changes in medium term financial planning where possible.<br/>Maintain dialogue with constituent councils and finance partners on cost pressures and assumptions.<br/>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><br/>Review annually or following significant fiscal announcements.<br/><b>Tolerate</b></p> | <p>May June 2026<br/>Partnership Director</p>               | <p>Low</p> | <p>Med</p> |    |
| <p>R003<br/>3.0</p> | <p>Reputational</p> | <p><b>Project Management:</b><br/>Project incomplete or of poor quality<br/>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.<br/><br/>Minutes of PaSDOS and the full project report are also taken to P&amp;A Committee quarterly for additional oversight.<br/><br/>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><br/><b>Tolerate</b></p>  | <p>Review at end Dec 2026<br/><br/>Programme Manager</p>    | <p>Low</p> | <p>Med</p> |    |
| <p>R003<br/>3.1</p> | <p>Reputational</p> | <p><b>Reputation:</b><br/>Regard by the public and stakeholders.<br/>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,<br/><br/>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<br/>Continue to work closely with regional partners<br/><br/>Board members regularly updated on SEStran work successes and issues.<br/><br/>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><br/><b>Tolerate</b></p>  | <p>Review at end Dec 2026<br/><br/>Partnership Director</p> | <p>Low</p> | <p>Med</p> |  |
| <p>R003<br/>3.2</p> | <p>Reputational</p> | <p><b>Project Management:</b><br/>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.<br/><br/>Individual risks and mitigations to be developed for any contract or grant over an agreed threshold.<br/><br/>Where appropriate, Government frameworks will be utilised.<br/><br/>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><br/><b>Treat</b></p>  | <p>Review at end Dec 2026<br/><br/>Programme Manager</p>    | <p>Low</p> | <p>Med</p> |  |

|             |                      |  |   |          |   |          |    |        |  |   |          |   |          |   |        |                 |  |            |   |
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| R005<br>5.0 | External             | <b>Third party Service Level Agreements:</b><br>Failure or inadequacy of service   | 2 | Unlikely | 2 | Minor    | 4  | Low    | Service Level Agreements in place for Financial Services, HR and Insurance services. Reviewed annually by senior officers. Subject to independent audit scrutiny.  | 2 | Unlikely | 2 | Minor    | 4 | Low    | Low<br>Tolerate | Review at end Dec 2026<br>Business Manager     | Low<br>Med | ↔ |
| R005<br>5.1 | External             | <b>Contract Management:</b><br>Failure to manage contracts leads to under performance and failure to obtain best value and delivery from contractual relationship. | 3 | Possible | 4 | Major    | 12 | Medium | Conditions of contract 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.<br><br>Business propriety/credit/analytic criteria to be written in to documentation.<br>Contract management process to be included as part of full procurement review. | 2 | Unlikely | 3 | Moderate | 6 | Low    | Low<br>Tolerate | Review at end Dec 2026<br>Programme Manager    | Low<br>Med | ↔ |
| R005<br>5.2 | External             | <b>Grants:</b><br>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.<br>Grant standing orders<br>Also refer to risk 2.9.<br>Successful management of risk 5.2, reduces likelihood of risk 2.9   | 2 | Unlikely | 4 | Major    | 8 | Medium | Medium<br>Treat | Review at end Dec 2026<br>Programme Manager    | Low<br>Med | ↓ |
| R006<br>6.0 | Legal and Regulatory | <b>Statutory Duties:</b><br>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. <b>Create Register of Statutory Duties, to be kept updated, ensure smooth succession planning</b>    | 2 | Unlikely | 4 | Major    | 8 | Medium | Treat           | Review at end Dec 2026<br>Partnership Director | Low<br>Low | ↔ |
| R007<br>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<br>Tolerate | Review at end Apr 2026<br>Programme Manager    | Low<br>Med | ↔ |

|                            |                              |  |          |                 |          |                 |           |               |   |          |                 |          |                 |          |               |                         |  |            |            |          |
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| <p><b>R008</b><br/>8.0</p> | <p>System and Technology</p> | <p><b>Digital/IT:</b><br/>Server failure<br/>Comms failure<br/>Website breach<br/>Resulting in loss of service to business operations</p>  | <p>3</p> | <p>Possible</p> | <p>4</p> | <p>Major</p>    | <p>12</p> | <p>Medium</p> | <p>Regular review of the Management Plan for Business Continuity. IT/Website maintained under contract. Both proactively managed by third parties.<br/>IT hardware/software/licences upgraded at regular intervals.<br/><br/>Contracted IT consultants deliver IT services. Website contract includes security updates. Robust Information Security Policy in place with regular monitoring reports. GDPR compliant and Cyber Essentials Plus Accreditation maintained.</p>   | <p>1</p> | <p>Remote</p>   | <p>4</p> | <p>Major</p>    | <p>4</p> | <p>Low</p>    | <p>Low<br/>Tolerate</p> | <p>Ongoing / review<br/>Dec 2026<br/><br/>Business Manager</p>                 | <p>Low</p> | <p>Med</p> | <p>↔</p> |
| <p><b>R008</b><br/>8.1</p> | <p>System and Technology</p> | <p><b>Cyber Security:</b><br/>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<br/>Treat</p> | <p>Ongoing / review<br/>Dec 2026<br/><br/>Business Manager</p>                 | <p>Low</p> | <p>Low</p> | <p>↓</p> |
| <p><b>R009</b><br/>9.0</p> | <p>People</p>                | <p><b>HR:</b><br/>Non-compliance with employment and/or data privacy laws may result in poor reputation as an employer, difficulty in attracting skilled resource and greater probability of litigation and / or financial penalties</p> | <p>3</p> | <p>Possible</p> | <p>3</p> | <p>Moderate</p> | <p>9</p>  | <p>Medium</p> | <p>SLA in place until <del>May 2026</del> 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<br/>Tolerate</p> | <p>Review at end<br/><del>May</del> Dec 2026<br/><br/>Partnership Director</p> | <p>Low</p> | <p>Low</p> | <p>↔</p> |
| <p><b>R009</b><br/>9.1</p> | <p>People</p>                | <p>Inadequate measures in place to facilitate staff health, safety and well-being during contingency arrangements or future office arrangements.</p>   | <p>3</p> | <p>Possible</p> | <p>4</p> | <p>Major</p>    | <p>12</p> | <p>Medium</p> | <p>Regular review of appropriate policies. Carry out appropriate assessments of office equipment and working arrangements, following landlords guidance in relation to access to the office. Risk Management Framework approved by P&amp;A Committee. Liaise with HR Adviser, SG facilities team. Hybrid Working Policy implemented to facilitate transition arrangements to normal working arrangements.<br/><br/>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<br/>Tolerate</p> | <p>Review at end<br/>Dec 2026<br/><br/>Partnership Director</p>                | <p>Low</p> | <p>Low</p> | <p>↔</p> |

|                            |               |   |          |                 |          |                 |           |               |  |          |                 |          |                 |          |            |                         |   |            |            |   |
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| <p><b>R009</b><br/>9.2</p> | <p>People</p> | <p>Inadequate measures in place to facilitate staff health, safety and well-being during working from home arrangements.</p>      | <p>3</p> | <p>Possible</p> | <p>4</p> | <p>Major</p>    | <p>12</p> | <p>Medium</p> | <p>Appropriate policies are reviewed and updated. Risk assessments of staff personal home working arrangements have been completed and will be subject to regular review. Risk Management Framework approved-by P&amp;A Committee. Business Continuity Plan reviewed.<br/>Liaise with HR Adviser. Review transition arrangements to normal working arrangements at appropriate time. Hybrid Working Policy implemented and working well.<br/><br/>An ongoing risk remains for future pandemics and future widespread disease or other outbreaks. Measures will be adjusted in accordance with government advice and legislation.</p> | <p>2</p> | <p>Unlikely</p> | <p>3</p> | <p>Moderate</p> | <p>6</p> | <p>Low</p> | <p>Low<br/>Tolerate</p> | <p>Review at end Dec 2026<br/><br/>Partnership Director</p> | <p>Low</p> | <p>Low</p> |  |
| <p><b>R009</b><br/>9.3</p> | <p>People</p> | <p>Loss of key personnel may lead to inability to deliver strategy, 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<br/><br/>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<br/>Tolerate</p> | <p>Review at end Dec 2026<br/><br/>Partnership Director</p> | <p>Low</p> | <p>Low</p> |  |
| <p><b>R009</b><br/>9.4</p> | <p>People</p> | <p><b>Climate Change</b><br/>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<br/>Tolerate</p> | <p>Review at end Dec 2026<br/><br/>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    |      |  |  |   |         |   |
|             | 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 |      |  |  | June 2019<br>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    |      |  |  | June 2019<br>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 |      |  |  | June 2021<br>CLOSED                             |         |   |
|             | <b>Governance:</b><br>Succession Planning<br>Business Continuity  | Governance    | 3                     | Possible        | 3          | 9                           | Medium              | 2      | Unlikely        | 2                                       | Minor          | 4   | Low    |      |  |  | CLOSED<br>Partnership Director                  |         |   |
|             | <b>Policy Appraisal:</b><br>Poor Quality<br>Lack of consultation  | Strategic     | 1                     | Remote          | 3          | 3                           | Low                 | 1      | Remote          | 2                                       | Minor          | 2   | Low    |      |  |  | CLOSED<br>Partnership Director                  | Low Med | ↔ |
|             | <b>Regional Transport Strategy:</b><br>Introduction of new RTS.<br>Delay in approval by ministers. Delayed introduction of the new strategy.  | Strategic     | 3                     | Possible        | 2          | 6                           | Low                 | 1      | Remote          | 2                                       | Minor          | 2   | Low    |      |  |  | 28 March 2023<br>Jim Stewart<br>CLOSED          | Low Med | ↔ |
|             | <b>Newly Appointed Board.</b><br>Risk of lack of continuity and loss of expertise due to high turnover in members for the new term of office. | Governance    | 3                     | Possible        | 3          | 9                           | Medium              | 2      | Unlikely        | 2                                       | Minor          | 4   | Low    |      |  |  | Ongoing<br>Partnership Director<br>CLOSED       | Low Med | ↔ |
|             | <b>Other Funding Sources:</b><br>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 |      |  |  | CLOSED<br>Partnership Director                  | Low Med | ↓ |
|             | <b>Regional Governance</b><br>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 |      |  |  | CLOSED<br>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    |      |  |  | CLOSED<br>December-2025<br>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         |             |
|            |                 |          |               | 12         | High Risk   |
|            |                 |          |               | 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.<br>Strategic delivery is monitored through ongoing reporting processes and governance processes.   |
| Financial  | Low    | Medium | SEStran has a low to medium appetite in relation to financial risk and may be prepared to accept some risk, subject to: <ul style="list-style-type: none"> <li>· setting and achieving an annual balanced revenue budget, in line with legislative requirements</li> <li>· maintaining an unallocated general reserve fund, in line with legislative requirements</li> </ul> The target appetite score for any significant budget overspend will be low.<br>Financial risk is set out in SEStran's Governance Scheme.   |
| Reputational                                     | Low    | Medium | SEStran is prepared to tolerate a low to medium level of occasional isolated reputational damage.<br>Media response protocols are set out in the Governance Scheme.   |
| System and Technology                            | Low    | Medium | SEStran has a low to medium appetite in relation to system and technology risk.<br>The risk appetite will vary depending on the nature, significance and criticality of systems used, and the services they support.<br>Risks are managed through ongoing use of inbuilt technology, security controls, encryption, data loss prevention, firewalls and vulnerability scanning, plus a range of security protocols and procedures.<br>SEStran has achieved Cyber Essentials Plus accreditation, 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.<br>The partnership's governance arrangements are detailed in the Governance Scheme.<br>No officer or member may knowingly take or recommend decisions or actions which breach legislation.  |
| Specific Operational                             | Low    | Medium | SEStran has a low to medium appetite in relation to specific operational risks.<br>The Partnership Director and Management Team are expected to design, implement and maintain appropriate programme, project management and governance controls to manage these risks.   |
| External<br>(Suppliers/contractors/partnerships) | Low    | Medium | SEStran has a low to medium appetite in relation to external risks. The appetite will vary depending on the criticality of the service or third-party support.<br>SEStran has an established procurement process, supported by the Contract Standing Orders and use of Public Contract Scotland frameworks.   |
| Legal and Regulatory                             | Low    | Low    | SEStran aims to fully comply with all applicable regulatory and legislative requirements.<br>No officer or member may knowingly take or recommend decisions or actions which breach the law.  |
| People   | Low    | Low    | SEStran recognises that accidents can occur because of unknown and/or unplanned events and has an appetite to fully comply with all relevant health and safety requirements to minimise any health and safety risks that could potentially result in loss of life or injury.  |
| New Project Income                               | Medium | High   | SEStran has a medium to high appetite in relation to attracting new projects to enable innovation and attract new funding streams.<br>SEStran has an established procurement process, supported by the Contract Standing Orders and use of Public Contract Scotland frameworks.<br>Financial risk is set out in SEStran's Governance Scheme.  |