

Item:

17



Report to Partnership Meeting 13 November 2020

PARTNERSHIP

Risk Management: Risk Register Update – November 2020

PURPOSE OF REPORT

For the Partnership Board to review the Strategic, Management/Operational and Financial Risks faced by the Partnership and through doing so ensure significant risks are identified, evaluated and controlled.

BACKGROUND

The Partnership first introduced a Risk Management Strategy in 2011 to support a proactive effort to manage risk across our project and strategy portfolio. This is embedded at an individual project level and included within the regular reporting to the Partnership Board and Advisors throughout the year.

A number of actions are required to implement this Strategy including identifying the risks faced, assessing the risks, integrating risk management into the business planning process, challenging and reviewing the process, and reporting.

The HITRANS Risk Register is subject to annual review, the latest of which was undertaken in November 2019. This has again been reviewed by Officers to ensure it continues to support the good management of the major risks faced by HITRANS. The revised list of Risk Management Controls is included in the Appendix to the report and approval of this Register, which covers Strategic, Management and Operational, and Financial Risks faced by the Partnership, is now sought.

The risks faced by the Partnership as reflected in the Risk Register will continue to be monitored by HITRANS Officers and Advisors, and subsequently presented to the Partnership for monitoring and approval on at least an annual basis.

RISK REGISTER

RTS Delivery

Impact - Positive

Comment – No further comment

Policy

Impact - Positive

Comment - Formal management of the risks faced by the Partnership in delivering the RTS will support its better achievement

Financial

Impact – Positive

Budget line and value – This item has no financial cost but impacts across all budget lines.

Comment - Formal consideration by the Board of the financial risks faced by the Partnership supports improved financial management.

Equality

Impact – neutral

Comment – Ensuring positive equality impacts is important to HITRANS and this will be managed through our Equalities Duty rather than the Risk Register.

RECOMMENDATIONS

Members are asked to approve adoption of the HITRANS Risk Register November 2019 as included in the Appendix to the Report.

Report by:	Ranald Robertson
Designation:	Partnership Director
Date:	20 th October 2020
Background Paper:	Appendix A HITRANS Risk Register November 2020

Appendix: HITRANS RISK REGISTER - NOVEMBER 2019

RISK MANAGEMENT - CONTROLS

DATE

- 20-Oct-2020

Ref	Detail	Nature of Risk	Inherent				Residual				Owner	Actions
			Impact	Likelihood	Risk	Controls	Impact	Likelihood	Risk			
100 Strategic Risks - RTS delivery												
101	Stakeholders may not focus efforts towards delivery of the RTS	Political - Councils and local public sector stakeholders may focus on Local Outcome Improvement Plan commitments, and Governments on national priorities in other areas	5	4	H	1. monitoring systems in place to review and report on success in delivering RTS	5	3	H	Director/ Board	1. HITRANS lobbies for refocusing of national funding to provide element for regional projects and is currently represented in the NTS and STPR Regional Working Group. The NTS has recognised the need to improve transport governance arrangements and acknowledged that there is a strong case to strengthen the region tier of delivery.	

102	Funding may not be available to deliver the interventions necessary to deliver the RTS.	Financial/ political	4	5	H	1. RTP looks for alternative sources of match funding	4	3	M	Director /Board/ Officers	1. HITRANS continues to engage with CPPs and Development Planning Authorities promoting case for a strategic transport focus including the new opportunities for Growth / City Deals.
		H				2. RTP makes case for transport interventions and actions to Government				Director/ Board	2. HITRANS continues to engage with CPPs and Development Planning Authorities promoting case for a strategic transport focus. This includes inputting to the LOIP development and other strategic activity including Growth Deals.
											2. Commitment by Government to deliver a number of key road and rail projects within the region as part of the Infrastructure Investment Plan
											3. RTS Refresh completed in 2017/18 and reflects current programmes and plans that impact on RTS Delivery. The draft document was not signed off at Ministerial level due to NTS having commenced so it is intended to undertake a final

103	Case for delivery of RTS not made and reinforced	political	5	4	H	1. development of effective publicity through website and press releases and newsletters	5	3	M	Director/ chair and Vice Chair	<p>1. Case for specific projects, e.g. rail projects, A9, A96, A82, air access to London, promoted both publicly and in private with Government and key stakeholders</p> <p>4. HITRANS continues to look to work with regional partners to realise new funding opportunities including from EU programmes. Officers recognise the risk from Brexit but in the short term EU funding is confirmed and HITRANS is already actively investigating alternative external funding streams.</p> <p>5. RTPs are represented across most NTS working groups and the Review Board and will continue to seek influence into the development of the next Strategic Transport Projects Review.</p> <p>refresh of the document to align with NTS.</p>
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104	Continuity of Board focus and effectiveness	political	4	4	M	<p>2. Chair and Vice Chair to promote case with Government, business and Council leaders</p> <p>1. Councils in appointing Members to the HITRANS Board will elect representatives with the knowledge and experience in the transport sector commensurate with HITRANS roles and functions</p> <p>2. Changes to Board Membership and current Chair may impact on the role.</p>	4	2	L	Director/ Board	<p>2. An annual meeting invitation will be extended to the Cabinet Secretary for Infrastructure and Connectivity to build on the good relationship HITRANS enjoys with the Ministers. The Chair and Partnership Director met the Cabinet Secretary in February 2020.</p> <p>1. Workshops and information sessions will be a feature of Partnership meetings and pre meetings to ensure Board Members are engaged fully in HITRANS policy development and current critical issues.</p> <p>1. Non Council Board Member recruitment completed in November 2018.</p>
105	Impact from the Global Coronavirus Pandemic	Political / financial	4	4	M	<p>1. Covid 19 has been included within the current Business Plan to manage HITRANS activity in this area.</p>	4	2	M	Director/ Board	<p>1. Covid 19 impact and mitigation will be a feature on Partnership Board and Advisor meeting discussions to update and</p>



collaborate on work being undertaken by officers and partners.

200 Management/ Operational Risks

201	Inadequate staff resource available to carry out actions agreed by Board	HR/ financial	5	3	M	<ul style="list-style-type: none"> 1. HR support in employing optimum staff compliment 2. Staff training and development 3. Staff absence through illness and other factors including maternity leave. 	4	1	L	Director	<ul style="list-style-type: none"> 1. PDRs undertaken and workload reviewed 2. Short term internships and contractor appointments considered as option to increase resources. 3. Use of consultants with specialist knowledge and skills in short term support roles when necessary 4. Staff offered training opportunities and ensure all members of staff are supported and empowered.
202	Failure of IT systems	technical	4	3	M	<ul style="list-style-type: none"> 1. Good IT support systems 	4	1	L	Director/ Office Managers	<ul style="list-style-type: none"> 1. Employment of effective IT support services including in Cyber Resilience.

203	Actions taken on behalf of HITRANS exposes Partnership to corporate or financial liability	operational/ financial	5	2	M	<p>2. Effective backup arrangements for hardware and files</p> <p>3. Systematic updates to server, laptops and website</p> <p>1. rules of delegation from Board</p>	5	1	L	Director/ Finance manager	<p>2. Programmed approach to replacement of IT equipment</p> <p>3. Monitor performance of broadband and Cloud Based server systems to ensure optimum service and current systems offer a 120 day recovery facility on all files.</p> <p>Regular reviews of Financial and Contract Systems</p>
204	Reliance on knowledge and actions of individuals may result in business failure if they leave or are unavailable	Human Resources	5	4	H	<p>2. Service procurement and monitoring arrangements in place</p> <p>1. HR procurement arrangements and employment conditions adequate to retain staff and replace individuals if needed</p>	5	3	M	Director/ HR support	<p>1. Recruitment programme put in place to ensure continuity between staff changes but no anticipated risk at present.</p> <p>2. The specialist knowledge within the team means that a certain level of knowledge and experience is difficult to replace in the short term but every effort is made to share knowledge across the team and records are maintained on the Cloud server.</p>

300 Financial Risks

301	Expenditure exceeds budget	financial	4	3	M	1. effective financial monitoring reporting and control systems in place to manage expenditure	4	1	L	Finance Manager / Director	Regular reviews undertaken to monitor expenditure during year, meetings with Finance Manager by exception. Programmes varied by Board to reflect changes.
										Auditors	Systems and procedures checked on regular basis by both internal and external audit
302	Projects expenditure slips resulting in year on year funding discrepancy	financial	4	3	M	1. effective financial monitoring reporting and control systems in place to manage expenditure	4	2	L	Finance Manager / Director	1. Regular reviews undertaken by Team to monitor expenditure during year, meetings with Finance Manager by exception. Programmes varied by Board to reflect changes. 2. Government are currently proposing to make changes to the RTP financial arrangements in the Transport Bill that will give much greater flexibility in our financial management with the legislation proposing to enable the Partnership to carry reserves.
						2. HITRANS will work to meet its efficiency targets and reduce core costs					

303 Income from Government and Councils reduces

operational/ financial

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4



1. Proposed use of funding clearly identified before budgets agreed for subsequent years

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Director/
Chair

1. In the event of reduced income being available, review the extent of services procured from Councils through Service Level Agreements with a view to undertaking more tasks in-house
2. Update and maintain information to highlight the very positive return for investment received from HITRANS for our Partners particularly Council partners and Transport Scotland.

Director
/
Finance
Manager