



Corporate Risk Register update

Committee Audit and Standards

Date of meeting 17 February 2023

Date of report 24 January 2023

Report by Chief Executive

1. Object of report

To update the committee on the Corporate Risk Register and mitigations to minimise risk.

2. Background

The Risk Management strategy requires the committee to consider the effectiveness of the Partnership's risk management arrangements.

To assist members a copy of the current Corporate Risk Register, as at January 2023, is provided to the committee at Appendix 1. Members are advised that more specific local risk registers are maintained for specific projects and services and again these are reviewed regularly thus ensuring that the corporate risk register reflects the current environment and conditions within which SPT operates.

3. Outline of findings

The Corporate Risk Register is reviewed and updated at strategy group meetings every four weeks. Since the last Audit and Standards committee meeting, the following updates have been noted:

SPT 1: Potential Capital funding allocation not matched to programme demands: the risk score has decreased to reflect the Local government finance circular 11/2022 settlement for 2023/2024 from the Scottish Government which has maintained SPT's general Capital at 2022/2023 levels.

SPT 11: Current economic conditions adversely impact on SPT's operational income and return on cash reserves: the risk score has decreased to reflect the steady recovery of patronage and return on investment from increases in interest rates, as reported to the Strategy & Programmes Committee.

SPT 19: Unplanned disruption of Subway: the risk score has increased to reflect recent service delivery and reliability.

SPT 20: Continual network revisions and tender price inflation by commercial operators in bus market: close attention continues to be given to this risk with regular reports presented to the Operations Committee.

4. Committee action

The committee is asked to note the contents of this report and the updated Corporate Risk Register.

5. Consequences

Policy consequences	<i>As noted in the register.</i>
Legal consequences	<i>As noted in the register.</i>
Financial consequences	<i>As noted in the register.</i>
Personnel consequences	<i>As noted in the register.</i>
Equalities consequences	<i>As noted in the register.</i>
Risk consequences	<i>As detailed in the report.</i>
Climate Change, Adaptation and Carbon consequences	<i>As noted in the register.</i>

Name Neil Wylie

Title **Director of Finance & Corporate Support**

Name Valerie Davidson

Title **Chief Executive**

For further information, please contact Iain McNicol, Audit and Assurance Manager on 0141 333 3195.

SPT Corporate Risk Register - January 2023

Ref	Risk	Effect	Impact	Likelihood	Score	Mitigation	Fall back plan (what would SPT actually do/has already done?)	Responsible Officer(s)	Review date by Strategy Group	Date of last change	Movement from last change
<i>Type</i>	<i>Financial</i>										
SPT 1	Potential Capital funding allocation not matched to programme demands	Potential project delays; Project reprioritisation; Loss of reputation and lost opportunities.	4	3	12	Continued dialogue with Scottish Government with regards to funding; Aligning programme and budgets to funding schedules; Effective project delivery, programme management processes, monitoring of expenditure, accounting and budgeting regimes.	Adjust capital programme to known funding availability; Consider alternative funding routes including borrowing to support the programme; Affordability of projects; Prioritisation of projects; Reserves policy (potential utilisation).	Strategy Group/ Director of Finance & Corporate Support	24 January 2023	24 January 2023	↓
SPT 5	Insufficient revenue funding to Public Transport incorporating Reduced future Local Authority budget settlements	Reduction in service provision, lost opportunities, potential impact on internal resourcing.	4	5	20	Continued dialogue with Scottish Government with regards to funding; Continued dialogue with constituent authorities; Continuation of ongoing efficiency programme.	Continue to reconfigure processes and services to maximise efficiencies, with particular emphasis on digitalisation; Renegotiate contracts with suppliers. Reprioritise spend.	Strategy Group/ Director of Finance & Corporate Support	24 January 2023	23 March 2021	↑
SPT 11	Current economic conditions adversely impact on SPT's operational income and return on cash reserves	Economic conditions impact on employment practices and supply chain with a consequential downturn in patronage; Rental income negatively impacted by economic downturn; Return on investment in line with Bank of England base rate of 3.5%.	4	3	12	Continued dialogue with Scottish Government with regards to grant funding; Frequent, proactive review and management of cash balances to maximise return; Strict maintenance of treasury management practices including counter party lists and spread of investments.	Reduce services and staff numbers in line with budgetary reductions; Regular review of SPT's investment portfolio.	Strategy Group/ Director of Finance & Corporate Support	24 January 2023	24 January 2023	↓
<i>Type</i>	<i>Operational</i>										

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Ref	Risk	Effect	Impact	Likelihood	Score	Mitigation	Fall back plan (what would SPT actually do/has already done?)	Responsible Officer(s)	Review date by Strategy Group	Date of last change	Movement from last change
SPT 19	Unplanned disruption of Subway	Potential closure of Subway stations, Loss of business/income, Poor press coverage, Negative public perception, Loss of political backing.	4	4	16	Robust operational resource planning; Project plans, project management skills and techniques, dialogue with constituent authorities and Scottish Government and customers, Media management.	Continue existing Subway operations, Inform public and stakeholders.	Director of Subway	24 January 2023	24 January 2023	↑
SPT 20	Inability to deliver bus service provision due to continual network revisions and tender pricing inflation by commercial operators	SPT requested to step in to provide services; SPT requested to explain and/or rationalise the actions of commercial market. Delivery of Regional Transport Strategy outcomes.	4	5	20	On-going dialogue with operators, traffic commissioner and other stakeholders; Framework for supporting local bus services; SPT representation on Scottish Government Bus Taskforce.	Reprioritise support to local bus services; Apply to Scottish Government for additional funding; Introduce lower cost delivery options.	Strategy Group/ Head of Bus Strategy & Delivery	24 January 2023	04 October 2022	↑
SPT 27	Loss of key, skilled and experienced employees/resources	Temporary impact in delivery of service outcomes; Temporary impact in service performance.	4	4	16	Succession planning arrangements; Internal policy and processes.	Review internal resource options (in short term); HR policy and procedures.	Head of HR/ Heads of Service	24 January 2023	21 May 2019	-
*SPT 25	Rolling stock contract is not delivered to budget, time and quality requirements	Unable to deliver reliable service or to customer expectations due to rolling stock or infrastructure performance; Reduced/degraded operation; Undermining of the key business case; Impact on public, government and stakeholder reputation.	4	4	16	Appointment of project delivery team including project controls/governance roles; Appointment of Client technical advisory team (CTA); Appointment of Independent Competent Person service as part of safety verification and validation process; Robust tendering process and appointment of suitable JV contractor; Continued programme challenge and reporting; Development of operational readiness plan; Budget contingency. Programme effectiveness review.	Review maintenance and operations plans; Increased inspection, testing and verification; Proactive communication and engagement with stakeholders and public.	Strategy Group / Director of Subway	24 January 2023	09 August 2021	-
Type	Physical										

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SPT 6	Security - physical protection of staff, assets, information and customers	Disruption to service delivery; Public perception of service delivery; Reputational damage; Loss of operational income.	4	3	12	Training, contingency plans, business continuity, cyber-resilience arrangements. Adherence to Transec requirements. Benchmarking with good practice.	Use buses to replace Subway, redirect buses services around affected bus stations; reallocate staff where possible; Inform the public and stakeholders.	Strategy Group / Heads of Service Operations and Security	24 January 2023	22 May 2018	-
Type	Technological										
SPT 7	Loss of digital infrastructure services	Major disruption to service provision; Additional workload; Reputational damage.	4	3	12	Disaster Recovery/ Business Continuity plans; Redundancy plans for key systems; Cyber-resilience arrangements.	Contractual arrangements; Digital protocols; Policy and procedures.	Director of Finance & Corporate support	24 January 2023	27 February 2018	↑
Type	Reputational										
SPT 21	Adverse publicity	Reputational damage, potential patronage reduction and loss of operational income; employee morale and retention.	4	3	12	Media response plan.	Counter negative story with SPT view.	Strategy Group	24 January 2023	27 April 2016	↑
Type	Environmental										
SPT 28	Impact of climate change	Ability to meet emissions targets; Public perception of SPT services; Changes to service delivery; Increased costs.	4	4	16	Environmental policy; Carbon management plan.	Follow government guidance; Statutory returns; Internal policy and procedures.	Strategy Group	24 January 2023	12 November 2019	-

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Ref	Risk	Effect	Impact	Likelihood	Score	Mitigation	Fall back plan (what would SPT actually do/has already done?)	Responsible Officer(s)	Review date by Strategy Group	Date of last change	Movement from last change
*SPT 29	Impact of coronavirus (Covid-19)	Major disruption to service provision.	3	3	9	Business Continuity plans; Social distancing measures; Face coverings.	Follow government guidance; Reduced external service providers; Apply to Scottish Government for additional funding.	Strategy Group	24 January 2023	15 August 2022	↓

*Note: SPT 25 and SPT 29: these risks may fall into a number of categories.

Risk *What could cause damage to SPT?*
Effect *If it happened what would it do to SPT?*
Impact *Impact? from Catastrophic= 5 to negligible = 1*
Likelihood *Likely? Near future = 5 unlikely = 1*
Score *= impact X likelihood*

Score 1 - 6 
 7 - 19 
 20 - 25 

Mitigation *What is being done to mitigate this risk?*
Fall back plan *What do we do if the risk actually materialised?*

5 - Catastrophic	5 - Almost certain	High
4 - Major	4 - Likely	Moderate
3 - Moderate	3 - Possible	Low
2 - Minor	2 - Unlikely	Very low
1 - Almost none	1 - Rare	Minute