Item: 6

Policy and Resources Committee: 22 June 2021.

Corporate Risk Register.

Report by Executive Director of Development and Infrastructure.

1. Purpose of Report

To consider the updated Corporate Risk Register as at June 2021.

2. Recommendations

It is recommended:

2.1.

That the updated Corporate Risk Register as at June 2021, attached as Annex 1 to this report, incorporating the risk tolerance levels set for all risks by the Senior Management Team, be approved.

3. Risk Management

3.1.

The Council understands that it is important to recognise and manage the many risks which are inherent in its activities, and in the services which it provides for the benefit of the community. The Council therefore adopted a policy on Risk Management, has established a Risk Management Strategy and has implemented procedures in support of the policy and strategy, which include the production and regular review of risk registers. This activity is recognised as a key component of sound corporate governance.

3.2.

The Council will promote its risk management policy objectives by systematically identifying, evaluating, and thereafter seeking to control and monitor risks which would potentially endanger, or which could have a detrimental effect on the services provided by Orkney Islands Council, or to residents of Orkney.

3.3.

The Council wishes to acknowledge that risk can never be eliminated in its entirety. The Council also wishes to recognise that managing risk can also identify positive opportunities which, with the appropriate level of control, may lead to service improvements and financial benefits. Therefore, the measures which the Council adopts are the principles of good management practice which seek to control and

balance risk and opportunity. Specifically, in the area of risk management, the Council seeks to:

- Meet at all times its statutory obligations and to act within the law.
- Safeguard the public at large, the Council's members, employees, pupils, tenants and all persons to whom the Council has a duty of care.
- Protect its property, including buildings, equipment, vehicles or and other assets and resources.
- Preserve and enhance service delivery.
- Maintain effective control of public funds.
- Maintain and enhance the Council's reputation.
- Safeguard and enhance the quality of Orkney's environment.

3.4.

Appropriate risk management arrangements include a risk register, as well as a risk tolerance level, which must be reviewed and updated on a continuous basis. These must also be reviewed formally by the Senior Management Team and by Elected Members in accordance with the Orkney Islands Council Risk Management Policy and Strategy 2020 to 2022.

3.5.

The risks on the Corporate Risk Register are identified and divided into appropriate risk cluster headings, for example Political, Economic, Reputational, Technological, Legislative, Environmental, Performance Management, Customer, Managerial, Financial, Legal, Partnership or Physical.

3.6.

Any new risks which arise throughout the year are added to the relevant risk register when required.

4. Updated Corporate Risk Register

4.1.

The Corporate Risk Register was last reviewed by the Policy and Resources Committee on 3 December 2020 and subsequently approved by Council.

4.2.

On 20 May 2021, the Senior Management Team reviewed the Corporate Risk Register, with the results attached as Annex 1 to this report.

4.3.

There are no new risks recorded on the register.

4.4.

The risk level for Risk 04 – Workforce planning has been updated in accordance with the new matrix.

4.5.

The risk level for Risk 12 – Brexit has been amended and reduced to take cognisance of the reduced impacts to the Council against the reasonable worst-case scenarios presented in the UK's departure from the EU.

5. Risk Tolerance

5.1.

Risk tolerance is the level of risk that is acceptable to the Council. In reviewing the Corporate Risk Register, the Senior Management Team is also accountable for reviewing the risk tolerance for the Council.

5.2.

The determination of the risk tolerance of the Council is not a one-off exercise: the tolerance level is subjective and fluid and can change due to external and internal factors such as the economy and environmental changes.

5.3.

Best practice is that the risk tolerance of an organisation should be reviewed, and updated where required, on a 6 to 12-month basis. Council policy states that Executive Directors are responsible for ensuring that proper arrangements are in place to manage risk. At such a review, the risk appetite should be considered, and the risk tolerance determined for the forthcoming 12-month period.

5.4.

The matrix on page 4 of the Risk Register shows the current appetite for risk, which was reviewed by the Senior Management Team on 20 May 2021 and considered to be appropriate. The matrix balances an appetite for managed risk in relation to enterprising opportunities with the need to provide effective, safe services within the community. On this occasion, the Senior Management Team has determined the risk tolerance should be set between low and medium risks.

6. Corporate Governance

This report relates to governance and procedural issues and therefore does not directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

7. Financial Implications

There are no financial implications arising directly from this report.

8. Legal Aspects

Effective risk management helps the Council to meet its statutory obligations and discharge its legal duties of care.

9. Contact Officers

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10. Annex

Annex 1: Corporate Risk Register – June 2021.

Annex 1 – Corporate Risk Register – June 2021.

Strategic Risks

Cluster.	Risk Number.	Risk.	Owner.
Physical.	1.	Ferries.	Executive Director of Development and Infrastructure.
Financial.	2.	Finance.	Chief Financial Officer.
Reputational.	3.	Adverse Communications.	Chief Executive.
Physical.	4.	Workforce.	Head of Human Resources and Performance.
Physical.	5.	Asset Management.	Head of IT and Facilities.
Economic.	6.	Economic.	Executive Director of Development and Infrastructure.
Technological.	7.	Cyber Security.	Head of IT and Facilities.
Technological.	8.	Connectivity.	Executive Director of Development and Infrastructure.
Partnership.	9.	Partnerships.	Head of Executive Support.
Legislative.	10.	Procurement.	Head of IT and Facilities.
Legislative.	11.	Health and Safety.	Head of IT and Facilities.
Economic.	12.	Brexit.	Chief Executive and Head of Marine Services and Transportation.
Financial.	13.	Housing.	Executive Director, Education, Leisure and Housing.
Professional.	14.	Childcare Services.	Executive Director, Education, Leisure and Housing.
Physical.	15.	Pandemic.	Head of IT and Facilities.
Legislative	16.	Children and Young People	Interim Chief Officer, Orkney Health and Care.

Risks by cluster

Cluster.	Risk Number.	Risk.	Owner.
Economic.	12.	Brexit.	Chief Executive and Head of Marine Services and Transportation.
Economic.	6.	Economic.	Executive Director of Development and Infrastructure.
Financial.	2.	Finance.	Chief Financial Officer.
Financial.	13.	Housing.	Executive Director, Education, Leisure and Housing.
Legislative.	16.	Children and Young People.	Interim Chief Officer, Orkney Health and Care.
Legislative.	11.	Health and Safety.	Head of IT and Facilities.
Legislative.	10.	Procurement.	Head of IT and Facilities.
Partnership.	9.	Partnerships.	Head of Executive Support.
Physical.	5.	Asset Management.	Head of IT and Facilities.
Physical.	1.	Ferries.	Executive Director of Development and Infrastructure.
Physical.	15.	Pandemic.	Head of IT and Facilities.
Physical.	4.	Workforce.	Head of Human Resources and Performance.
Professional.	14.	Childcare Services.	Executive Director, Education, Leisure and Housing.
Reputational.	3.	Adverse Communications.	Chief Executive.
Technological.	7.	Cyber Security.	Head of IT and Facilities.
Technological.	8.	Connectivity.	Executive Director of Development and Infrastructure.

Risks by owner

Owner.	Cluster.	Risk Number.	Risk.
Chief Executive.	Reputational.	3.	Adverse Communications.
Chief Executive and Head of Marine Services and Transportation.	Economic.	12.	Brexit.
Head of Human Resources and Performance.	Physical.	4.	Workforce.
Head of Executive Support.	Partnership.	9.	Partnerships.
Head of IT and Facilities.	Physical.	5.	Asset Management.
Head of IT and Facilities.	Technological.	7.	Cyber Security.
Head of IT and Facilities.	Legislative.	10.	Procurement.
Head of IT and Facilities.	Legislative.	11.	Health and Safety.
Head of IT and Facilities.	Physical.	15.	Pandemic.
Executive Director of Education, Leisure and Housing.	Financial.	13.	Housing.
Executive Director of Education, Leisure and Housing.	Professional.	14.	Childcare Services.
Executive Director of Development and Infrastructure.	Physical.	1.	Ferries.
Executive Director of Development and Infrastructure.	Economic.	6.	Economic
Executive Director of Development and Infrastructure.	Technological.	8.	Connectivity.
Chief Financial Officer.	Financial.	2.	Finance.
Interim Chief Officer, Orkney Health and Care	Legislative.	16.	Children and Young People.

Risk matrix

			IMPACT				
			1.	2.	3.	4.	5.
			Insignificant	Minor	Moderate	Major	Severe
LIKELIHOOD	5.	Almost Certain.	Medium	Medium	High	High	Extreme
	4.	Likely.	Medium	Medium	Medium	High	Extreme
	3.	Possible.	Low	Medium	Medium	High	High
	2.	Unlikely.	Low	Low	Medium	Medium	High
	1.	Rare.	Low	Low	Low	Medium	High

Risk Number.	Risk Title.					Cluster.	Owner.	
1.	Failure to secure agreement with Scottish Government on appropriate funding arrangements to deliver the Scottish Ferries Plan in relation to ferry and terminal replacement for Orkney.					Physical.	Executive Director of Development and Infrastructure.	
Likelihood:	5.	**Impact:**	5.	**RAG:**	Red.	**Current Risk Score:**	25.	**Target Risk Score:** 25.

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
Ferry and Terminal replacement programme currently unfunded with ageing infrastructure. Annual revenue costs are unaffordable.	Ferries reach end of service life with no solution in place. High repair costs indicate that buying new would be more cost effective. Deterioration of piers infrastructure. Reductions in lifeline provisions for the community are below Scottish Ferries Plan standards. Services become unaffordable.	Ferries reach end of life with no replacement – rapid service deterioration. Excessive support costs as aged ferries kept running. Reduced capacity and flexibility to maintain scheduled services. Excessive running costs of old ferries. No opportunities to achieve expected service levels. Risk of delay in procurement leading to reduced capability to purchase fit for purpose new tonnage. Buying piecemeal also reduces economy of scale; community unrest due to people depopulating the isles due to lack of lifeline transport connectivity.	Treat.	Ongoing dialogue with the Scottish Government emphasising the difficulties of a small authority providing the range of public services within reduced budgets across a wide and diverse geographical area. Continue to seek additional specific funding sources to protect lifeline services in Orkney and its outlying communities to ensure they are not significantly disaffected, e.g. Transport Grant for replacement ferries.

Risk Number.		Risk Title.				Cluster.	Owner.	
2.		Council services – inability to maintain services and meet changing demands.				Financial.	Chief Financial Officer.	

Likelihood:	5.	Impact:	5.	RAG:	Red.	Current Risk Score:	25.	Target Risk Score:	16.

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
Local Government services have sustained a period of reduced funding and prior to COVID-19, there was a significant concern that resources would be insufficient to meet future need. COVID-19 has increased the cost of essential service delivery in some areas which may persist for an indeterminate period. Income streams that seemed secure have completely stopped and may take a long time to recover. A lack of capacity in Council staffing to deliver the capital programme. A lack of capacity in local contractors to deliver Council projects and difficulty in attracting competition for smaller projects.	Expectations outstrip capacity to deliver. Community expectations are not reduced due to a failure to communicate and engage effectively with communities. Failure to demonstrate the value of the Council's ongoing services to the public. The Scottish Government fails to provide sufficient funding for essential services.	Community unrest. Unhappy service users. Elected members unable to meet need. Loss of credibility of Council. Inability to deliver the range of services expected and legal challenge. Capital projects are delivered late or not at all leading to increased costs and difficulties in delivering services.	Treat.	Ownership of the Budget Setting Process by the Senior Management Team / Corporate Management Team with openness and transparency around the identification of potential areas for re-provisioning of services. An agreed programme of budget savings and efficiencies. Delivery of budget savings will be monitored within Services and reported to the Policy and Resources Committee. Curtailment of the Council's capital expenditure with the loan charges budget reprioritised to support revenue expenditure. A hold on accelerated debt repayment at 2019/20 year-end to facilitate an increase in General Fund balances. There must be an acknowledgement of reality with the focus on continuation of the delivery of minimum Statutory Provision versus Statutory with Discretion, Non-Statutory but Essential or Discretionary Expenditure whilst having regard to the Council Priorities. Improved project planning with much longer lead in times.

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
Capital funding is insufficient to replace ageing assets or provide new assets required for new priorities.				Additional staff capacity in Development and Infrastructure to manage the capital programme.

Risk Number.		Risk Title.			Cluster.		Owner.	
3.		Adverse reaction to communications with staff, the public and stakeholders including social media.			Reputational.		Chief Executive.	
Likelihood:	4.	**Impact:**	3.	**RAG:**	Yellow.	**Current Risk Score:**	12.	**Target Risk Score:**	9.

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
The Council's resources made available by Government will continue to reduce or remain static over the next few years despite growing need and demand. The Council must ensure that communities continue to be appropriately engaged about efficiency measures and inevitable service changes, and proactively informed so that customer expectations are realistic. Risk of breakdown in communications with the	Customers have unrealistic expectations of what Council services can deliver. Customers do not understand the reasons for the changes and blame the Council. Good ideas are not harvested from effective community consultation. Failure to demonstrate the value of the Council's on-going services to the public. Council is unable to demonstrate the ability to work corporately. Staff are not given the opportunity to contribute to	Reputational risk. Misplaced criticism. Good ideas lost. Confusion about what the Council's priorities are. More difficult to align resources to priorities. Lack of understanding of what the Council wants to achieve. Changes are not achieved. Staff morale is adversely affected. Customers may not get a joined-up service.	Treat.	Work has commenced on the next review of the communication and engagement strategies and plans that are in place to publicise the Council's objectives and priorities, existing services and service change to ensure communities are engaged. The last review included the increased use of social media as a platform and tool for community engagement. Proactive press releases and campaigns are being prepared and released to promote positive stories about the services provided by the Council.

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
Scottish Government over discussions regarding the Single Agency Model. There is the potential that staff do not feel engaged in change processes or valued as active contributors to corporate change, service realignments or developments. The Council fails to manage how we respond to social media and to take advantage of the potential benefits of social media.	corporate development; staff become disengaged in essential change processes. The Council does not maintain an effective presence on social media as a communication tool.	Inter-service tensions undermine corporate achievements. Legal implications. Exclusion of sectors of the community.		

Risk Number.		Risk Title.				Cluster.	Owner.
4.		Workforce planning – lack of skills, experience and capacity.				Physical.	Head of Human Resources and Performance.

Likelihood:	4.	Impact:	4.	RAG:	Amber.	Current Risk Score:	16.	Target Risk Score:	6.

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
Insufficient workforce planning actions underway to shape future workforce through redeployment, succession planning, recruitment, training etc.	Council staff become overstretched. Council staff become demoralised. The Council does not have the right staff, in the right place, at the right time, to	Council cannot manage within its resources. Existing workforce becomes overstretched. Key pieces of work are not able to be undertaken.	Treat.	Service workforce plans in place (2019). Service workforce planning actions included in Service Plans and monitored more regularly. Corporate workforce plan priorities reviewed and updated in April 2019.

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
Capacity issues make it difficult for the service to realise its priorities.	deliver set priorities and / or statutory functions. The Council is unable to meet its statutory obligations. Statutory officers are unable to discharge their statutory functions adequately.	Service standards drop and vulnerable people are placed at risk. Council is reactive rather than proactive. An increased risk in legal challenges and complaints. Risk of financial penalties.		Further review and refine Workforce planning approach to ensure best practice planned for post pandemic recovery. Acceptance by senior management in relation to redeployment of staff including those in other services. Consideration of enhanced approach to redeployment and retraining. Careful consideration to the release of staff by voluntary means where appropriate to ensure required skills are retained. More proactive approach to recruitment, succession planning and attraction of people to live and work in Orkney. Continued use and development of remote and flexible working will encourage improved working methods and retention of key staff. Inclusion of staff in re-design of operations. Increased commitment to proactive communications particularly related to staff and trade unions. Regular monthly Trade Union meeting at Corporate level. Regular staff / Trade Union meetings at Service level, when required. Change in emphasis of staff engagement to include the process of change.

Risk Number.		Risk Title.				Cluster.		Owner.	
5.		Failure to ensure we obtain and retain maximum benefit from Council's assets.				Physical.		Head of IT and Facilities.	
Likelihood:	4.	**Impact:**	3.	**RAG:**	Yellow.	**Current Risk Score:**	12.	**Target Risk Score:**	10.

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
The Council may not have enough funds to sustain assets, replace ageing assets and develop key assets (also see Risk 1 which is particularly significant). Essential buildings and infrastructure for travel, communications etc must be maintained to ensure property and roads, IT, telecoms and other infrastructure continue to be able to support the Council's services.	The Council cannot maintain or develop its essential assets to provide public services. The Council cannot implement an asset management strategy. The public is unable to communicate with services. Professionals are unable to communicate with each other to provide effective services.	Roads and buildings deteriorate. IT infrastructure cannot support services. Unused / surplus buildings. Services are not delivered. Lifeline routes compromised. Risk of accident and potential claim. Vulnerable people are at risk. Communication is not possible between agencies to co-ordinate services. Council's reputation is at risk.	Treat.	Corporate Asset Management Plan updated in 2019 and covers the period 2019 to 2023. Existing Property Asset Management Plan is kept up to date and reviewed regularly. The 2019 to 2023 plan was re-written and considered by the Asset Management Sub-committee in November 2019. Existing ICT Asset Management Plan is kept up to date and reviewed regularly. It will be formally revised in 2021. The Fleet and Plant Asset replacement programme (2018 to 2021) is under reviewed to seek to maximise future years utilisation and fuel choice. Until this review is completed and considered the current plan to end of March 2022 is in place. The capital programme 2018 to 2023 is fully committed. Work is underway to agree the 2024 to 2029 programme in the current financial year, noting that funding pressure will not necessarily see any significant investment in maintaining assets above current levels or address any backlog issues.

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
				Service Asset Management Plans has commenced on Open Spaces and thereafter Heritage. They have been completed for Roads in terms of the Roads Asset Management Plan and the Roads Management and Maintenance Plan.
				All asset replacement programmes (budgets) for roads, waste, fleet and property (revenue repairs and capital improvements), are monitored in detail to ensure planned, cyclical, reactive and emergency works are completed in context of significant budget pressures (efficiencies).
				Capital Planning and Asset Management Working Group holds monthly meetings to consider prioritisation of future works.

Risk Number.		Risk Title.				Cluster.		Owner.	
6.		Inability to sustain and enhance economic opportunities.				Economic.		Executive Director of Development and Infrastructure.	
Likelihood:	5.	**Impact:**	5.	**RAG:**	Red.	**Current Risk Score:**	25.	**Target Risk Score:**	20.

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
Commercial sectors are vulnerable to market forces and changing national and international economic circumstances.	The Council fails to support a diverse economy. Decline in farming and other traditional industries. External market forces and economic factors lead to	Local economy struggles pushing additional responsibilities onto the public sector. Council budgets become increasingly pressed.	Treat.	The budgets for revenue repairs and capital improvements are reviewed annually as part of the Council's budget process. Seek to identify additional options for delivery of the maintenance programmes.

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
Orkney's population is also ageing, leading to a range of challenges and opportunities in managing the impact of this demographic shift in terms of service provision. Current uncertainties associated with the Brexit arrangements for our future workforce. Deliverability of key project and political agendas including the Islands Deal, Harbours Masterplan, Grid and Digital Connectivity, Shared Prosperity Fund, Ferry Replacement, Arctic Strategy and Innovation Freeport concepts. COVID 19 Recovery and Response challenges.	increasing pressure on local businesses. Cost of transportation threatens travel of goods and people to and from Orkney. The Council fails to support emerging industries. The Council fails to ensure community benefits arise from developing industries. The Council fails to secure long term benefits from Renewables sector. Increasing pressure on services for older people. Reducing work age Government fail to deliver on or support economic opportunities and Regulatory change and an appropriately designed and timed Shared Prosperity Fund. Lack of capacity to deliver sufficient support to post COVID-19 economy. Lack of Government support for unique islands impacts of COVID-19 e.g. tourism 3 winters scenario, population.	Staffing shortages. Loss of external funding due to Brexit. Loss of jobs, increase in unemployment, reduced economic performance.		Where unavoidable pressures are identified these are managed through an allocated "contingency" or capacity within the Development and Infrastructure Directorate given positive trading performance. To ensure the delivery of approved plans is achieved, there has been additional investment in people resources in roads, waste, fleet and soon to be the quarry and property team (as part of workload analysis and mini restructuring). To ensure the size and scale of the capital programme is realistic in terms of affordability, pace and thereby resources, members have agreed the 2018 to 2023 programme and will agree the content of the following 5-year period(s) in 2019 to 2020 financial year. This considers the Council's internal and external people resource, contractor capacity and how funded (internally or externally, noting island deal possibilities). Political engagement and lobbying at UK and Scottish Government levels. Effective working of Economic Recovery Steering Group.

Risk Number.		Risk Title.				Cluster.	Owner.	
7.		Inadequate information security and management, and inadequate cyber security – With the increase in the use of publicly visible technology, there is an increased risk of exposure to threats from criminal and other malicious parties.				Technological.	Head of IT and Facilities.	
Likelihood:	3.	**Impact:**	4.	**RAG:**	Amber.	**Current Risk Score:**	12.	**Target Risk Score:** 6.

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
The Council fails to maintain an adequate audit trail of all information created. The Council does not handle, share and release all its data adequately. The Data Protection Act 2018 has introduced new duties for the Council. Failure to implement and maintain suitable cyber controls to protect assets.	Inappropriate disclosure, sharing, retention or loss of data. Failure to comply with information governance legislation including the Data Protection Act 2018.	Customer distress and harm. Financial and legal implications. Reputational risk. Inability to access information when required. Failure to deliver services. Failure to share information leading to duplication of effort. Not responding to information requests on time. Complaints against the Council.	Treat.	The Records Management Improvement Plan sets out further actions required to ensure that the Council maintains compliance with its legal responsibilities, including the Data Protection Act 2018. Senior Management leadership in place regarding delivery of the Records Management Improvement Plan. The Council met the Cyber Essential (Basic) accreditation as required by the Scottish Government in February 2018; the target for this was June 2018. Cyber Essential + accreditation achieved, April 2019. Noted that the Information Services Programme Board decided, in June 2019, not to seek re-accreditation of CE+ for 2020 on the basis that all the same criteria, and more, was tested as part of the Public Services Network (PSN) compliance activity. PSN reaccreditation achieved in September 2019, and work underway to achieve re-accreditation. Submission for 2020 was sent to the Cabinet Office and a

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
				formal response is still awaited. IT submit mitigation action updates every month. We remain covered by PSN through this dialogue. Confirmation received from the Cabinet Office (May 2021) that the submission is still with the assessor for review.
				IT Security is managed proactively and there is an ongoing programme of patching / updating the hardware and software in operation across the Council.

Risk Number.		Risk Title.					Cluster.		Owner.	
8.		Inadequate access to superfast Broadband across Orkney and mobile connectivity.					Technological.		Executive Director of Development and Infrastructure.	
Likelihood:	4.	Impact:	4.	RAG:	Amber.	Current Risk Score:		16.	Target Risk Score:	8.

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
Failure to lobby Governments to address the current digital divide and put in place infrastructure to ensure a step change in speeds. Failure to access mobile coverage. Failure to press the Government to deliver a longer-term plan to ensure that there are the right	Orkney fails to secure maximum and equitable geographic coverage of superfast Broadband, wireless connectivity and significant improvements to Broadband services and mobile network across the islands. Orkney is unable to attract inward investment and sustain fragile communities.	Failure to attract inward investment. Failure to attract skilled employees. Digital isolation across age groups. Failure to realise opportunities in respect of Telehealth, Telecare, mobile working and tele-learning.	Treat.	Continue to support political lobbying and seek opportunities to progress policy. Support the Scottish Government in the roll out of R100 infrastructure in Orkney. Support development and introduction of alternative commercial models, including 5G infrastructure. The Council has agreed to commission a study to explore community options for accelerating superfast solutions should Government schemes fail to deliver for Orkney.

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
mechanisms, partnerships and commercial models in place.	Educational infrastructure disadvantaged by lack of service.	Poor online public service access including welfare benefits, etc.		

Risk Number.		Risk Title.						Cluster.		Owner.	
9.		Lack of sustainability of partnerships and clarity of responsibilities and outcomes.						Partnership.		Head of Executive Support.	
Likelihood:	3.	**Impact:**	3.	**RAG:**	Yellow.	**Current Risk Score:**		9.	**Target Risk Score:**		6.

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
Working in partnership exposes the Council to some degree of reputational risk, depending on the stability of the arrangements and outcomes delivered. Resource constraints may affect the success of the Health and Social Care partnership. The Scottish Government's intention to create a National Care Service and to amend the functions of Integration Joint Boards may affect the provision of care in Orkney.	The Council does not implement a robust and effective framework for managing its key partnerships. Governance is not effective in relation to a partnership and objectives are not met. The resource pressures on the parent bodies affect the reputation of the partnership. National developments relating to the redesign of adult care services may not take account of the unique requirements of delivering effective care services in remote and rural areas.	Uncertainty about roles. Impact upon service delivery. Loss of reputation due to inability to meet statutory requirements. Tension between partners. Efficiencies not achieved. Relationships with other bodies deteriorate. Reduced ability to deliver on important projects for vulnerable people and their families. Reduced ability to support and protect individuals and families by delivering	Treat.	The Council will continue to work closely with partners under current frameworks which are monitored closely to ensure they are robust, effective and deliver good governance. Clear Terms of Reference and Partnership Schemes are critical in reducing risks. The Council will continue to review existing partnerships and explore new ones as opportunities arise to suit Orkney as a whole. Engagement with new Cabinet Secretary and Scottish Ministers in respect of the Local Governance review which supports joint working will now commence. Engage with the Scottish Government through COSLA. As a separate legal entity, the IJB will consider its own actions relating to this risk on the IJB's risk register

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
		effective care services within Orkney.		at its June meeting following the pre-election period.

Risk Number.		Risk Title.				Cluster.		Owner.	
10.		Inadequate procurement compliance and sustainable communities.				Legislative.		Head of IT and Facilities.	
Likelihood:	3.	**Impact:**	2.	**RAG:**	Yellow.	**Current Risk Score:**	6.	**Target Risk Score:**	6.

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
Financial and non-financial savings have not yet been fully explored. Further work to be done to support local businesses to help them participate in procurement opportunities, building on the Meet the Buyer event which was first held in August 2016.	Legal challenge is a possibility unless the Procurement Regulations are complied with and processes followed. Officers fail to understand the limitations that the Procurement Regulations place on the Council. Officers do not follow due process and tendering must be repeated. Anticipated savings may not be fully realised through collaborative contracts. The local economy may not be as well supported as it could be.	Financial loss due to legal challenge. Reputational harm. Delays in services being procured due to re-tendering or court action. Loss to the local economy. Loss of effectiveness and efficiency. Lost opportunity in terms of savings.	Treat.	Procurement Member Officer Working Group in place. Procurement Working Group (Officers) set up to provide training, support and a corporate approach to procurement exercises and priorities. Frequent communication with this group is in place and training on the use of PCS Tender was completed by 19 staff in January 2018. Procurement Improvement Plan developed and kept under review. Sustainable Procurement Strategy approved by Members in February 2018 and is being updated to be considered again by Members in June 2021. Procurement Manual updated in April 2019. Procurement and Commercial Improvement Programme (PCIP)

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
	Member / officer disharmony due to lack of understanding of responsibilities.			assessment by Scotland Excel completed in September 2019. OIC score showed a good improvement from 49% to 58%. Action plan to meet recommendations is being implemented.
				Meet the Buyer event for October 2019 was held successfully. Event for 2020 put on hold due to the pandemic.
				Contracts Register is now updated at least monthly and the use of the Contracts Register is stressed to all staff who are making purchasing decisions.
				Proactive work with the Corporate Admin Group to look at the creation and use of local Framework Agreements, in the first instance this will develop a local framework for stationery.
				Contract Standing Orders under regular review, with a formal review to be due to be considered by Members in June 2021
				COVID-19 Supplier Relief Programme implemented.
				Actions following the Internal Audit review of Quarry Procurement Procedures in March 2021 are being progressed as planned. Procurement Plan process has been implemented and all officers with Delegated Procurement Authority have attended a workshop, as have a number of other key OIC staff.

Risk Number.		Risk Title.				Cluster.		Owner.	
11.		Health and Safety non-conformance.				Legislative.		Head of IT and Facilities.	

Likelihood:	3.	Impact:	2.	RAG:	Yellow.	Current Risk Score:	6.	Target Risk Score:	4.

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
Non-compliance with health and safety policies, rules and procedures by employees, members of the public, contractors etc.	Reportable accidents, work related ill health and dangerous occurrences.	Staff exposed to unnecessary risk or harm. Increase in staff absence or sickness. Reduction in staff morale. Enforcement action from the Health and Safety Executive. This may include Improvement and prohibition notices and prosecution. Material breaches, if identified, are subject to cost recovery by way of "fees for intervention". Civil action resulting in the payment of compensation for injury or damage etc.	Treat.	Frequency of Safety Committee meetings increased including a review of adverse events. Senior Management Team to promote a positive health and safety culture. Revamp of Health and Safety Policy and supporting guidance. Proactive health and safety to feature as a standing item in Senior Management Team and Corporate Management Team meetings. IOSH "Leading Safely" training has been refreshed for all Corporate Management Team and Senior Management Team members. Proactive Health and Safety campaigns organised and promoted to all Council employees started in April 2018. Review and potential investment of additional service-focused resources to strengthen operational health and safety effectiveness (one post in Development and Infrastructure Service potentially).

Risk Number.	Risk Title.				Cluster.	Owner.	
12.	Brexit – Implications following a "hard" no deal outcome.				Economic.	Chief Executive and Head of Marine Services and Transportation.	
Likelihood:	3.	Impact:	3.	RAG:	Amber.	Current Risk Score:	9.	Target Risk Score:	9.

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
Loss of access to the single market, with associated implications around trade delays and reduction in supply. Loss of EU funding for projects and businesses in Orkney. Disruption to current workforce and future restrictions on ability to recruit.	Restrictions to the supply chain. Restrictions on the free movement of people and workers' rights within the EU area.	Insufficient supply of essential commodities (food, medical supplies, fuel). Negative impact on projects and businesses in Orkney should funding streams end and not be replaced. Difficulty in retaining staff and attracting new staff from the EU to work for the Council, possibly leading to service delivery difficulties due to staff shortages, as well increased pressure on other staff. Requirement for Export Health Certificates (issued by Environmental Health service) for all aquaculture and shellfish exports.	Treat.	The Council "Island proofed" any Scottish Government response and fully participates in discussions with CoSLA, the Scottish Government and other groups as needed. Ongoing discussions within the Community Planning Partnership once the terms of Brexit are known. Initially, urgent escalation of high / severe risks to the Scottish Government, including the operational difficulties with regard to Export Health Certificates. Working with CoSLA to develop and deliver key communications and guidance for existing staff from EU countries. Initial concerns relating to the impact on the Council to recruit from EU countries has not manifested itself in a downturn in our ability to recruit for positions within the Council. Whilst we did see some employees leave in the early stages of Brexit discussions, the EU settlement scheme has ensured we have been able to retain staff who meet that criteria. The framework for response met initially to determine the Council's response to

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
				emerging issues, however as much of the issues have come within existing business, these meetings have ceased. Internally, the No Deal EU Exit action plan is actively managed and reviewed regularly.
				Initial concerns relating to the impact to the Council on leaving the EU have not been as severe as initially thought. The fears surrounding the demand for Export Health Certification has not reached the reasonable worst case scenarios and is deemed manageable within the Service.
				Initial planning arrangements to deal with concurrent events have now been relaxed across the HILRP area with some return to a normal meeting structure. This follows the ability of organisations to respond to concurrent events. To date, we have responded to 8 incidents in addition to the pandemic and Brexit.

Risk Number.		Risk Title.					Cluster.		Owner.	
13.		House Build Programme – Risk of being unable to fully utilise Affordable Housing Supply Programme funding from the Scottish Government.					Financial.		Executive Director of Education, Leisure and Housing.	
Likelihood:	4.	**Impact:**	3.	**RAG:**	Yellow.		**Current Risk Score:**	12.	**Target Risk Score:**	9.

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
A range of factors are affecting the Council's ability to spend the Affordable Housing Supply Programme's funding, in partnership with Orkney Housing Association Ltd. These factors include: Delays arising from the COVID-19 crisis, with contractors unable to work. Issues affecting Scottish Water's sewerage system in Kirkwall and a need to separate surface water run off to free up capacity. The Housing Revenue Account holds a relatively high level of debt, and debt repayments are substantial. The cost of meeting the Energy Efficiency Standard for Social Housing 2 by 2032 is serving to exacerbate Housing	Inability to commit to fully utilising the funding that the Scottish Government allocate to Orkney each financial year.	Loss of funding that is essential to Orkney meeting need for social / affordable housing. Rising pressure as more applicants further increase pressure on the Council's growing housing waiting list. Difficulties in OIC meeting its statutory homelessness requirements through placing households into permanent accommodation. Barriers to implementing the Rapid Rehousing Transition Plan. Inflationary impact on other housing sectors, particularly the private rented sector. Negative impact on local economy if economically active households cannot	Treat.	A house-build group has been established and meets regularly, drawing membership from the Council's Housing Service, Development and Infrastructure, the Scottish Government, Scottish Water and Orkney Housing Association Ltd. Multiple actions are being progressed. These include: A build project at Carness, Kirkwall is underway with 32 properties under development and expected to be completed by September 2021. Three further Council projects at Coplands Road, Stromness (8 properties), Repeater Road, Kirkwall (2 properties) and MacDonald Park, St Margaret's Hope (2 properties) are also currently underway. Discussions are ongoing with Scottish Water with a target of establishing sufficient capacity to enable additional planning applications to be approved. Orkney Housing Association Ltd is progressing a scheme to erect 12 houses at The Crafty in Kirkwall, and a further 8 units at Kirk Park in Orphir.

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
Revenue Account challenges. The impact of the above on the level of affordability of rents for tenants, given that a small Housing Revenue Account suffers from limited economies of scale. Orkney generally has rents which are within the highest 6 in Scotland. There is a lack of resource across all partner agencies (and the construction sector) which places limitations on responsiveness to additional demands. Rising prices due to COVID-19 and Brexit result in increased project costs, to the extent that they can prove to be too expensive to take forward. Orkney Housing Association Limited is also limited in the number of properties that it can develop due to financial constraints of their own. This increases the pressure on the Council to		secure affordable housing in the area. Young Orcadian families are increasingly being priced out of the private rented sector, cannot secure a suitable mortgage and/or are not high enough up the priority list to secure social rented housing. The frustration this causes can increase the likelihood that some of these households leave Orkney, resulting in further inhibition to the social fabric and economy of Orkney.		The Council is developing a Stage 2 CPA for a final 14 properties at Carness Road, Kirkwall. The aim is to have these properties presented to the Policy and Resources Committee in June 2021. This should allow for a 2021/22 site start. Off the shelf purchases are being investigated and considered (while considering the ability for the properties concerned to be brought up to the energy efficiency standards required by the Council where relevant).

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
build to utilise the available funding.				

Risk Number.		Risk Title.				Cluster.	Owner.	
14.		Early Learning and Childcare Expansion Plan.				Reputational.	Executive Director, Education, Leisure and Housing.	
Likelihood:	4.	**Impact:**	3.	**RAG:**	Yellow.	**Current Risk Score:**	12.	**Target Risk Score:** 10.

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
Leadership capacity.	Failure to recruit high quality candidates.	Lack of leadership in settings.	Treat.	Refocus the Leadership pathway to attract practitioners with 4-5 years' experience to support the development of leadership capacity in workforce.
Insufficient number of high quality and/or qualified practitioners.	Failure to recruit high quality candidates.	Vacant posts and repeated recruitment Impact on quality and outcomes for children. Poor inspection grades. Failure to meet National Standard.		Requirement for supporting practitioners to gain BA in Childhood Practice. Implementation of head teacher training to support development of pedagogical leadership capacity. Work with the college and Scottish Government ELC Improvement team to overcome the issues with recruitment for newly trained HNC practitioners. Explore possibility of running SVQ from central team.
Delay in completing 1140 building works.	Delay in completing renovation works at Glaitness and St Andrews.	Inability to meet statutory requirement to deliver 1140 to eligible children. Lack of places for children in Kirkwall settings, and		Monitor contingency plans for St Andrews and Glaitness.

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
		requirement to fund/ transport children from Kirkwall to country settings.		
Failure to meet the National Standard, in particular due to reduced face to face training and quality assurance due to Covid restrictions.	Care Inspectorate Inspection grades of adequate or lower.	Inability to offer ELC in poorly performing settings and therefore inability to meet statutory requirement to deliver 1140 to eligible children.		Early years teaching team continue to deliver training. Recruit additional 1fte (following retirement of existing staff) Train and support a network of setting based practitioners to deliver outdoor / nature kindergarten experiences. Family worker Lead Early Years Practitioner (LEYP) supporting the roll out of PEEP Learning Together Programme with newly training cohort of setting based practitioners.
Insufficient budget to meet emerging demands of Scottish Government in relation to expansion, including impact of high tenders for infrastructure works.	Infrastructure project tenders returned over budget. New legislation/policy insufficiently funded for the local context (eg discretionary deferrals, nursery milk and snack).	Budget overspend.		Lobby Scottish Government so that they take account of the unique island challenges relating to new policies. Ensure Orkney attendance at national meetings / forums to ensure the remote and rural voice is heard. Ensure elected members are well briefed prior to national meetings.
Closure of partner provider and impact on 0-3 childcare capacity across the mainland.	Delay in providing an alternative service. Inability to appoint adequate numbers of practitioners.	Staff losses in settings in mainland Orkney due to lack of childcare.		Work with other departments to provide a short and long term solution.
Provision of 0-3 service that cannot break even.	Greater than acceptable losses.	Budget overspend.		Carefully monitor occupancy, staff ratios and fee payment to ensure the setting is running as efficiently as possible.

Risk Number.		Risk Title.				Cluster.	Owner.	
15.		Pandemic.				Pandemic.	Head of IT and Facilities.	
Likelihood:	5.	**Impact:**	5.	**RAG:**	Red.	**Current Risk Score:**	25.	**Target Risk Score:** 20.

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
The spread of a pandemic virus is likely to significantly hamper the ability of the Council to perform its statutory functions.	World Health Organisation declaration of a global pandemic. The declaration of a Major Emergency has led to the appointment of an Emergency Controller and the introduction of Emergency Governance Arrangements, approved by Council on 23 March 2020 which included temporary amendments to the Council's Standing Orders.	Service Delivery: Failure to carry out statutory duties - demand outstrips capacity. Cessation of non-urgent and elective work. Unable to provide certain services. Delays to capital programmes. Ability to successfully resolve emergency incidents. Ability to respond to concurrent events including Brexit or those contained within the Community Risk Register. Deterioration in staff experience adversely affecting team performance. Financial management and budgetary impact:	Treat.	Ongoing monitoring of workforce to give early indication of potential issues. Business Continuity Plans were invoked. Review of essential services in conjunction with Business Impact Analysis undertaken within Service Operational Recovery Teams (SORT). Redeployment to move staff from non-critical areas to more front-line roles. Consideration of issues within Strategic and Tactical environments. Creation of RENEW framework. Enhanced risk assessments in relation to COVID-19. Regular staff updates online and directly from Chief Executive. Positive staff leadership. Provision of online support packages through HR. Continuation of Duty Tactical Lead through emergency. Specific Finance code organised to record all spending relating to COVID-19. Central tracker evolving to capture COVID-19 costs, develop forecasts (revenue, capital, cash flow, procurement),

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
		Incurring additional unbudgeted COVID-19 spend.		management of stock, policy changes and Scottish Government reporting.
		Increased costs, reduced income, impact on capital projects etc.		Finance embedded in Strategic Incident Management Team.
		Appropriate governance.		Communication with Scottish Government ongoing regarding forecast additional costs and corresponding additional funding required to deliver services to the standard required.
		Ability to pay staff.		
		Legacy financial impact.		
		Impact on Strategic Reserve Fund.		Home working solutions in place for staff where required.
		Health and Safety:		Dialogue with Banks regarding processes.
		Failure to provide appropriate PPE.		Some internal audit capacity maintained.
		Ability to carry out statutory duties and support frontline response.		Co-ordination of ordering of Personal Protective Equipment (PPE) through Selbro.
		Exposure to virus, potential spreading and related absences.		Collaboration with NHS Orkney regarding PPE availability.
		Potential harm to critical service users and providers.		Initial ordering issues overtaken with use of Scotland Excel.
		Demand outstrips supply for business as usual supplies.		Pre planner and continual procurement of relevant supplies to support frontline response.
		Demand outstrips supply for PPE.		Use of NHS National Services Scotland (NSS) and own routes to market.
		If the organisation does not seek to maintain and improve officer and staff		Critical identification of PPE need.
				Engagement with Highland and Islands Local Resilience Partnership to identify shortages and need.

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
		wellbeing during the response to COVID-19, there is a risk of increased absences, loss of discretionary effort and overall decrease in operational capacity. Lack of scrutiny surrounding Council functions. Mandatory duties of the Council – schooling, social services. Permissive duties of the Council – education and economic development. Regulatory powers – trading standards, environmental health and licensing. Joint working arrangements.		Procurement reviewing suppliers to allow fast track enabling of different routes to market. Guidance published on Council website regarding usage. Advice provided regarding managerial and social distancing - reduction in face to face meetings. Alternative solutions for meetings are being adopted e.g. Skype, Microsoft Teams, Video conferencing. Special General Meetings are arranged at short notice for all matters requiring policy decisions. Confidential meetings held with Senior Management Team and Elected members on a frequent basis to discuss COVID-19 matters. Regulatory committees, Monitoring and Audit Committee and Integration Joint Board meetings are taking place online through Microsoft Teams. Recordings of these are published on the Council website together with the associated minutes. The Strategic Incident Management Team meets regularly to enable swift determination of strategic matters. The Incident Management Team meets regularly to manage operational and tactical issues.

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
				Senior Management Team and Corporate Management Team continue to meet to address ongoing Council business.
				The Emergency Governance Arrangements are regularly reviewed to ensure the declaration of an emergency still remains relevant.
				Emergency response working strategy and structural arrangements are regularly reviewed.
				Debriefs arranged to capture initial identified points from initial response to the pandemic.
				Collaborative work with partner agencies to submit a funding proposal to provide suitable arrangements for asymptomatic testing across Orkney.

Risk Number.		Risk Title.				Cluster.		Owner.	
16.		Inability to deliver core protection and support services for children and young people.				Legislative.		Interim Chief Officer, OHAC.	
Likelihood:	3.	Impact:	5.	RAG:	Amber.	Current Risk Score:	15.	Target Risk Score:	10.

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
Children and young people are vulnerable due to the Council's need to improve policies, procedures and services as part of multi-agency child protection	Children and young people in need of protection and/or support do not have their needs met by the multi-agency team.	Children and young people are exposed to harm; children and young people are not provided with the best chances in early life; children and	Treat.	Comprehensive multi-agency improvement plan has been developed which addresses all areas for improvement.

Vulnerability.	Trigger.	Consequences.	Options.	Mitigating Actions.
and support services, highlighted in the 'Report of a joint inspection of services for children and young people in need of care and protection in Orkney', February 2020.		young people are not supported in closing the opportunity gap. When performance shortfalls are highlighted in inspection reports, this clearly drives improvement. However, a collateral consequence can be that it makes it more difficult to attract permanent good quality staff to work in Orkney children's and young people's social work and social care services, exacerbating vulnerabilities.		Progress with this plan is closely monitored by the Chief Officers' Group and the relevant partner governance bodies. A follow-up inspection is currently underway and the draft report is expected to be shared by the Care Inspectorate and Health Improvement Scotland in July 2021.