

RISK REGISTER ANNUAL REVIEW - Report by Chief Executive

Summary

This report provides the annual update on High Life Highland's Risk Register.

It is recommended that Directors:

- i. identify any risks which may not be included in the register
- ii. review and approve the Risk Register at **Appendix A**

1.

Business Plan Contribution

1.1 High Life Highland's (HLH) purpose is Making Life Better. The HLH Business Plan contains eleven Business Outcomes which support the delivery of this purpose, and this report supports all of the outcomes in the Business Plan:

- 1. Seek to continuously improve standards of Health and Safety.**
- 2. Commit to the Scottish Government's zero carbon targets and maintain the highest standards in environmental compliance.**
- 3. Use research and market analysis to develop and improve services to meet customer needs.**
- 4. Increase employee satisfaction, engagement and development to improve staff recruitment and retention.**
- 5. Improve the financial sustainability of the company.**
- 6. Value and strengthen the relationship with THC.**
- 7. Develop and deliver the HLH Corporate Programme and seek to attract capital investment.**
- 8. Use research and market analysis to develop and deliver proactive marketing and promotion of HLH and its services.**
- 9. Initiate and implement an ICT digital transformation strategy across the charity.**
- 10. Develop and strengthen relationships with customers, key stakeholders and partners.**
- 11. Deliver targeted programmes which support and enhance the physical and mental health and wellbeing of the population, and which contribute to the prevention agenda.**

2. Background

2.1 The Charity Financial Risk Management Policy requires that the Risk Register be reviewed and approved annually, by the HLH Board. The last review was conducted on 31 August 2023, with the risk register being approved as presented.

- 2.2 In addition to the annual review by the HLH Board, the Finance and Audit Committee reviews the Risk Register on a quarterly basis, most recently at its 12 August 2024 meeting. No amendments have been made since this meeting.
- 2.3 The risk register indicates both pre and post mitigation risk levels. With risks automatically profiled with Red, Amber and Green status based upon a calculated formula. The register also incorporates a number of specific Trading Company risks which are reviewed at the Trading Company quarterly meetings, with all risks reviewed and reported on to the Finance and Audit Committee.
- 2.4 The risk register is a live document, which continues to be reviewed and challenged regularly at management meetings across HLH. The most recent of which being Performance Board meeting on 25 July 2024.

3. **THC Corporate Risk Management Group**

- 3.1 HLH is represented on the Highland Council's (THC) Corporate Risk Management Group (CRMG) so that there is a formal way of notifying the Council of risks on the HLH risk register which might have an impact on THC.

4. **The Risk Register**

- 4.1 The Risk Register is included at **Appendix A, with specific tabs for earlier versions, the RMPs and any removed risks**, and the Board is asked to approve the register as part of the annual review, but also to identify any risks which may not be included in the register, and score these for inclusion, prior to the review/approval.

5. **Risk Management Plans**

- 5.1 There are eight risks scored as being "above the line" and requiring risk management plans (RMPs). All risks which score 6 or below, will automatically require a RMP and be rated as 'red'.

- **HLH01** - Impact of the HLH Capital programme
- **HLH02** – Recruitment and Retention
- **HLH02A** – Seasonal Recruitment and Retention for trading company
- **HLH06** - Non achievement of income
- **HLH07A** – **Risk associated with the introduction of THC's new finance system**
- **HLH09** – **SDC negotiations**
- **HLH16**- Non income generating catering sites - financial losses become unsustainable
- **HLH24A** - Risk of operational budgets or Operational Management / funding agreements for LUF/Castle projects not being acceptable to HLH or THC.

- 5.2 There are nine risks are rated as "amber". All risks which score between 7 and 9, will automatically be rated as 'amber'.

- **HLH03** - Major external issues affecting service delivery

- **HLH04** - Changes to the political landscape
- **HLH06B** – Use of reserves
- **HLH10** – Overreaching / Over commitment
- **HLH11** – Insufficient succession planning
- **HLH11A** – training and development risk linked to HLH11
- **HLH15** – Uncertainty of economic climate and cost of living increase
- **HLH20** – Major H&S Breach
- **HLH27** – Poor and or ineffective working relationships develop between the Council and HLH.

5.3 Risks **HLH 18, 19, 22, 23 and 24** are “green”. All risks which score 10 or above, will automatically be rated as ‘green’.

5.4 The proposed actions to mitigate these risks can be seen in the RMPs. **Please note that for ease, these have been incorporated into a tab within the excel spreadsheet, along with a list of those risks removed from the main register.**

6. Horizon Scanning

6.1 Whilst reporting an improved position with regards to the overall risk situation, there are still a number of strategic challenges ahead:

- SDC review – Due for completion in November 2024;
- SDC transfer of services - Operational capability and service delivery prior to, during and after any proposed transfer of any service, will require delicate communications and management handling. Specifically, the issues of ownership and reporting for staff for performance budget purposes needs to be agreed in advance of any changes with a clear and deliverable workstream plan in place and shared between all parties. Service customers, recipients and funders will also need to be briefed to avoid complications during any such transfer process. With this in mind, any service transfer will follow the same successful process adopted during the transfer of Music Tuition between HLH and THC;
- THC’s decision for Tain and TRACC could pose significant challenges for HLH and its customers, depending on the final decision as to what the sport, leisure and library offering will be. It is hoped that clarity will be provided at the September 2024 stakeholder meeting; and
- With THC focussing on the new Highland Investment Plan, HLH will continue to ensure that sight is not lost on any immediate maintenance or investment needs within the current portfolio, in order to maintain service and operational capability, not only to promote growth but also maintain the retention of memberships.

7. Year to date

7.1 Overall, the risk register has continued to be developed to reflect the changing needs of both the strategic and operational risk management needs but also the administrative and governance reporting needs of the Board, Trading Company and the Finance and Audit Committee.

- 7.2 The present version is considered to be suitable and sufficient for the needs of all users, including the operational staff, who use this as a management tool within their own staff meetings.
- 7.3 However, it does remain a live tool and it will continue to be maintained and updated to reflect current and any developing or emerging risks.
- 7.4 The last 12 months have seen a number of risks improve allowing some to be amalgamated. However, others still remain high whilst clarity is awaited on the future capital funding programme so necessary to support the growth of the charity.
- 7.5 Moreover, whilst staff recruitment and retention issues continued to be monitored and mitigated as best as possible, the concern of this risk within our more rural locations remains an operational challenge. However, throughout this period, the strategic governance provided by both the Board and the Finance and Audit Committee, combined with the risk register and the risk management plans have provided the necessary framework to manage and mitigate these and other such risks, whilst enabling staff to provide our services and the charity to operate.
- 7.6 It is also a testament to the quality of staff employed who are always looking for solutions to enable services to not just operate, but to operate effectively and efficiently.

8. Next Steps

- 8.1 Throughout the next reporting period, it is anticipated that the main risks facing the Charity will be focussed on:
- Concluding the Service Delivery Contract review;
 - Supporting the agreed three-year budget plan to provide financial stability;
 - Ensuring that the charity gets back to a sustainable footing with suitable reserves ; and
 - Maintaining continued business growth.

9. Risk Implications

- 9.1 Resource Implications – there could be resource implications should the SDC highlight changes to the service delivery model.
- 9.2 Legal Implications – there are potential future legal implications associated with the nature of any re-negotiated SDC proposed by THC. However, legal advice is currently being sought as the SDC review reaches a near final draft.
- 9.3 Risk Implications – there is a possibility of future risks associated with the emerging implications of the strategic challenges at para 6.1 of this report and specifically the management of any transfer of services in to or out of HLH. The risk implications along with the risk management plans for mitigating the risks are included in **Appendix A**.

9.4 Equality Implications – there are no new equality implications associated with the recommendations of this report.

Recommendation

It is recommended that Directors:

- i. identify any risks which may not be included in the register; and
- ii. review and approve the Risk Register at **Appendix A** .

Designation: Chief Executive

Date: 19 August 2024

Author: Simon Swanson, Head of Investment and Programme Management

High Life Highland - Combined Charity and Trading Company Business Critical Risk Register

Risk No	Risk Management Plan in place Yes / No	Risk Identification title - Purple tag within the risk number column highlights possible impact / relevance to the Trading Company as well as the main charity	Risk Category	Description of the Risk cause / trigger	Consequences	Pre-mitigated Likelihood	Pre-mitigated Impact	Mitigations	Post-mitigated Likelihood	Post-mitigated Impact	Risk Management Score	Previous Risk Management Score	Risk Score Change Since Last Review - The lower the score the higher the risk	Risk Owner/Role	Risk Management Plan in place Yes / No	Risk No
HLH01	Yes	Impact of HLH Capital Programme/lack of investment allocation for HLH Estate and reducing HC maintenance budgets. There is a risk that the absence of funding for HLH facilities within the HC Capital Programme will lead to a prolonged lack of investment leading to facility decline, poor customer experience and lack of ability to increase memberships and prohibit growth	Delivery Partner Risk	Financial modelling demonstrates a consistent lack of growth and or building fails leading to a withdrawal of service	Inability to grow and meet income targets, could also lead to a reduction in services, or closure of facilities	1 - (A) Very High	1 - Critical	External grant funding will continue to be sought to complement other funding sources such as planning gain and smaller sports/scotland funding streams. Outline business cases, for HLH Projects were submitted but were not supported within the approved capital programme. The HC capital programme review took place on 14 Sep 23, with the outcome being that the funding for Inverness Leisure improvements and expansion being removed and funding for the wider HLH estate was set for 24/25, 25/26, & 26/27 at £272k reducing to £271k for 27/28 and 28/29. Investment opportunities along with spend to save measures around placed based planning presented within the SDC review Board Mtgs, for THC consideration. These opportunities were recently remitted to the operational development plan/Highland Integrated Investment Programme within the May 24 SDC mtg. HLH CEO attends the Asset Reconfiguration Board Mtgs however, HLH awaits its invite to the Capital Investment Meetings. Dingwall LC has been raised a potential site for investment within the strategic area review being undertaken by the HC	1 - (A) Very High	2 - Major Impact	2.00	2.00	➔	SMT - SW	Yes	HLH01
HLH02	Yes	Recruitment and retention issues There is a risk that a lack of available suitably qualified staff, or vacancies not being attractive to potential employees could lead to recruitment and retention issues impacting on service delivery	Human resource - Capacity, Recruitment etc.	Recruitment and retention issues due to a lack of suitably qualified staff available to recruit and or HLH vacancies not being attractive enough to potential employees impacting on operational capabilities.	Insufficient staff numbers to safely operate HLH facilities; cancellations of HL cards; negative publicity; unable to deliver the SDC for THC	1 - (A) Very High	1 - Critical	Consideration of covering vacancies through redeployment of staff Proactive advertising campaign to keep the vacancies visible to prospective employees Consolidation of programmes and classes to prevent duplication and also ensure capacity of classes is maintained Continuation of on line classes where available Staff hourly rates to be continually monitored and reported against market rates Core business vacancies appear to be ok operationally with regards to recruitment	3 - (C) - Significant	2 - Major Impact	6.00	6.00	➔	SMT - DW	Yes	HLH02
HLH02A	Yes	Seasonal Recruitment and retention issues specifically related to trading company activities which could lead to recruitment and retention issues impacting on service delivery and income generation	Human resource - Capacity, Recruitment etc.	Difficulty recruiting within seasonal periods due to fluidity of the market place and other employers paying increased rates.	Insufficient staff numbers to safely operate HLH trading company facilities;	2 - (B) - High	2 - Major Impact	Consideration of covering vacancies through redeployment of staff Proactive advertising campaign to keep the vacancies visible to prospective employees. Investigation into the possibility of year round opening to make posts more attractive also under consideration. However, this requires additional capital and revenue investment to make some sites more attractive and viable. For instance, the BNVC is being considered by the HC as a possible motor home parking facility. This might allow for a permanent post to be established year round, but discussions are still in the early stages. Utilising agency staff is also being considered for the BNVC. However, this has not been required yet. HLH recently adopted the use of an on-line application form, to streamline the process too.	2 - (B) - High	2 - Major Impact	4.00	4.00	➔	SMT - DW	Yes	HLH02A
HLH06	Yes	Non achievement of income and expenditure targets There is a risk that due to the slower than anticipated return to membership numbers aligned with extremely tight savings targets, that income and expenditure targets will not be achieved leading to a greater than anticipated affordability gap within the financial plan	Operations	Financial reporting demonstrates early and continuous indications of failing to control expenditure and to achieve income targets predicting an unacceptable year end bottom line	Inability to meet income targets, could lead to a reduction in services, closure of facilities and redundancies	1 - (A) Very High	1 - Critical	Governance provided through Creation of the performance board, Weekly monitoring by the Executive Team. Monthly budget monitoring process Scrutiny by Finance and Audit Committee Finance reports to HLH Board. CEO and Head Of Finance to meet with Directors to commence the process of review and setting of budgets for FY 25/26 with a greater focus being on budget versus actual spend, to help prevent any overspends against agreed budgets. Working to reducing the risk score once accurate financial data is available from the new HC financial system.	3 - (C) - Significant	2 - Major Impact	6.00	6.00	➔	SMT - SW	Yes	HLH06
HLH07A	Yes	A new short term risk has been identified with the implementation of the new HC/HLH Finance system. It is operationally functional but the management and reporting systems have yet to be implemented reports.	Information Technology & Infrastructure	HLH temporarily unable to create budget monitoring reports. Operating issues linked with the implementation of the new HC/HLH Finance System. This does not affect the completion of the 2023/24 financial statements and associated legal reporting timescales.	The budget monitoring process will be delayed.	2 - (B) - High	3 - Minor Impact	Budget holders have been advised of the delay and will undertake two months monitoring when the system goes live and have been instructed to maintain normal budget controls. RMP created due to increase in risk scoring.	2 - (B) - High	3 - Minor Impact	6.00	7.00	↓	SMT - DW	Yes	HLH07A
HLH09	Yes	SDC negotiations develop and or conclude, leading to unacceptable operational and organisational changes to the Service Delivery obligations of the Charity	External Stakeholder Management	Lack of HC Corporate knowledge of the SDC could lead to amendments proposed and or made without approval by the HLH Board	Major Financial/operational and PR consequences affecting the 'going concern' of the charity	1 - (A) Very High	1 - Critical	Ensure close liaison with HLH SMT and HC Staff - Early engagement by HLH has resulted in clear and agreed routes and responsibilities which have led to a renewed HC corporate understanding of the contract and a reassurance to HLH and the board that the SDC review is unlikely to result in amendments which would not be agreeable or acceptable to the HLH Board. Any transfers of services in or out of HLH will be managed by a separate workstreams with all TUPE requirements managed within the workstream. Employee relationships will be monitored throughout such a process with any risk changes reflected within HLH22 if necessary. Consideration of reducing the risk score was given but placed on hold pending actual evidence based outcomes.	2 - (B) - High	2 - Major Impact	4.00	4.00	➔	SMT - SW	Yes	HLH09
HLH16	Yes	HLH Catering sites - HLH Catering sites – financial recovery does not materialise. There is a risk that catering sites, currently on a process of operational and financial recovery, are unable to recover the business to such an extent as generating a profitable position.	Operations	Sites operate at a financial loss with little, or no possibility of recovery plans yielding results.	Continuation of this becomes financially unsustainable - Facilities cease to trade leading to poor reputational damage to the charity	2 - (B) - High	2 - Major Impact	Close budget monitoring and reporting on financial position. Where identified, robust service-improvement plans in place which identifies the key areas where improvements are required and can be made. A full review of key catering sites to take place during Q3 to identify impacts of business-recovery and consider any further action(s) required. Consideration of reducing the risk score was given but placed on hold pending accurate financial data becoming available for both Q1 & Q2. However, initial HLH internal Q1 figures from the Head of Finance do indicate an improving situation.	2 - (B) - High	2 - Major Impact	4.00	4.00	➔	TRADING COMP - SW	Yes	HLH16
HLH24A	Yes	Risk of operational budgets or Operational Management / funding agreements for LUF/Castle projects not being acceptable to HLH or the HC	Operations	Unable to agree acceptable operating and funding agreements prior to recruitment and the opening of facilities	Business context: - risk of financial exposure, loss of reputation damaging PR with partner organisations	2 - (B) - High	2 - Major Impact	Operational agreements and budgets currently being scoped out by the Director of Castle and Events and the Head of Levelling up Fund Projects with input from the operational teams. The situation is complex, hence the increased risk at this early stage, due to a number of end users and their associated aspirations for their use of the facilities, which HLH will need to accommodate and align with where possible but at nil cost to HLH or the HC. End game is to prevent the adoption of a management agreements which are not workable or which cost HLH / THC	2 - (B) - High	2 - Major Impact	4.00	4.00	➔	Board/SMT - SW	Yes	HLH24A
HLH03	No	Major external issues affecting HLH's ability to deliver services e.g. pandemic, environmental, cyber attack, terrorist incident, lack of external contractors or specialists - there is a risk that any major external issue such as a pandemic, cyber attack or terrorist incident could affect HLH's ability to deliver services	Environment	Performance reporting identifies that an external restriction has led to an uncontrollable Loss of customers/ members or availability of HLH staff Ultimately jeopardising the financial model and sustainability of the charity in its current form.	Reduction in income that undermines the financial viability of the company	3 - (C) - Significant	1 - Critical	Learning on experience and lessons identified from previous issues. Continual improvement process embedded within the charity to provide an agile and reactive and pro active team best placed to take on the challenges. Completion if phishing email tests and training processes now implemented to minimise the cyber threat.	4 - (D) - Low	2 - Major Impact	8.00	8.00	➔	Board/SMT - SW	No	HLH03
HLH04	No	Changes to the political landscape There is a risk that changes to the political landscape leads to loss of corporate knowledge with the knock on effect resulting in a lack of understanding of HLH and the agreements in place governing the respective roles within the HC and HLH	Geopolitical, Environmental or Economic Shock	The political direction changes towards HLH demonstrating the lack of understanding/ agreement on respective roles of HC/HLH due to loss of corporate knowledge	Missed opportunity for service development / improvement	1 - (A) Very High	1 - Critical	CEO represents HLH at the Education Committee sub-group, maintain HLH profile with elected members and wider political audience. HLH staff regularly liaise with HC counterparts to maintain lines of communication and try to maintain HC corporate knowledge	4 - (D) - Low	2 - Major Impact	8.00	8.00	➔	Board/SMT - SW	No	HLH04
HLH06B	No	Loss of charitable status by virtue of HLH not being deemed to be an 'Arms Length' Organisation	Compliance	Due to the necessary use of HLH reserves to bridge financial gaps for in-year deficits, there are risks associated with HLH being unable to function as an independent charity, with an over reliance on the Highland Council for funding support. This reduces the financial management governance of the HLH Board and jeopardises the very nature of being 'arms-length'. HLH reserves drop to zero limiting the Board's power to financially manage and govern HLH independently of the HC.	The consequences would be an over reliance on HC funding and a danger of unacceptable levels of influence and management by the HC jeopardising our OSCR requirements. Ultimately, this could lead to the Charity being 'wound-up' due to the unacceptable level of Personal and Professional risks to the HLH Board of directors.	1 - (A) Very High	1 - Critical	Ongoing open and frank dialogue between the HLH Board, HLH Executive team and the HC Senior leadership team, whilst ensuring that the HC Administration and Local Councillors are fully sighted on this risk. It is essential that there is clarity regarding independent Board decision making and when joint working with the HC is required, to preserve the arm's length agreement and operating requirements It should be noted however, that operational autonomy remains intact with no HC interference on the day-to-day running of HLH services. The adopted and agreed HLH budget sets out a clear 3-year roadmap to get HLH on a sustainable footing, including the provision of growing a 'reserves-pot'. However, agreements need to be in place to ensure that these are retained By HLH at the FY close and not simply used to reduce any wider HLH budget gaps.	4 - (D) - Low	2 - Major Impact	8.00	9.00	↓	Board/SMT - SW	No	HLH06B

Risk No	Risk Management Plan in place Yes / No	Risk Identification title - Purple tag within the risk number column highlights possible impact / relevance to the Trading Company as well as the main charity	Risk Category	Description of the Risk cause / trigger	Consequences	Pre-mitigated Likelihood	Pre-mitigated Impact	Mitigations	Post-mitigated Likelihood	Post-mitigated Impact	Risk Management Score	Previous Risk Management Score	Risk Score Change Since Last Review - The lower the score the higher the risk	Risk Owner/Role	Risk Management Plan in place Yes / No	Risk No
HLH10	No	Over reaching/over commitment There is a risk that in an attempt to get back to 'business as usual' or pre pandemic operational numbers that we over reach or over commit, placing an unacceptable workload on our staff	Human resource - Capacity, Recruitment etc.	Failure to deliver significant projects/events and pressure on central/operational services	Staff stress, missed deadlines, possible loss of revenue or risk of accidents/incidents	2 - (B) - High	2 - Major Impact	Engage in early strategic planning of ICT systems and management arrangements with the HC and undertake extensive stakeholder engagement	4 - (D) - Low	2 - Major Impact	8.00	8.00	→	SMT - SW	No	HLH10
HLH11	No	Insufficient succession planning There is a risk that the charity does not provide suitable arrangements for succession planning	Business Continuity & Disaster Recovery	Inability to appoint any gaps in the management team	Temporary loss of efficiency	3 - (C) - Significant	1 - Critical	Horizon scanning for business critical appointments, in house training of staff for development and advancement opportunities to try and avoid single points of failure	4 - (D) - Low	2 - Major Impact	8.00	8.00	→	SMT - SW	No	HLH11
HLH11A	No	Proposed new risk - There is a risk that the charity is not providing suitable training and development opportunities, to prepare and enable internal applications from current staff, for succession planning and career development opportunities/aspirations	Business Continuity & Disaster Recovery	Inability to appoint any gaps in the management team	Temporary loss of efficiency	2 - (B) - High	2 - Major Impact	Trg and development needs being gathered as part of a wider piece of work. Details and outcomes with proposals of an action plan/workstream to come to a future board mtg with the risk score currently under review as it is a new risk.	4 - (D) - Low	2 - Major Impact	8.00	8.00	→	SMT - SW	No	HLH11A
HLH15	No	Uncertainty of economic climate and cost of living increases There is a risk that the uncertainty of the economic climate and increase in cost of living leads to difficult circumstances for the charity and its staff	Geopolitical, Environmental or Economic Shock	Disruption to service delivery due to costs of products/services without additional financial assistance from the HC	Inability to deliver the SDC for the HC - Costs create an unacceptable additional budget pressure	3 - (C) - Significant	2 - Major Impact	Factor in potential restrictions within operational plans if appropriate or necessary/look for alternative suppliers or products	3 - (C) - Significant	3 - Minor Impact	9.00	9.00	→	Board/SMT - SW	No	HLH15
HLH20	No	Major H&S or Environmental Regulation Breach	Health & Safety - Personnel and Public safety	Failure of health and safety systems or lack of adherence to them leading to a H&S breach	Reputational damage and/or prosecution/fine.	4 - (D) - Low	1 - Critical	Governance provided by the HSECC Committee, Specialist H&S advisors employed by HLH	4 - (D) - Low	2 - Major Impact	8.00	8.00	→	SMT - DW	No	HLH20
HLH27	No	New amalgamated risk of HLH05, 08 and 12. Poor and or ineffective working relationships develop between the Council and HLH. There is a risk that due to the ongoing economic challenges facing the HC and HLH that numerous internal or external influential elements could lead to poor and or ineffective working relationships between the HC and HLH.	Delivery Partner Risk	Lack of partnership approach coupled with the need to maintain the difficult balance of the political direction/needs with the operational deliverables within a reduced financial climate could raise the possibility of THC working in isolation without consulting HLH whilst taking decisions	Missed opportunity for service development / improvement	3 - (C) - Significant	1 - Critical	Maintain close liaison between the board, HLH officers and HC Staff	4 - (D) - Low	2 - Major Impact	8.00	8.00	→	Board/SMT - SW	No	HLH26
HLH18	No	Poor or ineffective working relationship between the HLH Board and ELT There is a risk of poor or ineffective working relationships between the HLH Board and the HLH ELT	Delivery Partner Risk	Lack of partnership approach	Ineffective strategic management of HLH	5 - (E) - Very Low	1 - Critical	Ensure close liaison with HLH Board and HLH SMT, and provide accurate and timely reporting on operations and governance	5 - (E) - Very Low	2 - Major Impact	10.00	10.00	→	SMT - SW	No	HLH18
HLH19	No	Ineffective governance of HLH by the Board There is a risk of ineffective governance of HLH by the HLH Board	Poor Governance	Failure to establish effective code of corporate governance	Financial insolvency and delivery of CLL services reverts to the Council	5 - (E) - Very Low	1 - Critical	Ensure close liaison with HLH Board and HLH SMT, and provide accurate and timely reporting on operations and governance	5 - (E) - Very Low	2 - Major Impact	10.00	10.00	→	Board/SMT - SW	No	HLH19
HLH22	No	Breakdown in employee relations There is a risk especially within the current economic climate that there is a breakdown in employee relationships	Operations	Industrial action, increase in grievances, increase in staff absences	Major financial and reputational damage Staff stress, missed deadlines, possible loss of revenue or risk of accidents/incidents	5 - (E) - Very Low	1 - Critical	Governance provided through Corporate Services and Close liaison between staff consultative groups and recognised unions	5 - (E) - Very Low	2 - Major Impact	10.00	10.00	→	SMT - DW	No	HLH22
HLH23	No	Donations - strategy fails to deliver anticipated income There is a risk that the donations strategy fails to deliver the anticipated income	Operations	Cost of living increases lead to lack of or reduction in donations income	Tap to donate and cash donations fail to meet income targets	2 - (B) - High	2 - Major Impact	Donations Working Group led jointly by SW & Alan H in place. Weekly monitoring by the Executive Team Monthly budget monitoring process Scrutiny by Trading Company, Finance and Audit Committee, Finance reports to HLH Board	4 - (D) - Low	3 - Minor Impact	12.00	12.00	→	TRADING COMP - SW	No	HLH23
HLH24	N/A	Castle and Levelling Up Fund construction and project risks currently managed within the respective project risk registers.	Operations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	HLH24
HLH25	No	Proposal to remove this risk as it is covered within HLH 20. There is a risk to the company that could arise from social concern about our operations affecting the environment and or risk of damage to ecosystems or public health arising from some man-made environmental offence or breach of environmental regulations such as a major chemical spill.	Environment	HLH breaches environmental policies and or has operations hampered by local activists protesting about our operations linking them to an environmental issue	Business context: - risk of financial exposure, loss of reputation. Environmental context: - risk of adverse impact on the natural environment or public health	5 - (E) - Very Low	1 - Critical	Governance provided by the HSECC Committee, Specialist H&S advisors employed by HLH	5 - (E) - Very Low	2 - Major Impact	10.00	10.00	→	SMT - JWM	No	HLH25

Risk No:	Risk Score:	Owned By:	Last review date:
HLH01	2 A:2	Executive	22-Jul-24
Risk Description:			
Impact of HLH Capital Programme/Lack of investment allocation for the HLH estate			
Background			
<p>During its last capital review, THC reduced its capital budget which is now around half of its previous level. This has had an impact on HLH's ability to deliver projects which support income generation to enable savings to be returned to THC. Additionally, THC took the decision to fund the replacement of its mobile libraries (yet to be provided by THC) and also approved work to the Caithness Horizons building, from the HLH/CLL line, thereby further reducing the funds available for HLH income generating projects. More recently the approved THC Capital Programme lacked capital investment for the HLH estate which long term will lead to a lack of growth.</p> <p>In order to address this situation, there have been discussions, initially between sportscotland and HLH, and more recently including THC, HIE and UHI with a view to establishing a formal partnership to develop a sports facilities capital development plan for the Highland Council area. In the discussion, sportscotland has expressed a desire to move from its current application model of funding to a strategic partnership approach. While the detail has yet to be agreed and discussions continue with THC, it is considered that it is worth investing time in exploring this new model and that it could help to address the reduced amount of capital funding which the Council has at its disposal. Nevertheless, the lack of funding shown within the approved THC capital programme, along with an understanding that this is unlikely to change within the current review, fails to address the strategic need or commitment to funding and as such will lead to delays in investment within the HLH portfolio thereby jeopardising the ability to attract match funding from external sources or our ability to generate additional income.</p> <p>However, if the HC identifies projects within its capital programme, HLH would look to try and secure external grant funding, to complement other funding sources, such as planning gain and smaller sportscotland funding streams (other than the strategic funding described above).</p> <p>Dependent on whether applications are approved, seeking external funding could help to mitigate this risk, however, it cannot be relied upon to replace THC's capital programme. Match funding is normally required, and this can influence the kinds of projects which can be developed.</p>			
Summary of operational position			
<ul style="list-style-type: none"> • Outline business cases, for HLH Projects were submitted prior to the most recent review of the capital programme in July 2021, but they were not supported within the approved capital programme. • HLH met with THC and sportscotland in Jun 22, to discuss strategic investment within the highlands to discuss a DRAFT investment strategy. • As requested by the Scottish Government and sportscotland, HLH, with guidance from sportscotland drafted and submitted to THC in Dec 2022, a DRAFT highlands facilities strategic overview document for sport facilities investment for their consideration. Possibly going to council in Nov 23. • HLH are working with THC to see if community leisure projects can be provided within the future new school provision programme. • The HC capital programme review took place on 14 Sep 23, with the outcome being that the funding for Inverness Leisure improvements and expansion being removed and funding for the wider HLH estate was set for 24/25, 25/26, & 26/27 at £272k reducing to £271k for 27/28 and 28/29 <p>These opportunities were recently remitted to the operational development plan/Highland Integrated Investment Programme within the May 24 SDC mtg. HLH CEO attends the Asset Reconfiguration Board Mtgs however, HLH awaits its invite to the Capital Investment Meetings.</p> <p>Dingwall chosen by the HC as an area for strategic investment review and the Leisure Centre has been raised by the HC as worthy of investment and expansion to compliment any such investment programme.</p>			
Action	Who is responsible	Next Review	Update
HLH CEO to raise funding issue with Senior THC Officials (CEO) and elected members.	HLH Chief Executive and THC's ECO Resources and Finance	No further progress expected until any projects are approved for funding by THC as part of the ODP/HIP or within a review of the wider capital programme.	Capital Investment opportunities to be considered within the ODP/HIP by the HC. HLH continue to press for funding

Risk No:	Risk Score:	Owned By:	Last review date:
HLH02	6 C:2	Executive	22-Jul-24
Risk Description:			
Recruitment and retention issues			
Background There is a risk that a lack of available suitably qualified staff, or vacancies not being attractive to potential employees could lead to recruitment and retention issues impacting on service delivery			
Summary of operational position			
<ul style="list-style-type: none"> • Where operationally possible covering vacancies through redeployment of staff • Proactive advertising campaign to keep the vacancies visible to perspective employees • Consolidation of programmes and classes to prevent duplication and also ensure capacity of classes is maintained • Continuation of online classes where available • Status Review Group to monitor and report on vacancy issues • Operational staff to be reminded to report any vacancy issues within risk register discussions at management mtgs <p>HLH is currently managing to recruit to the majority of vacancies along with this risk via the SRG route and any concerns will be raised within future HR reports.</p>			
Action	Who is responsible	Next Review	Update
Ongoing	HLH Chief Executive	F&A Committee	Situation continues to be monitored via the HLH SRG with no issues currently being highlighted for concern. Head of Investment and Programme Management to continue to discuss the risks at management meetings and attend SRG if required.

Risk No:	Risk Score:	Owned By:	Last review date:
HLH02	6 B:2	Executive	22-Jul-24
Risk Description:			
Seasonal Recruitment and retention issues			
Background			
There is a risk that a lack of available suitably qualified staff, or vacancies not being attractive to potential employees could lead to recruitment and retention issues impacting on service delivery			
Summary of operational position			
<ul style="list-style-type: none"> • Where operationally possible covering vacancies through redeployment of staff • Proactive advertising campaign to keep the vacancies visible to perspective employees • Consolidation of programmes and classes to prevent duplication and also ensure capacity of classes is maintained • Continuation of online classes where available • Status Review Group to monitor and report on vacancy issues • Consideration of covering vacancies through redeployment of staff • Proactive advertising campaign to keep the vacancies visible to perspective employees. • Investigation into the possibility of year round opening to make posts more attractive also under consideration. However, this requires additional capital and revenue investment to make some sites more attractive and viable. For instance, the BNVC is being considered by the HC as a possible motor home parking facility. This might allow for a permanent post to be established year round, but discussions are still in the early stages. • Risk profile raised from C:2 to B:2 • Utilisation of agency staff also being considered at the BNVC as a number of interview candidates, specifically in the Lochaber area, are simply not turning up for interviews, HLH is currently managing to recruit to the majority of vacancies, along with this risk via the SRG route and any concerns will be raised within future HR reports. <p>HLH are engaging with Agency recruitment firms as a possible source for candidates to fill vacancies. However, managers must be aware of the risk associated with this and to ensure that contracted staff are not impacted or affected though the possibility of agency staff not fully engaging with the HLH 'i-care' principals or having that same sense of corporate identity or ownership due to the nature of temporary agency staff assistance. Any instances of this should be raised immediately through the chain of command.</p>			
Action	Who is responsible	Next Review	Update
Ongoing	HLH Chief Executive	F&A Committee	Situation continues to be monitored via the HLH SRG with no issues currently being highlighted for concern. Head of Investment and Programme Management to continue to discuss the risks at management meetings and attend SRG if required.

Risk No:	Risk Score:	Owned By:	Last review date:
HLH06	6 C:2	Executive	22-Jul-24
Risk Description:			
Non achievement of income and expenditure targets			
Background			
Non-achievement of income and expenditure targets and failure to control expenditure to achieve revised targets leading to an inability to deliver the service delivery contract. Aggressive targets mean a greater requirement for scrutiny. The introduction by THC of lets fees, without consultation, for HLH usage of THC facilities could lead to a request for a major budget pressure or the cancellation of large elements of our programme for future FYs.			
Summary of operational position			
<ul style="list-style-type: none"> • Creation of the performance board with formal budget savings and targets reviewed monthly • Weekly monitoring by the Executive Team • Financial scenario planning continually reviewed. • Financial budget setting process commencing Jul 24 for FY25/26 • Open-book arrangement with THC to provide due diligence with regards to ongoing solvency support. • Scrutiny by Finance and Audit Committee quarterly • Finance reports to HLH Board quarterly • Controls carefully monitored with negative variance to budget mitigated by ongoing optimisation of income and cost controls, with ongoing solvency achieved through financial support from THC. • Forecast is to achieve budget 			
Action	Who is responsible	Next Review	Update
Close monitoring of all budgets remains in place with the Head of finance monitoring through the performance board mtgs.	HLH Chief Executive	F&A Committee	Performance board and executive team continue to closely monitor I&E accounts. CEO and Head Of Finance to meet with Directors to commence the process of review and setting of budgets for FY 25/26 with a greater focus being on budget versus actual spend, to help prevent any overspends against agreed budgets going forward.

Risk No:	Risk Score:	Owned By:	Last review date:
HLH07A	4 B:2	Executive	22-Jul-24
Risk Description:			
Operating issues linked with the implementation of the new HC/HLH Finance System. This does not affect the completion of the 2023/24 financial statements and associated legal reporting timescales.			
Background			
A new short term risk has been identified with the implementation of the new HC/HLH Finance system which whilst operating correctly, it is not yet fully functional, resulting in an inability to run accurate financial reports			
Summary of operational position			
<ul style="list-style-type: none"> • There is delay in the implantation of the reporting function of the new financial system however critical functions are operational with no issues affecting legal compliance. • Operational staff along with finance team maintaining internal financial spreadhseets for monitoring and reporting purposes. 			
Action	Who is responsible	Next Review	Update
Currently working with the HC to resolve the issues	HLH Chief Executive	Feb F&A Committee	Ongoing

Risk No:	Risk Score:	Owned By:	Last review date:
HLH09	4 C:2	Executive	22-Jul-24
Risk Description:			
Service Delivery Contract (SDC) not fully understood, or amended by THC, without HLH agreement, as THC corporate memory can be lost over time			
Background			
<ul style="list-style-type: none"> The Director of Corporate Performance will be the main point of contact with THC to ensure continuity throughout the process and draw on previous experience of SDC negotiations. A joint HLH officer / board member group has been established to provide guidance and oversight to the review. The first meeting of this group took place on 15 May 2023. A temporary reallocation of certain line management responsibilities from the Director to the Chief Executive have been made to provide capacity for the negotiations Guidance will be sought from HLH legal team as and when necessary throughout the proceedings to ensure that the proposals align with a sustainable future for the charity HLH / Chair CEO will continue to brief the HLH Boards and F&A Committee throughout the process 			
Summary of operational position			
SDC board meeting regularly to progress the following project deliverables:			
1 - Capital investment/spend to save/ asset rationalisation - Remitted to ODP/Highland Investment Programme (HIP) May 2024			
2 - Options for Tain/TRACC - COMPLETED – implementation remitted to the Operational Delivery Plan (ODP)			
3 - Placed based planning - COMPLETED			
4 - Settlement agreement COMPLETED – requires formalisation			
5 - Public Service Obligations review - COMPLETED subject to THC/HLH board approval			
6. Community Learning and Development – establishment of working group to support the transfer of the CLD team from HLH to THC – ToR and outline workplan for next SDC board meeting (July)			
Action	Who is responsible	Next Review	Update
TRACC stakeholder mtg date yet to be confirmed by the HC	HLH Chief Executive	F&A Committee	SDC Board well underway and progressing the project plan. Outcome from Tian and TRACC sought and awaited from the HC

Risk No:	Risk Score:	Owned By:	Last review date:
HLH16	2 A:2	Executive	22-Jul-24
Risk Description:			
<p>HLH Catering sites - HLH Catering sites – financial recovery does not materialise. There is a risk that catering sites, currently on a process of operational and financial recovery, are unable to recover the business to such an extent as generating a profitable position. Sites operate at a financial loss with little, or no possibility of recovery plans yielding results.</p>			
Background			
<ul style="list-style-type: none"> • Despite a number of interventions, HLH had a number of catering sites which were simply failing to achieve income targets. • There were a number of integrated reasons from post pandemic customer base not returning through to the difficulty to employ/retain suitable staff. • Financial and operational modelling continued to be carried out • Close monitoring and reporting on loss making sites focussing on their operating deficit was maintained • Operating hours and/or model adjusted accordingly to reduce/minimise impact of losses also took place • Catering sites are in the process of being managed within their adjacent respective facility rather than centrally 			
Summary of operational position			
<ul style="list-style-type: none"> • Capital investments have been completed at both the Botanic and HFM Cafes. • Site operational catering improvement plans inc. the walk the counter checklists for staff and review of menu designs adopted. • IBG staff training and review of roles and responsibilities completed • Wider IBG workstream adopted to provide business improvement and ensure full realisation of the recent investment • IBG catering price review completed and increases incorporated • HLH17 risk now incorporated into this risk to be managed as an operational deliverable and reviewed at the end of Q2 			
Action	Who is responsible	Next Review	Update
	HLH Chief Executive	F&A Committee	<p>Close budget monitoring and reporting on financial positions remain in place, to assist with brining the operating deficit down and strengthen the operational and financial viability of these sites. Q1 and Q2 returns should provide suitable evidence to enable any further corrective or supportive action to be taken, to enable the sites to become viable, or help inform alternative commercial operating models to be considered, including the development of further exit strategies.</p>

Risk No:	Risk Score:	Owned By:	Last review date:
HLH24A	4 B:2	Trading Company	22-Jul-24
Risk Description:			
Risk of operational budgets or Operational Management / funding agreements for LUF/Castle projects not being acceptable to HLH or the HC			
<p>Background</p> <ul style="list-style-type: none"> • Financial and operational modelling being carried out by Head of Levelling Up Fund Projects • Operational and management agreements being created by Head of Levelling Up Fund Projects • Operational and management agreements for the castle being developed by the Director of Castle and Events - clarity of the proposal for investing the profit from this site still under review and could impact future HLH Budget settlement agreements. 			
Summary of operational position			
Operational agreements and budgets currently being scoped out by the Director of Castle and Events and the Head of Levelling up Fund Projects with input from the operational teams. The situation is complex, hence the increased risk at this early stage, due to a number of end users and their associated aspirations for their use of the facilities, which HLH will need to accommodate and align with where possible but at nil cost to HLH or the HC. End game is to prevent the adoption of a management agreement situation which is not workable or costs HLH / THC			
Action	Who is responsible	Next Review	Update
	HLH Chief Executive	Feb F&A Committee	Ongoing development of proposed plans and operational agreements and budgets

High Life Highland - Combined Charity and Trading Company Business Critical Risk Register - Removed Risks

Risk No	Risk title - Purple tag highlights possible impact / relevance to the Trading Company	Date Removed
HLH05	Poor and or ineffective working relationship between the Council and HLH. There is a risk that due to the ongoing economic challenges facing the HC and HLH that this could lead to poor and or ineffective working relationships between the HC and HLH	15 May 24 post F&A Mtg request to amalgamate HC relationship risks so new risk HLH26 created to cover this
HLH06A	The impact of the additional cost to fund the COSLA negotiated pay award without Council support risks pushing the charity into a negative arrears situation in the next FY without any written guarantee that the HC will cover this gap	19 Jan 23 - Removed due to being overtaken by events and covered under the overarching budget discussions/SDC review
HLH 07	Failure to implement THC ICT Transformation Project leading to system failures and lack of corporate competitiveness	May 24 - F&A Cttee
HLH08	Specific Council decisions impact on HLH There is a risk that the HC takes decisions without consultation or agreement with HLH leading to operational restrictions	15 May 24 post F&A Mtg request to amalgamate HC relationship risks so new risk HLH26 created to cover this
HLH12	THC savings consultation process leaves HLH vulnerable to criticism There is a risk that the HC savings process leaves HLH vulnerable to criticism should service delivery have to be reduced	15 May 24 post F&A Mtg request to amalgamate HC relationship risks so new risk HLH26 created to cover this
HLH13	Reliance on individual suppliers/contracts There is a risk that the charity relies on individual suppliers / contracts leading to lack of competitive alternatives or in some cases a lack of supply of any particular service or item	Removed for May 23 F&A Cttee - risk now an operational day to day requirement with regards to engaging with alternative suppliers
HLH14	War in Ukraine - Impact on service delivery / operations	Nov-22

Risk No	Risk title - Purple tag highlights possible impact / relevance to the Trading Company	Date Removed
HLH17	HLH Catering strategy is not achieved	May - 24 combined with HLH016
HLH21	Poor project planning and management (see Corporate Programme Update) There is a risk that in a bid to push projects on, that poor planning or poor project management leads to delivery or quality control issues.	Removed for May 23 F&A Cttee - risk now an operational day to day requirement and mitigated via the Programme Board Governance
HLH26	Deposit Return Scheme - Delayed now until Oct 2025	Aug 23 F&A Cttee

High Life Highland - Combined Charity and Trading Company Business Critical Risk Register

Risk No	Risk Management Plan in place Yes / No	Risk Identification title - Purple tag within the risk number column highlights possible impact / relevance to the Trading Company as well as the main charity	Risk Category	Description of the Risk cause / trigger	Consequences	Pre-mitigated Likelihood	Pre-mitigated Impact	Mitigations	Post-mitigated Likelihood	Post-mitigated Impact	Risk Management Score	Risk Score Change Since Last Review - The lower the score the higher the risk	Risk Owner/Role	Risk Management Plan in place Yes / No	Risk No
HLH01	Yes	Impact of HLH Capital Programme/lack of investment allocation for HLH Estate and reducing HC maintenance budgets. There is a risk that the absence of funding for HLH facilities within the HC Capital Programme will lead to a prolonged lack of investment leading to facility decline, poor customer experience and lack of ability to increase memberships and prohibit growth	Delivery Partner Risk	Financial modelling demonstrates a consistent lack of growth and or building fails leading to a withdrawal of service	Inability to grow and meet income targets, could also lead to a reduction in services, or closure of facilities	1 - (A) Very High	1 - Critical	External grant funding will continue to be sought to complement other funding sources such as planning gain and smaller sports/scotland funding streams. Outline business cases, for HLH Projects were submitted but were not supported within the approved capital programme. The HC capital programme review took place on 14 Sep 23, with the outcome being that the funding for Inveness Leisure improvements and expansion being removed and funding for the wider HLH estate was set for 24/25, 25/26, & 26/27 at £272k reducing to £271k for 27/28 and 28/29. Investment opportunities along with spend to save measures around placed based planning presented within the SDC review Board Mtgs, for THC consideration.	1 - (A) Very High	2 - Major Impact	2.00	➡	SMT - SW	Yes	HLH01
HLH02	Yes	Recruitment and retention issues There is a risk that a lack of available suitably qualified staff, or vacancies not being attractive to potential employees could lead to recruitment and retention issues impacting on service delivery	Human resource - Capacity, Recruitment etc.	Recruitment and retention issues due to a lack of suitably qualified staff available to recruit and or HLH vacancies not being attractive enough to potential employees impacting on operational capabilities.	Insufficient staff numbers to safely operate HLH facilities; cancellations of HL cards; negative publicity; unable to deliver the SDC for THC	1 - (A) Very High	1 - Critical	Consideration of covering vacancies through redeployment of staff Proactive advertising campaign to keep the vacancies visible to perspective employees Consolidation of programmes and classes to prevent duplication and also ensure capacity of classes is maintained Continuation of on line classes where available Staff hourly rates to be continually monitored and reported against market rates	3 - (C) - Significant	2 - Major Impact	6.00	➡	SMT - DW	Yes	HLH02
HLH02A	Yes	Seasonal Recruitment and retention issues specifically related to trading company activities which could lead to recruitment and retention issues impacting on service delivery and income generation	Human resource - Capacity, Recruitment etc.	Difficulty recruiting within seasonal periods due to fluidity of the market place and other employers paying increased rates.	Insufficient staff numbers to safely operate HLH trading company facilities;	2 - (B) - High	2 - Major Impact	Consideration of covering vacancies through redeployment of staff Proactive advertising campaign to keep the vacancies visible to perspective employees. Investigation into the possibility of year round opening to make posts more attractive also under consideration. However, this requires additional capital and revenue investment to make some sites more attractive and viable. For instance, the BNVC is being considered by the HC as a possible motor home parking facility. This might allow for a permanent post to be established year round, but discussions are still in the early stages. Utilising agency staff is also being considered for the BNVC. HLH recently adopted the use of an on-line application form, to streamline the process too.	2 - (B) - High	2 - Major Impact	4.00	➡	SMT - DW	Yes	HLH02A
HLH03	No	Major external issues affecting HLH's ability to deliver services e.g. pandemic, environmental, cyber attack, terrorist incident, lack of external contractors or specialists - there is a risk that any major external issue such as a pandemic, cyber attack or terrorist incident could affect HLH's ability to deliver services	Environment	Performance reporting identifies that an external restriction has led to an uncontrollable Loss of customers/ members or availability of HLH staff Ultimately jeopardising the financial model and sustainability of the charity in its current form.	Reduction in income that undermines the financial viability of the company	3 - (C) - Significant	1 - Critical	Leaning on experience and lessons identified from previous issues. Continual improvement process embedded within the charity to provide an agile and reactive and pro active team best placed to take on the challenges. Completion of phishing email tests and training processes now implemented to minimise the cyber threat.	4 - (D) - Low	2 - Major Impact	8.00	➡	Board/SMT - SW	No	HLH03
HLH04	No	Changes to the political landscape There is a risk that changes to the political landscape leads to loss of corporate knowledge with the knock on effect resulting in a lack of understanding of HLH and the agreements in place governing the respective roles within the HC and HLH	Geopolitical, Environmental or Economic Shock	The political direction changes towards HLH demonstrating the lack of understanding/ agreement on respective roles of HC/HLH due to loss of corporate knowledge	Missed opportunity for service development / improvement	1 - (A) Very High	1 - Critical	CEO represents HLH at the Education Committee sub-group, maintain HLH profile with elected members and wider political audience. HLH staff regularly liaise with HC counterparts to maintain lines of communication and try to maintain HC corporate knowledge	4 - (D) - Low	2 - Major Impact	8.00	➡	Board/SMT - SW	No	HLH04
HLH07A	No	A new short term risk has been identified with the implementation of the new HC/HLH Finance system. It is operationally functional but the management and reporting systems have yet to be implemented reports.	Information Technology & Infrastructure	HLH temporarily unable to create budget monitoring reports. Operating issues linked with the implementation of the new HC/HLH Finance System. This does not affect the completion of the 2023/24 financial statements and associated legal reporting timescales.	The budget monitoring process will be delayed.	2 - (B) - High	3 - Minor Impact	Budget holders have been advised of the delay and will undertake two months monitoring when the system goes live and have been instructed to maintain normal budget controls. No separate HLH Risk Management plan required other than the actions noted under Mitigations. THC has a specific project risk register in place.	3 - (C) - Significant	3 - Minor Impact	9.00	➡	SMT - DW	No	HLH07A
HLH06	Yes	Non achievement of income and expenditure targets There is a risk that due to the slower than anticipated return to membership numbers aligned with extremely tight savings targets, that income and expenditure targets will not be achieved leading to a greater than anticipated affordability gap within the financial plan	Operations	Financial reporting demonstrates early and continuous indications of failing to control expenditure and to achieve income targets predicting an unacceptable year end bottom line	Inability to meet income targets, could lead to a reduction in services, closure of facilities and redundancies	1 - (A) Very High	1 - Critical	Governance provided through Creation of the performance board, Weekly monitoring by the Executive Team. Monthly budget monitoring process Scrutiny by Finance and Audit Committee Finance reports to HLH Board.	3 - (C) - Significant	2 - Major Impact	6.00	➡	SMT - SW	Yes	HLH06
HLH06B	Yes	Loss of charitable status by virtue of HLH not being deemed to be an 'Arms Length' Organisation	Compliance	Due to the necessary use of HLH reserves to bridge financial gaps for in-year deficits, there are risks associated with HLH being unable to function as an independent charity, with an over reliance on the Highland Council for funding support. This reduces the financial management governance of the HLH Board and jeopardises the very nature of being 'arms-length'. HLH reserves drop to zero limiting the Board's power to financially manage and govern HLH independently of the HC.	The consequences would be an over reliance on HC funding and a danger of unacceptable levels of influence and management by the HC jeopardising our OSCR requirements. Ultimately, this could lead to the Charity being 'wound-up' due to the unacceptable level of Personal and Professional risks to the HLH Board of directors.	1 - (A) Very High	1 - Critical	Ongoing open and frank dialogue between the HLH Board, HLH Executive team and the HC Senior leadership team, whilst ensuring that the HC Administration and Local Councilors are fully sighted on this risk. It is essential that there is clarity regarding independent Board decision making and when joint working with the HC is required, to preserve the arm's length agreement and operating requirements it should be noted however, that operational autonomy remains intact with no HC interference on the day-to-day running of HLH services. The adopted and agreed HLH budget sets out a clear 3-year roadmap to get HLH on a sustainable footing, including the provision of growing a 'reserves-pot'. However, agreements need to be in place to ensure that these are retained By HLH at the FY close and not simply used to reduce any wider HLH budget gaps.	4 - (D) - Low	1 - Critical	4.00	➡	Board/SMT - SW	Yes	HLH06B
HLH09	Yes	SDC negotiations develop and or conclude, leading to unacceptable operational and organisational changes to the Service Delivery obligations of the Charity	External Stakeholder Management	Lack of HC Corporate knowledge of the SDC could lead to amendments proposed and or made without approval by the HLH Board	Major Financial/operational and PR consequences affecting the 'going concern' of the charity	1 - (A) Very High	1 - Critical	Ensure close liaison with HLH SMT and HC Staff - Early engagement by HLH to help shape and inform the renegotiations	2 - (B) - High	2 - Major Impact	4.00	➡	SMT - SW	Yes	HLH09
HLH10	No	Over reaching/over commitment There is a risk that in an attempt to get back to 'business as usual' or pre pandemic operational numbers that we over reach or over commit, placing an unacceptable workload on our staff	Human resource - Capacity, Recruitment etc.	Failure to deliver significant projects/events and pressure on central/ operational services	Staff stress, missed deadlines, possible loss of revenue or risk of accidents/incidents	2 - (B) - High	2 - Major Impact	Engage in early strategic planning of ICT systems and management arrangements with the HC and undertake extensive stakeholder engagement	4 - (D) - Low	2 - Major Impact	8.00	➡	SMT - SW	No	HLH10
HLH24A	Yes	Risk of operational budgets or Operational Management / funding agreements for LUFF/Caste projects not being acceptable to HLH or the HC	Operations	Unable to agree acceptable operating and funding agreements prior to recruitment and the opening of facilities	Business context - risk of financial exposure, loss of reputation damaging PR with partner organisations	2 - (B) - High	2 - Major Impact	Operational agreements and budgets currently being scoped out by the Director of Castle and Events and the Head of Levelling up Fund Projects with input from the operational teams. The situation is complex, hence the increased risk at this early stage, due to a number of end users and their associated aspirations for their use of the facilities, which HLH will need to accommodate and align with where possible but at nil cost to HLH or the HC. End game is to prevent the adoption of a management agreements which are not workable or which cost HLH / THC	2 - (B) - High	2 - Major Impact	4.00	⬇	Board/SMT - SW	Yes	HLH24A
HLH11	No	Insufficient succession planning There is a risk that the charity does not provide suitable arrangements for succession planning	Business Continuity & Disaster Recovery	Inability to appoint any gaps in the management team	Temporary loss of efficiency	3 - (C) - Significant	1 - Critical	Horizon scanning for business critical appointments, in house training of staff for development and advancement opportunities to try and avoid single points of failure	4 - (D) - Low	2 - Major Impact	8.00	➡	SMT - SW	No	HLH11

Risk No	Risk Management Plan in place Yes / No	Risk Identification title - Purple tag within the risk number column highlights possible impact / relevance to the Trading Company as well as the main charity	Risk Category	Description of the Risk cause / trigger	Consequences	Pre-mitigated Likelihood	Pre-mitigated Impact	Mitigations	Post-mitigated Likelihood	Post-mitigated Impact	Risk Management Score	Risk Score Change Since Last Review - The lower the score the higher the risk	Risk Owner/Role	Risk Management Plan in place Yes / No	Risk No
HLH15	No	Uncertainty of economic climate and cost of living increases There is a risk that the uncertainty of the economic climate and increase in cost of living leads to difficult circumstances for the charity and its staff	Geopolitical, Environmental or Economic Shock	Disruption to service delivery due to costs of products/services without additional financial assistance from the HC	Inability to deliver the SDC for the HC - Costs create an unacceptable additional budget pressure	3 - (C) - Significant	2 - Major Impact	Factor in potential restrictions within operational plans if appropriate or necessary/look for alternative suppliers or products	3 - (C) - Significant	3 - Minor Impact	9.00	➔	Board/SMT - SW	No	HLH15
HLH16	Yes	HLH Catering sites - financial losses become unsustainable There is a risk that sites which currently operate at a financial loss become financially unsustainable, despite the adoption of a new catering strategy and capital investment.	Operations	sites continue to operate at a loss without a realistic possibility of this situation improving	Continuation of this becomes financially unsustainable - Facilities cease to trade leading to poor reputational damage to the charity	2 - (B) - High	2 - Major Impact	Close budget monitoring and reporting on financial positions remain in place, to assist with brining the operating deficit down and strengthen the operational and financial viability of these sites. Q1 and Q2 returns should provide suitable evidence to enable any further corrective or supportive action to be taken, to enable the sites to become viable, or help inform alternative commercial operating models to be considered, including the development of further exit strategies.	1 - (A) Very High	2 - Major Impact	2.00	➔	TRADING COMP - SW	Yes	HLH16
HLH18	No	Poor or ineffective working relationship between the HLH Board and ELT There is a risk of poor or ineffective working relationships between the HLH Board and the HLH ELT	Delivery Partner Risk	Lack of partnership approach	Ineffective strategic management of HLH	5 - (E) - Very Low	1 - Critical	Ensure close liaison with HLH Board and HLH SMT, and provide accurate and timely reporting on operations and governance	5 - (E) - Very Low	2 - Major Impact	10.00	➔	SMT - SW	No	HLH18
HLH26	No	There is a risk to the company from the current proposal by the Scottish Government for the early introduction of the Deposit Return Scheme for drinks bottles etc. (DRS)	Regulatory	With the early introduction of the DRS there is a responsibility placed upon the retailer to provide services for both the introduction of the charges but also the reimbursement of those returning bottles etc. There is also a need for the setting up of a safe, secure and compliant storage facility for returned items prior to their collection	There is a real danger that this scheme is introduced without all of the details fully thought out by the SG. HLH may have to refund many items for which it didn't ultimately sell and this could place a financial burden on the accounts until such time as a refund was provided. Additionally, the staff time required to be available for refunds and sorting out the recycling could require additional funding placing a further financial burden on the Charity	1 - (A) Very High	2 - Major Impact	The HOS for commercial operations is leading on the integration of this scheme to coordinate all HLH inputs for our sites. The HOS is also reviewing the guidance to see if HLH can apply for an exemption the scheme. Retailers are also lobbying the SG to delay this scheme further until all of the infrastructure can be put in place.	3 - (C) - Significant	3 - (C) - Significant	9.00	➔	TRADING COMP - SW	No	HLH26
HLH19	No	Ineffective governance of HLH by the Board There is a risk of ineffective governance of HLH by the HLH Board	Poor Governance	Failure to establish effective code of corporate governance	Financial insolvency and delivery of CLL services reverts to the Council	5 - (E) - Very Low	1 - Critical	Ensure close liaison with HLH Board and HLH SMT, and provide accurate and timely reporting on operations and governance	5 - (E) - Very Low	2 - Major Impact	10.00	➔	Board/SMT - SW	No	HLH19
HLH20	No	Major H&S Breach	Health & Safety - Personnel and Public safety	Failure of health and safety systems or lack of adherence to them leading to a H&S breach	Reputational damage and/or prosecution/fine.	4 - (D) - Low	1 - Critical	Governance provided by the HSECC Committee, Specialist H&S advisors employed by HLH	4 - (D) - Low	2 - Major Impact	8.00	➔	SMT - DW	No	HLH20
HLH22	No	Breakdown in employee relations There is a risk especially within the current economic climate that there is a breakdown in employee relationships	Operations	Industrial action, increase in grievances, increase in staff absences	Major financial and reputational damage Staff stress, missed deadlines, possible loss of revenue or risk of accidents/incidents	5 - (E) - Very Low	1 - Critical	Governance provided through Corporate Services and Close liaison between staff consultative groups and recognised unions	5 - (E) - Very Low	2 - Major Impact	10.00	➔	SMT - DW	No	HLH22
HLH23	No	Donations - strategy fails to deliver anticipated income There is a risk that the donations strategy fails to deliver the anticipated income	Operations	Cost of living increases lead to lack of or reduction in donations income	Tap to donate and cash donations fail to meet income targets	2 - (B) - High	2 - Major Impact	Donations Working Group led jointly by SW & Alan H in place. Weekly monitoring by the Executive Team Monthly budget monitoring process Scrutiny by Trading Company, Finance and Audit Committee, Finance reports to HLH Board	4 - (D) - Low	3 - Minor Impact	12.00	➔	TRADING COMP - SW	No	HLH23
HLH24	N/A	Castle and Levelling Up Fund construction and project risks currently managed within the respective project risk registers.	Operations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	HLH24
HLH24A	Yes	Risk of operational budgets or Operational Management / funding agreements for LUF/Castle projects not being acceptable to HLH or the HC	Operations	Unable to agree acceptable operating and funding agreements prior to recruitment and the opening of facilities	Business context: - risk of financial exposure, loss of reputation damaging PR with partner organisations	2 - (B) - High	2 - Major Impact	Operational agreements and budgets currently being scoped out by the Dir Castle and Events and the Head of Levelling up Projects with input from the operational teams. The situation is complex, hence the increased risk at this early stage, due to a number of end users and their associated aspirations for their use of the facilities, which HLH will need to accommodate and align with, where possible, but at nil cost to HLH or the HC	2 - (B) - High	2 - Major Impact	4.00	➔	Board/SMT - SW	Yes	HLH24A
HLH25	No	There is a risk to the company that could arise from social concern about our operations affecting the environment and or risk of damage to ecosystems or public health arising from some man-made environmental offence or breach of environmental regulations such as a major chemical spill.	Environment	HLH breaches environmental policies and or has operations hampered by local activists protesting about our operations linking them to an environmental issue	Business context: - risk of financial exposure, loss of reputation Environmental context: - risk of adverse impact on the natural environment or public health	5 - (E) - Very Low	1 - Critical	Governance provided by the HSECC Committee, Specialist H&S advisors employed by HLH	5 - (E) - Very Low	2 - Major Impact	10.00	➔	SMT - JWM	No	HLH25
HLH26	No	New amalgamated risk of HLH05, 08 and 12. Poor and or ineffective working relationships develop between the Council and HLH. There is a risk that due to the ongoing economic challenges facing the HC and HLH that numerous internal or external influential elements could lead to poor and or ineffective working relationships between the HC and HLH.	Delivery Partner Risk	Lack of partnership approach coupled with the need to maintain the difficult balance of the political ndirection/needs with the operational deliverables within a reduced financial climate could raise the possibility of THC working in isolation without consulting HLH whilst taking decisions	Missed opportunity for service development / improvement	3 - (C) - Significant	1 - Critical	Maintain close liaison between the board, HLH officers and HC Staff	4 - (D) - Low	2 - Major Impact	8.00	➔	Board/SMT - SW	No	HLH26

Risk No	Risk Management Plan in place Yes / No	Risk Identification title - Purple tag within the risk number column highlights possible impact / relevance to the Trading Company as well as the main charity	Risk Category	Description of the Risk cause / trigger	Consequences	Pre-mitigated Likelihood	Pre-mitigated Impact	Mitigations	Post-mitigated Likelihood	Post-mitigated Impact	Risk Management Score	Risk Score Change Since Last Review - The lower the score the higher the risk	Risk Owner/Role	Risk Management Plan in place Yes / No	Risk No
HLH01	Yes	Impact of HLH Capital Programme/lack of investment allocation for HLH Estate and reducing HC maintenance budgets. There is a risk that the absence of funding for HLH facilities within the HC Capital Programme will lead to a prolonged lack of investment leading to facility decline, poor customer experience and lack of ability to increase memberships and prohibit growth	Delivery Partner Risk	Financial modelling demonstrates a consistent lack of growth and or building fails leading to a withdrawal of service	Inability to grow and meet income targets, could also lead to a reduction in services, or closure of facilities	1 - (A) Very High	1 - Critical	External grant funding will continue to be sought to complement other funding sources such as planning gain and smaller sports/leisure funding streams. Outline business cases, for HLH Projects were submitted but were not supported within the approved capital programme. The HC capital programme review took place on 14 Sep 23, with the outcome being that the funding for Inverness Leisure improvements and expansion being removed and funding for the wider HLH estate was set for 24/25, 25/26, & 26/27 at £272k reducing to £271k for 27/28 and 28/29. Investment opportunities presented within the SDC review Board Mtgs for HC consideration.	1 - (A) Very High	2 - Major Impact	2.00	➔	SMT - SW	Yes	HLH01
HLH02	Yes	Recruitment and retention issues There is a risk that a lack of available suitably qualified staff, or vacancies not being attractive to potential employees could lead to recruitment and retention issues impacting on service delivery	Human resource - Capacity, Recruitment etc.	Recruitment and retention issues due to a lack of suitably qualified staff available to recruit and or HLH vacancies not being attractive enough to potential employees impacting on operational capabilities.	Insufficient staff numbers to safely operate HLH facilities; cancellations of HL cards; negative publicity; unable to deliver the SDC for THC	1 - (A) Very High	1 - Critical	Consideration of covering vacancies through redeployment of staff Proactive advertising campaign to keep the vacancies visible to perspective employees Consolidation of programmes and classes to prevent duplication and also ensure capacity of classes is maintained Continuation of on line classes where available Staff hourly rates to be continually monitored and reported against market rates	3 - (C) - Significant	2 - Major Impact	6.00	➔	SMT - DW	Yes	HLH02
HLH02A	Yes	Seasonal Recruitment and retention issues specifically related to trading company activities which could lead to recruitment and retention issues impacting on service delivery and income generation	Human resource - Capacity, Recruitment etc.	Difficulty recruiting within seasonal periods due to fluidity of the market place and other employers paying increased rates.	Insufficient staff numbers to safely operate HLH trading company facilities;	2 - (B) - High	2 - Major Impact	Consideration of covering vacancies through redeployment of staff Proactive advertising campaign to keep the vacancies visible to perspective employees	3 - (C) - Significant	2 - Major Impact	6.00	➔	SMT - DW	Yes	HLH02A
HLH05	Yes	Poor and or ineffective working relationship between the Council and HLH. There is a risk that due to the ongoing economic challenges facing the HC and HLH that this could lead to poor and or ineffective working relationships between the HC and HLH	Delivery Partner Risk	Lack of partnership approach demonstrated by the HC, coupled with the change in their senior leadership - possibility of THC working in isolation without consulting HLH whilst taking decisions	Missed opportunity for service development / improvement	1 - (A) Very High	1 - Critical	Maintain close liaison between the board and HC Staff	2 - (B) - High	1 - Critical	2.00	➔	Board/SMT - SW	Yes	HLH05
HLH06	Yes	Non achievement of income and expenditure targets There is a risk that due to the slower than anticipated return to membership numbers aligned with extremely tight savings targets, that income and expenditure targets will not be achieved leading to a greater than anticipated affordability gap within the financial plan	Operations	Financial reporting demonstrates early and continuing indications of failing to control expenditure and to achieve income targets predicting an unacceptable year end bottom line	Inability to meet income targets, could lead to a reduction in services, closure of facilities and redundancies	1 - (A) Very High	1 - Critical	Governance provided through Creation of the performance board, Weekly monitoring by the Executive Team. Monthly budget monitoring process Scrutiny by Finance and Audit Committee Finance reports to HLH Board and detailed engagement with the Council at Officer level ahead of the Council setting its budget on 2 March 2023.	3 - (C) - Significant	2 - Major Impact	6.00	➔	SMT - SW	Yes	HLH06
HLH06B	Yes	New Risk - 30 Nov 22 - Due to the necessary use of HLH reserves to bridge financial gaps for in-year deficits, there are risks associated with HLH being unable to function as an independent charity, with an over reliance on the Highland Council for funding support. This reduces the financial management governance of the HLH Board and jeopardises the very nature of being 'arms-length'.	Poor Governance	HLH reserves drop to zero limiting the Board's power to financially manage and govern HLH independently of the HC.	The consequences would be an over reliance on HC funding and a danger of unacceptable levels of influence and management by the HC jeopardising our OSCR requirements. Ultimately, this could lead to the Charity being 'wound-up' due to the unacceptable level of Personal and Professional risks to the HLH Board of directors.	1 - (A) Very High	1 - Critical	Ongoing open and frank dialogue between the HLH Board, HLH Executive team and the HC Senior leadership team, whilst ensuring that the HC Administration and Local Councillors are fully sighted on this risk. It is essential that there is clarity regarding independent Board decision making and when joint working with the HC is required, so as to preserve the arms length agreement and operating requirements.	2 - (B) - High	2 - Major Impact	4.00	➔	Board/SMT - SW	Yes	HLH06B
HLH07	Yes	Failure to implement THC ICT Transformation Project leading to system failures and lack of corporate competitiveness There is a risk that failing to implement THC ICT transformation project leads to system failures and a lack of corporate competitiveness	Information Technology & Infrastructure	HLH unable to deliver service ambitions HLH limited to THC ICT systems, contracts and associated costs leading to Reputational damage for HLH	Slow response to operational needs, lack of product development for online delivery leading to miss opportunities to grow the business and make it more efficient through automated systems ultimately leading to a lack of corporate competitiveness	3 - (C) - Significant	1 - Critical	Horizon scanning for business critical appointments, in house training of staff for development and advancement opportunities to try and avoid single points of failure	2 - (B) - High	3 - Minor Impact	6.00	➔	SMT - DW	Yes	HLH07
HLH08	Yes	Specific Council decisions impact on HLH There is a risk that the HC takes decisions without consultation or agreement with HLH leading to operational restrictions	Delivery Partner Risk	HC announces decisions which restricts HLH operations	Missed opportunity for prioritisation, could also lead to the closure of facilities and redundancies	1 - (A) Very High	1 - Critical	Maintain vigilance and try to ensure that HLH is always represented and acknowledged prior to the HC taking decisions that are business critical for HLH operations - RMP part of HLH05	2 - (B) - High	1 - Critical	2.00	➔	SMT - SW	Yes	HLH08
HLH09	Yes	SDC negotiations develop and or conclude, leading to unacceptable operational and organisational changes to the Service Delivery obligations of the Charity	External Stakeholder Management	Lack of HC Corporate knowledge of the SDC could lead to amendments proposed and or made without approval by the HLH Board	Major Financial/operational and PR consequences affecting the 'going concern' of the charity	1 - (A) Very High	1 - Critical	Ensure close liaison with HLH SMT and HC Staff - Early engagement by HLH to help shape and inform the renegotiations	2 - (B) - High	2 - Major Impact	4.00	➔	SMT - SW	Yes	HLH09
HLH12	Yes	THC savings consultation process leaves HLH vulnerable to criticism There is a risk that the HC savings process leaves HLH vulnerable to criticism should service delivery have to be reduced	Reputational Risk	HLH starts to report or identify poor press leading to the Reputation of HLH being affected leading to a lessening of customer support and an associated loss of income.	Reputational damage	1 - (A) Very High	1 - Critical	Early engagement with the HC staff and maintain close liaison throughout the process	3 - (C) - Significant	2 - Major Impact	6.00	➔	SMT - SW	Yes	HLH12
HLH16	Yes	Non income generating catering sites - financial losses become unsustainable There is a risk that sites which currently operate at a financial loss become financially unsustainable	Operations	sites continue to operate at a loss without a realistic possibility of this situation improving	Continuation of this becomes financially unsustainable - Facilities cease to trade leading to poor reputational damage to the charity	2 - (B) - High	2 - Major Impact	Financial and operational modelling to be carried out, close monitoring and reporting on loss making sites focussing on their operating deficit to be maintained with operating hrs and or model adjusted accordingly to reduce impact of losses	1 - (A) Very High	2 - Major Impact	2.00	➔	TRADING COMP - SW	Yes	HLH16
HLH17	Yes	HLH Catering strategy is not achieved There is a risk that the HLH Catering Strategy fails to deliver the anticipated targets leading to increased budget pressures	Operations	Target to break even is not achieved leading to financial losses	ROI in catering not realised creating an additional budget pressure	2 - (B) - High	1 - Critical	Steps already taken to revise the catering strategy and recommendations are being made for HLH (Trading) CIC to consider closure for sites unlikely to make a profit.	2 - (B) - High	2 - Major Impact	4.00	➔	TRADING COMP - SW	Yes	HLH17
HLH03	No	Major external issues affecting HLH's ability to deliver services e.g. pandemic, environmental, cyber attack, terrorist incident, lack of external contractors or specialists - there is a risk that any major external issue such as a pandemic, cyber attack or terrorist incident could affect HLH's ability to deliver services	Environment	Performance reporting identifies that an external restriction has led to an uncontrollable Loss of customers/ members or availability of HLH staff Ultimately jeopardising the financial model and sustainability of the charity in its current form.	Reduction in income that undermines the financial viability of the company	3 - (C) - Significant	1 - Critical	Leaning on experience and lessons identified from previous issues. Continual improvement process embedded within the charity to provide an agile and reactive and pro active team best placed to take on the challenges	4 - (D) - Low	2 - Major Impact	8.00	➔	Board/SMT - SW	No	HLH03
HLH04	No	Changes to the political landscape There is a risk that changes to the political landscape leads to loss of corporate knowledge with the knock on effect resulting in a lack of understanding of HLH and the agreements in place governing the respective roles within the HC and HLH	Geopolitical, Environmental or Economic Shock	The political direction changes towards HLH demonstrating the lack of understanding/ agreement on respective roles of HC/HLH due to loss of corporate knowledge	Missed opportunity for service development / improvement	1 - (A) Very High	1 - Critical	CEO represents HLH at the Education Committee sub-group, maintain HLH profile with elected members and wider political audience. HLH staff regularly liaise with HC counterparts to maintain lines of communication and try to maintain HC corporate knowledge	4 - (D) - Low	2 - Major Impact	8.00	➔	Board/SMT - SW	No	HLH04
HLH10	No	Over reaching/over commitment There is a risk that in an attempt to get back to 'business as usual' or pre pandemic operational numbers that we over reach or over commit, placing an unacceptable workload on our staff	Human resource - Capacity, Recruitment etc.	Failure to deliver significant projects/events and pressure on central/ operational services	Staff stress, missed deadlines, possible loss of revenue or risk of accidents/incidents	2 - (B) - High	2 - Major Impact	Engage in early strategic planning of ICT systems and management arrangements with the HC and undertake extensive stakeholder engagement	4 - (D) - Low	2 - Major Impact	8.00	➔	SMT - SW	No	HLH10
HLH11	No	Insufficient succession planning There is a risk that the charity does not provide suitable arrangements for succession planning	Business Continuity & Disaster Recovery	Inability to appoint any gaps in the management team	Temporary loss of efficiency	3 - (C) - Significant	1 - Critical	Horizon scanning for business critical appointments, in house training of staff for development and advancement opportunities to try and avoid single points of failure	4 - (D) - Low	2 - Major Impact	8.00	➔	SMT - SW	No	HLH11
HLH15	No	Uncertainty of economic climate and cost of living increases There is a risk that the uncertainty of the economic climate and increase in cost of living leads to difficult circumstances for the charity and its staff	Geopolitical, Environmental or Economic Shock	Disruption to service delivery due to costs of products/services without additional financial assistance from the HC	Inability to deliver the SDC for the HC - Costs create an unacceptable additional budget pressure	3 - (C) - Significant	2 - Major Impact	Factor in potential restrictions within operational plans if appropriate or necessary/look for alternative suppliers or products	3 - (C) - Significant	3 - Minor Impact	9.00	➔	Board/SMT - SW	No	HLH15
HLH20	No	Major H&S Breach	Health & Safety - Personnel and Public safety	Failure of health and safety systems or lack of adherence to them leading to a H&S breach	Reputational damage and/or prosecution/fine.	4 - (D) - Low	1 - Critical	Governance provided by the HSECC Committee, Specialist H&S advisors employed by HLH	4 - (D) - Low	2 - Major Impact	8.00	➔	SMT - DW	No	HLH20
HLH23	No	Donations - strategy fails to deliver anticipated income There is a risk that the donations strategy fails to deliver the anticipated income	Operations	Cost of living increases lead to lack of or reduction in donations income	Tap to donate and cash donations fail to meet income targets	2 - (B) - High	2 - Major Impact	Weekly monitoring by the Executive Team Monthly budget monitoring process Scrutiny by Trading Company, Finance and Audit Committee, Finance reports to HLH Board	3 - (C) - Significant	3 - Minor Impact	9.00	➔	TRADING COMP - SW	No	HLH23

Risk No	Risk Management Plan in place Yes / No	Risk Identification title - Purple tag within the risk number column highlights possible impact / relevance to the Trading Company as well as the main charity	Risk Category	Description of the Risk cause / trigger	Consequences	Pre-mitigated Likelihood	Pre-mitigated Impact	Mitigations	Post-mitigated Likelihood	Post-mitigated Impact	Risk Management Score	Risk Score Change Since Last Review - The lower the score the higher the risk	Risk Owner/Role	Risk Management Plan in place Yes / No	Risk No
HLH24A	Yes	Risk of operational budgets or Operational Management / funding agreements for LUF/Castle projects not being acceptable to HLH or the HC	Operations	Unable to agree acceptable operating and funding agreements prior to recruitment and the opening of facilities	Business context: - risk of financial exposure, loss of reputation damaging PR with partner organisations	2 - (B) - High	2 - Major Impact	Operational agreements and budgets currently being scoped out by the Dir Castle and Events and the Head of Levelling up Projects with input from the operational teams. The situation is complex, hence the increased risk at this early stage, due to a number of end users and their associated aspirations for their use of the facilities, which HLH will need to accommodate and align with, where possible, but at nil cost to HLH or the HC	2 - (B) - High	2 - Major Impact	4.00	➔	Board/SMT - SW	Yes	HLH24A
HLH18	No	Poor or ineffective working relationship between the HLH Board and ELT. There is a risk of poor or ineffective working relationships between the HLH Board and the HLH ELT.	Delivery Partner Risk	Lack of partnership approach	Ineffective strategic management of HLH	5 - (E) - Very Low	1 - Critical	Ensure close liaison with HLH Board and HLH SMT, and provide accurate and timely reporting on operations and governance	5 - (E) - Very Low	2 - Major Impact	10.00	➔	SMT - SW	No	HLH18
HLH19	No	Ineffective governance of HLH by the Board. There is a risk of ineffective governance of HLH by the HLH Board.	Poor Governance	Failure to establish effective code of corporate governance	Financial insolvency and delivery of CLL services reverts to the Council.	5 - (E) - Very Low	1 - Critical	Ensure close liaison with HLH Board and HLH SMT, and provide accurate and timely reporting on operations and governance	5 - (E) - Very Low	2 - Major Impact	10.00	➔	Board/SMT - SW	No	HLH19
HLH22	No	Breakdown in employee relations. There is a risk especially within the current economic climate that there is a breakdown in employee relationships.	Operations	Industrial action, increase in grievances, increase in staff absences	Major financial and reputational damage. Staff stress, missed deadlines, possible loss of revenue or risk of accidents/incidents.	5 - (E) - Very Low	1 - Critical	Governance provided through Corporate Services and Close liaison between staff consultative groups and recognised unions.	5 - (E) - Very Low	2 - Major Impact	10.00	➔	SMT - DW	No	HLH22
HLH24	N/A	Castle and Levelling Up Fund construction and project risks currently managed within the respective project risk registers.	Operations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	HLH24
HLH24A	Yes	Risk of operational budgets or Operational Management / funding agreements for LUF/Castle projects not being acceptable to HLH or the HC	Operations	Unable to agree acceptable operating and funding agreements prior to recruitment and the opening of facilities	Business context: - risk of financial exposure, loss of reputation damaging PR with partner organisations	2 - (B) - High	2 - Major Impact	Operational agreements and budgets currently being scoped out by the Director of Castle and Events and the Head of Levelling up Fund Projects with input from the operational teams. The situation is complex, hence the increased risk at this early stage, due to a number of end users and their associated aspirations for their use of the facilities, which HLH will need to accommodate and align with where possible but at nil cost to HLH or the HC. End game is to prevent the adoption of a management agreements which are not workable or which cost HLH / THC	2 - (B) - High	2 - Major Impact	4.00	⬇	Board/SMT - SW	Yes	HLH24A
HLH25	No	There is a risk to the company that could arise from social concern about our operations affecting the environment and or risk of damage to ecosystems or public health arising from some man-made environmental offence or breach of environmental regulations such as a major chemical spill.	Environment	HLH breaches environmental policies and or has operations hampered by local activists protesting about our operations linking them to an environmental issue	Business context: - risk of financial exposure, loss of reputation Environmental context: - risk of adverse impact on the natural environment or public health	5 - (E) - Very Low	1 - Critical	Governance provided by the HSECC Committee, Specialist H&S advisors employed by HLH	5 - (E) - Very Low	2 - Major Impact	10.00	➔	SMT - JWM	No	HLH25

Risk No	Risk Management Plan in place Yes / No	Risk Identification title - Purple tag within the risk number column highlights possible impact / relevance to the Trading Company as well as the main charity	Risk Category	Description of the Risk cause / trigger	Consequences	Pre-mitigated Likelihood	Pre-mitigated Impact	Mitigations	Post-mitigated Likelihood	Post-mitigated Impact	Risk Management Score	Risk Score Change Since Last Review - The lower the score the higher the risk	Risk Owner/Role	Risk Management Plan in place Yes / No	Risk No
HLH01	Yes	Impact of HLH Capital Programme/lack of investment allocation for HLH Estate and reducing HC maintenance budgets. There is a risk that the absence of funding for HLH facilities within the HC Capital Programme will lead to a prolonged lack of investment leading to facility decline, poor customer experience and lack of ability to increase memberships and prohibit growth	Delivery Partner Risk	Financial modelling demonstrates a consistent lack of growth and or building fails leading to a withdrawal of service	Inability to grow and meet income targets, could also lead to a reduction in services, or closure of facilities	1 - (A) Very High	1 - Critical	External grant funding will continue to be sought to complement other funding sources such as planning gain and smaller sports/scotland funding streams. Outline business cases, for HLH Projects were submitted but were not supported within the approved capital programme. The HC capital programme review took place on 14 Sep 23, with the outcome being that the funding for Inverness Leisure improvements and expansion being removed and funding for the wider HLH estate was set for 24/25, 25/26, & 26/27 at £272k reducing to £271k for 27/28 and 28/29	1 - (A) Very High	2 - Major Impact	2.00	↓	SMT - SW	Yes	HLH01
HLH02	Yes	Recruitment and retention issues There is a risk that a lack of available suitably qualified staff, or vacancies not being attractive to potential employees could lead to recruitment and retention issues impacting on service delivery	Human resource - Capacity, Recruitment etc.	Recruitment and retention issues due to a lack of suitably qualified staff available to recruit and or HLH vacancies not being attractive enough to potential employees impacting on operational capabilities.	Insufficient staff numbers to safely operate HLH facilities; cancellations of HL cards; negative publicity; unable to deliver the SDC for THC	1 - (A) Very High	1 - Critical	Consideration of covering vacancies through redeployment of staff Proactive advertising campaign to keep the vacancies visible to perspective employees Consolidation of programmes and classes to prevent duplication and also ensure capacity of classes is maintained Continuation of on line classes where available Staff hourly rates to be continually monitored and reported against market rates	3 - (C) - Significant	2 - Major Impact	6.00	→	SMT - DW	Yes	HLH02
HLH02A	Yes	Seasonal Recruitment and retention issues specifically related to trading company activities which could lead to recruitment and retention issues impacting on service delivery and income generation	Human resource - Capacity, Recruitment etc.	Difficulty recruiting within seasonal periods due to fluidity of the market place and other employers paying increased rates.	Insufficient staff numbers to safely operate HLH trading company facilities;	2 - (B) - High	2 - Major Impact	Consideration of covering vacancies through redeployment of staff Proactive advertising campaign to keep the vacancies visible to perspective employees	3 - (C) - Significant	2 - Major Impact	6.00	→	SMT - DW	Yes	HLH02A
HLH05	Yes	Poor and or ineffective working relationship between the Council and HLH. There is a risk that due to the ongoing economic challenges facing the HC and HLH that this could lead to poor and or ineffective working relationships between the HC and HLH	Delivery Partner Risk	Lack of partnership approach demonstrated by the HC, coupled with the change in their senior leadership - possibility of THC working in isolation without consulting HLH whilst taking decisions	Missed opportunity for service development / improvement	1 - (A) Very High	1 - Critical	Maintain close liaison between the board and HC Staff	2 - (B) - High	1 - Critical	2.00	↓	Board/SMT - SW	Yes	HLH05
HLH06	Yes	Non achievement of income and expenditure targets There is a risk that due to the slower than anticipated return to membership numbers aligned with extremely tight savings targets, that income and expenditure targets will not be achieved leading to a greater than anticipated affordability gap within the financial plan	Operations	Financial reporting demonstrates early and continuous indications of failing to control expenditure and to achieve income targets predicting an unacceptable year end bottom line	Inability to meet income targets, could lead to a reduction in services, closure of facilities and redundancies	1 - (A) Very High	1 - Critical	Governance provided through Creation of the performance board, Weekly monitoring by the Executive Team. Monthly budget monitoring process Scrutiny by Finance and Audit Committee Finance reports to HLH Board and detailed engagement with the Council at Officer level ahead of the Council setting its budget on 2 March 2023.	3 - (C) - Significant	2 - Major Impact	6.00	→	SMT - SW	Yes	HLH06
HLH06B	Yes	New Risk - 30 Nov 22 - Due to the necessary use of HLH reserves to bridge financial gaps for in-year deficits, there are risks associated with HLH being unable to function as an independent charity, with an over reliance on the Highland Council for funding support. This reduces the financial management governance of the HLH Board and jeopardises the very nature of being 'arms-length'.	Poor Governance	HLH reserves drop to zero limiting the Board's power to financially manage and govern HLH independently of the HC.	The consequences would be an over reliance on HC funding and a danger of unacceptable levels of influence and management by the HC jeopardising our OSCR requirements. Ultimately, this could lead to the Charity being 'wound-up' due to the unacceptable level of Personal and Professional risks to the HLH Board of directors.	1 - (A) Very High	1 - Critical	Ongoing open and frank dialogue between the HLH Board, HLH Executive team and the HC Senior leadership team, whilst ensuring that the HC Administration and Local Councillors are fully sighted on this risk. It is essential that there is clarity regarding independent Board decision making and when joint working with the HC is required, so as to preserve the arms length agreement and operating requirements.	2 - (B) - High	2 - Major Impact	4.00	→	Board/SMT - SW	Yes	HLH06B
HLH07	Yes	Failure to implement THC ICT Transformation Project leading to system failures and lack of corporate competitiveness There is a risk that failing to implement THC ICT transformation project leads to system failures and a lack of corporate competitiveness	Information Technology & Infrastructure	HLH unable to deliver service ambitions HLH limited to THC ICT systems, contracts and associated costs leading to Reputational damage for HLH	Slow response to operational needs, lack of product development for online delivery leading to miss opportunities to grow the business and make it more efficient through automated systems ultimately leading to a lack of corporate competitiveness	3 - (C) - Significant	1 - Critical	Horizon scanning for business critical appointments, in house training of staff for development and advancement opportunities to try and avoid single points of failure	2 - (B) - High	3 - Minor Impact	6.00	→	SMT - DW	Yes	HLH07
HLH08	Yes	Specific Council decisions impact on HLH There is a risk that the HC takes decisions without consultation or agreement with HLH leading to operational restrictions	Delivery Partner Risk	HC announces decisions which restricts HLH operations	Missed opportunity for prioritisation, could also lead to the closure of facilities and redundancies	1 - (A) Very High	1 - Critical	Maintain vigilance and try to ensure that HLH is always represented and acknowledged prior to the HC taking decisions that are business critical for HLH operations - RMP part of HLH05	2 - (B) - High	2 - Major Impact	4.00	↓	SMT - SW	Yes	HLH08
HLH09	Yes	SDC negotiations develop and or conclude, leading to unacceptable operational and organisational changes to the Service Delivery obligations of the Charity	External Stakeholder Management	Lack of HC Corporate knowledge of the SDC could lead to amendments proposed and or made without approval by the HLH Board	Major Financial/operational and PR consequences affecting the 'going concern' of the charity	1 - (A) Very High	1 - Critical	Ensure close liaison with HLH SMT and HC Staff - Early engagement by HLH to help shape and inform the negotiations	2 - (B) - High	2 - Major Impact	4.00	↓	SMT - SW	Yes	HLH09
HLH12	Yes	THC savings consultation process leaves HLH vulnerable to criticism There is a risk that the HC savings process leaves HLH vulnerable to criticism should service delivery have to be reduced	Reputational Risk	HLH starts to report or identify poor press leading to the Reputation of HLH being affected leading to a lessening of customer support and an associated loss of income.	Reputational damage	1 - (A) Very High	1 - Critical	Early engagement with the HC staff and maintain close liaison throughout the process	3 - (C) - Significant	2 - Major Impact	6.00	↓	SMT - SW	Yes	HLH12
HLH16	Yes	Non income generating catering sites - financial losses become unsustainable There is a risk that sites which currently operate at a financial loss become financially unsustainable	Operations	sites continue to operate at a loss without a realistic possibility of this situation improving	Continuation of this becomes financially unsustainable - Facilities cease to trade leading to poor reputational damage to the charity	2 - (B) - High	2 - Major Impact	Financial and operational modelling to be carried out, close monitoring and reporting on loss making sites focussing on their operating deficit to be maintained with operating hrs and or model adjusted accordingly to reduce impact of losses	1 - (A) Very High	2 - Major Impact	2.00	→	TRADING COMP - SW	Yes	HLH16
HLH17	Yes	HLH Catering strategy is not achieved There is a risk that the HLH Catering Strategy fails to deliver the anticipated targets leading to increased budget pressures	Operations	Target to break even is not achieved leading to financial loss	ROI in catering not realised creating an additional budget pressure	2 - (B) - High	1 - Critical	Steps already taken to revise the catering strategy and recommendations are being made for HLH (Trading) CIC to consider closure for sites unlikely to make a profit.	2 - (B) - High	2 - Major Impact	4.00	↑	TRADING COMP - SW	Yes	HLH17
HLH03	No	Major external issues affecting HLH's ability to deliver services e.g. pandemic, environmental, cyber attack, terrorist incident, lack of external contractors or specialists - there is a risk that any major external issue such as a pandemic, cyber attack or terrorist incident could affect HLH's ability to deliver services	Environment	Performance reporting identifies that an external restriction has led to an uncontrollable Loss of customers/ members or availability of HLH staff Ultimately jeopardising the financial model and sustainability of the charity in its current form.	Reduction in income that undermines the financial viability of the company	3 - (C) - Significant	1 - Critical	Leaning on experience and lessons identified from previous issues. Continual improvement process embedded within the charity to provide an agile and reactive and pro active team best placed to take on the challenges	4 - (D) - Low	2 - Major Impact	8.00	→	Board/SMT - SW	No	HLH03
HLH04	No	Changes to the political landscape There is a risk that changes to the political landscape leads to loss of corporate knowledge with the knock on effect resulting in a lack of understanding of HLH and the agreements in place governing the respective roles within the HC and HLH	Geopolitical, Environmental or Economic Shock	The political direction changes towards HLH demonstrating the lack of understanding/ agreement on respective roles of HC/HLH due to loss of corporate knowledge	Missed opportunity for service development / improvement	1 - (A) Very High	1 - Critical	CEO represents HLH at the Education Committee sub-group, maintain HLH profile with elected members and wider political audience. HLH staff regularly liaise with HC counterparts to maintain lines of communication and try to maintain HC corporate knowledge	4 - (D) - Low	2 - Major Impact	8.00	→	Board/SMT - SW	No	HLH04
HLH10	No	Over reaching/over commitment There is a risk that in an attempt to get back to 'business as usual' or pre pandemic operational numbers that we over reach or over commit, placing an unacceptable workload on our staff	Human resource - Capacity, Recruitment etc.	Failure to deliver significant projects/events and pressure on central/ operational services	Staff stress, missed deadlines, possible loss of revenue or risk of accidents/incidents	2 - (B) - High	2 - Major Impact	Engage in early strategic planning of ICT systems and management arrangements with the HC and undertake extensive stakeholder engagement	4 - (D) - Low	2 - Major Impact	8.00	→	SMT - SW	No	HLH10
HLH11	No	Insufficient succession planning There is a risk that the charity does not provide suitable arrangements for succession planning	Business Continuity & Disaster Recovery	Inability to appoint any gaps in the management team	Temporary loss of efficiency	3 - (C) - Significant	1 - Critical	Horizon scanning for business critical appointments, in house training of staff for development and advancement opportunities to try and avoid single points of failure	4 - (D) - Low	2 - Major Impact	8.00	→	SMT - SW	No	HLH11
HLH15	No	Uncertainty of economic climate and cost of living increases There is a risk that the uncertainty of the economic climate and increase in cost of living leads to difficult circumstances for the charity and its staff	Geopolitical, Environmental or Economic Shock	Disruption to service delivery due to costs of products/services without additional financial assistance from the HC	Inability to deliver the SDC for the HC - Costs create an unacceptable additional budget pressure	3 - (C) - Significant	2 - Major Impact	Factor in potential restrictions within operational plans if appropriate or necessary/look for alternative suppliers or products	3 - (C) - Significant	3 - Minor Impact	9.00	→	Board/SMT - SW	No	HLH15
HLH20	No	Major H&S Breach	Health & Safety - Personnel and Public safety	Failure of health and safety systems or lack of adherence to them leading to a H&S breach	Reputational damage and/or prosecution/fine.	4 - (D) - Low	1 - Critical	Governance provided by the HSECC Committee, Specialist H&S advisors employed by HLH	4 - (D) - Low	2 - Major Impact	8.00	→	SMT - DW	No	HLH20
HLH23	No	Donations - strategy fails to deliver anticipated income There is a risk that the donations strategy fails to deliver the anticipated income	Operations	Cost of living increases lead to lack of or reduction in donations income	Tap to donate and cash donations fail to meet income targets	2 - (B) - High	2 - Major Impact	Weekly monitoring by the Executive Team Monthly budget monitoring process Scrutiny by Trading Company, Finance and Audit Committee, Finance reports to HLH Board	3 - (C) - Significant	3 - Minor Impact	9.00	→	TRADING COMP - SW	No	HLH23
HLH24A	No	Risk of operational budgets or Operational Management / funding agreements for LUF/Castle projects not being acceptable to HLH or the HC	Operations	Unable to agree acceptable operating and funding agreements prior to recruitment and the opening of facilities	Business context - risk of financial exposure, loss of reputation damaging PR with partner organisations	2 - (B) - High	2 - Major Impact	Governance provided by the HSECC Committee, Specialist H&S advisors employed by HLH	4 - (D) - Low	2 - Major Impact	8.00	→	Board/SMT - SW	No	HLH24A
HLH18	No	Poor or ineffective working relationship between the HLH Board and ELT There is a risk of poor or ineffective working relationships between the HLH Board and the HLH ELT	Delivery Partner Risk	Lack of partnership approach	Ineffective strategic management of HLH	5 - (E) - Very Low	1 - Critical	Ensure close liaison with HLH Board and HLH SMT, and provide accurate and timely reporting on operations and governance	5 - (E) - Very Low	2 - Major Impact	10.00	→	SMT - SW	No	HLH18
HLH19	No	Ineffective governance of HLH by the Board There is a risk of ineffective governance of HLH by the HLH Board	Poor Governance	Failure to establish effective code of corporate governance	Financial insolvency and delivery of CLL services reverts to the Council	5 - (E) - Very Low	1 - Critical	Ensure close liaison with HLH Board and HLH SMT, and provide accurate and timely reporting on operations and governance	5 - (E) - Very Low	2 - Major Impact	10.00	0.00	Board/SMT - SW	No	HLH19
HLH22	No	Breakdown in employee relations There is a risk especially within the current economic climate that there is a breakdown in employee relationships	Operations	Industrial action, increase in grievances, increase in staff absences	Major financial and reputational damage Staff stress, missed deadlines, possible loss of revenue or risk of accidents/incidents	5 - (E) - Very Low	1 - Critical	Governance provided through Corporate Services and Close liaison between staff consultative groups and recognised unions	5 - (E) - Very Low	2 - Major Impact	10.00	→	SMT - DW	No	HLH22
HLH24	No	Castle and Levelling Up Fund risks currently managed within the respective project risk registers.	Operations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	HLH24
HLH25	No	There is a risk to the company that could arise from social concern about our operations affecting the environment and or risk of damage to ecosystems or public health arising from some man-made environmental offence or breach of environmental regulations such as a major chemical spill.	Environment	HLH breaches environmental policies and or has operations hampered by local activists protesting about our operations linking them to an environmental issue	Business context - risk of financial exposure, loss of reputation Environmental context - risk of adverse impact on the natural environment or public health	5 - (E) - Very Low	1 - Critical	Governance provided by the HSECC Committee, Specialist H&S advisors employed by HLH	5 - (E) - Very Low	2 - Major Impact	10.00	→	SMT - JWM	No	HLH25

High Life Highland - Combined Charity and Trading Company Business Critical Risk Register

Risk No	Risk Management Plan in place Yes / No	Risk Identification title - Purple tag within the risk number column highlights possible impact / relevance to the Trading Company as well as the main charity	Risk Category	Description of the Risk cause / trigger	Consequences	Pre-mitigated Likelihood	Pre-mitigated Impact	Mitigations	Post-mitigated Likelihood	Post-mitigated Impact	Risk Management Score	Previous Risk Management Score	Risk Score Change Since Last Review - The lower the score the higher the risk	Risk Owner/Role	Risk Management Plan in place Yes / No	Risk No
HLH01	Yes	Impact of HLH Capital Programme/lack of investment allocation for HLH Estate and reducing HC maintenance budgets. There is a risk that the absence of funding for HLH facilities within the HC Capital Programme will lead to a prolonged lack of investment leading to facility decline, poor customer experience and lack of ability to increase memberships and prohibit growth	Delivery Partner Risk	Financial modelling demonstrates a consistent lack of growth and or building fails leading to a withdrawal of service	Inability to grow and meet income targets, could also lead to a reduction in services, or closure of facilities	1 - (A) Very High	1 - Critical	External grant funding will continue to be sought to complement other funding sources such as planning gain and smaller sports/scotland funding streams. Outline business cases, for HLH Projects were submitted but were not supported within the approved capital programme. The HC capital programme review took place on 14 Sep 23, with the outcome being that the funding for Inverness Leisure improvements and expansion being removed and funding for the wider HLH estate was set for 24/25, 25/26, & 26/27 at £272k reducing to £271k for 27/28 and 28/29. Investment opportunities along with spend to save measures around placed based planning presented within the SDC review Board Mtgs, for THC consideration. These opportunities were recently remitted to the operational development plan/Highland Integrated Investment Programme within the May 24 SDC mtg. HLH CEO attends the Asset Reconfiguration Board Mtgs however, HLH awaits its invite to the Capital Investment Meetings. Dingwall LC has been raised a potential site for investment within the strategic area review being undertaken by the HC	1 - (A) Very High	2 - Major Impact	2.00	2.00	➔	SMT - SW	Yes	HLH01
HLH02	Yes	Recruitment and retention issues There is a risk that a lack of available suitably qualified staff, or vacancies not being attractive to potential employees could lead to recruitment and retention issues impacting on service delivery	Human resource - Capacity, Recruitment etc.	Recruitment and retention issues due to a lack of suitably qualified staff available to recruit and or HLH vacancies not being attractive enough to potential employees impacting on operational capabilities.	Insufficient staff numbers to safely operate HLH facilities; cancellations of HL cards; negative publicity; unable to deliver the SDC for THC	1 - (A) Very High	1 - Critical	Consideration of covering vacancies through redeployment of staff Proactive advertising campaign to keep the vacancies visible to perspective employees Consolidation of programmes and classes to prevent duplication and also ensure capacity of classes is maintained Continuation of on line classes where available Staff hourly rates to be continually monitored and reported against market rates Core business vacancies appear to be ok operationally with regards to recruitment	3 - (C) - Significant	2 - Major Impact	6.00	6.00	➔	SMT - DW	Yes	HLH02
HLH02A	Yes	Seasonal Recruitment and retention issues specifically related to trading company activities which could lead to recruitment and retention issues impacting on service delivery and income generation	Human resource - Capacity, Recruitment etc.	Difficulty recruiting within seasonal periods due to fluidity of the market place and other employers paying increased rates.	Insufficient staff numbers to safely operate HLH trading company facilities;	2 - (B) - High	2 - Major Impact	Consideration of covering vacancies through redeployment of staff Proactive advertising campaign to keep the vacancies visible to perspective employees. Investigation into the possibility of year round opening to make posts more attractive also under consideration. However, this requires additional capital and revenue investment to make some sites more attractive and viable. For instance, the BNVC is being considered by the HC as a possible motor home parking facility. This might allow for a permanent post to be established year round, but discussions are still in the early stages. Utilising agency staff is also being considered for the BNVC. However, this has not been required yet. HLH recently adopted the use of an on-line application form, to streamline the process too.	2 - (B) - High	2 - Major Impact	4.00	4.00	➔	SMT - DW	Yes	HLH02A
HLH06	Yes	Non achievement of income and expenditure targets There is a risk that due to the slower than anticipated return to membership numbers aligned with extremely tight savings targets, that income and expenditure targets will not be achieved leading to a greater than anticipated affordability gap within the financial plan	Operations	Financial reporting demonstrates early and continuous indications of failing to control expenditure and to achieve income targets predicting an unacceptable year end bottom line	Inability to meet income targets, could lead to a reduction in services, closure of facilities and redundancies	1 - (A) Very High	1 - Critical	Governance provided through Creation of the performance board, Weekly monitoring by the Executive Team. Monthly budget monitoring process Scrutiny by Finance and Audit Committee Finance reports to HLH Board. CEO and Head Of Finance to meet with Directors to commence the process of review and setting of budgets for FY 25/26 with a greater focus being on budget versus actual spend, to help prevent any overspends against agreed budgets. Working to reducing the risk score once accurate financial data is available from the new HC financial system.	3 - (C) - Significant	2 - Major Impact	6.00	6.00	➔	SMT - SW	Yes	HLH06
HLH07A	Yes	A new short term risk has been identified with the implementation of the new HC/HLH Finance system. It is operationally functional but the management and reporting systems have yet to be implemented reports.	Information Technology & Infrastructure	HLH temporarily unable to create budget monitoring reports. Operating issues linked with the implementation of the new HC/HLH Finance System. This does not affect the completion of the 2023/24 financial statements and associated legal reporting timescales.	The budget monitoring process will be delayed.	2 - (B) - High	3 - Minor Impact	Budget holders have been advised of the delay and will undertake two months monitoring when the system goes live and have been instructed to maintain normal budget controls. RMP created due to increase in risk scoring.	2 - (B) - High	3 - Minor Impact	6.00	7.00	↓	SMT - DW	Yes	HLH07A
HLH09	Yes	SDC negotiations develop and or conclude, leading to unacceptable operational and organisational changes to the Service Delivery obligations of the Charity	External Stakeholder Management	Lack of HC Corporate knowledge of the SDC could lead to amendments proposed and or made without approval by the HLH Board	Major Financial/operational and PR consequences affecting the 'going concern' of the charity	1 - (A) Very High	1 - Critical	Ensure close liaison with HLH SMT and HC Staff - Early engagement by HLH has resulted in clear and agreed routes and responsibilities which have led to a renewed HC corporate understanding of the contract and a reassurance to HLH and the board that the SDC review is unlikely to result in amendments which would not be agreeable or acceptable to the HLH Board. Any transfers of services in or out of HLH will be managed by a separate workstreams with all TUPE requirements managed within the workstream. Employee relationships will be monitored throughout such a process with any risk changes reflected within HLH22 if necessary. Consideration of reducing the risk score was given but placed on hold pending actual evidence based outcomes.	2 - (B) - High	2 - Major Impact	4.00	4.00	➔	SMT - SW	Yes	HLH09
HLH16	Yes	HLH Catering sites - HLH Catering sites – financial recovery does not materialise. There is a risk that catering sites, currently on a process of operational and financial recovery, are unable to recover the business to such an extent as generating a profitable position.	Operations	Sites operate at a financial loss with little, or no possibility of recovery plans yielding results.	Continuation of this becomes financially unsustainable - Facilities cease to trade leading to poor reputational damage to the charity	2 - (B) - High	2 - Major Impact	Close budget monitoring and reporting on financial position. Where identified, robust service-improvement plans in place which identifies the key areas where improvements are required and can be made. A full review of key catering sites to take place during Q3 to identify impacts of business-recovery and consider any further action(s) required. Consideration of reducing the risk score was given but placed on hold pending accurate financial data becoming available for both Q1 & Q2. However, initial HLH internal Q1 figures from the Head of Finance do indicate an improving situation.	2 - (B) - High	2 - Major Impact	4.00	4.00	➔	TRADING COMP - SW	Yes	HLH16
HLH24A	Yes	Risk of operational budgets or Operational Management / funding agreements for LUF/Castle projects not being acceptable to HLH or the HC	Operations	Unable to agree acceptable operating and funding agreements prior to recruitment and the opening of facilities	Business context: - risk of financial exposure, loss of reputation damaging PR with partner organisations	2 - (B) - High	2 - Major Impact	Operational agreements and budgets currently being scoped out by the Director of Castle and Events and the Head of Levelling up Fund Projects with input from the operational teams. The situation is complex, hence the increased risk at this early stage, due to a number of end users and their associated aspirations for their use of the facilities, which HLH will need to accommodate and align with where possible but at nil cost to HLH or the HC. End game is to prevent the adoption of a management agreements which are not workable or which cost HLH / THC	2 - (B) - High	2 - Major Impact	4.00	4.00	➔	Board/SMT - SW	Yes	HLH24A
HLH03	No	Major external issues affecting HLH's ability to deliver services e.g. pandemic, environmental, cyber attack, terrorist incident, lack of external contractors or specialists - there is a risk that any major external issue such as a pandemic, cyber attack or terrorist incident could affect HLH's ability to deliver services	Environment	Performance reporting identifies that an external restriction has led to an uncontrollable Loss of customers/ members or availability of HLH staff Ultimately jeopardising the financial model and sustainability of the charity in its current form.	Reduction in income that undermines the financial viability of the company	3 - (C) - Significant	1 - Critical	Learning on experience and lessons identified from previous issues. Continual improvement process embedded within the charity to provide an agile and reactive and pro active team best placed to take on the challenges. Completion of phishing email tests and training processes now implemented to minimise the cyber threat.	4 - (D) - Low	2 - Major Impact	8.00	8.00	➔	Board/SMT - SW	No	HLH03
HLH04	No	Changes to the political landscape There is a risk that changes to the political landscape leads to loss of corporate knowledge with the knock on effect resulting in a lack of understanding of HLH and the agreements in place governing the respective roles within the HC and HLH	Geopolitical, Environmental or Economic Shock	The political direction changes towards HLH demonstrating the lack of understanding/ agreement on respective roles of HC/HLH due to loss of corporate knowledge	Missed opportunity for service development / improvement	1 - (A) Very High	1 - Critical	CEO represents HLH at the Education Committee sub-group, maintain HLH profile with elected members and wider political audience. HLH staff regularly liaise with HC counterparts to maintain lines of communication and try to maintain HC corporate knowledge	4 - (D) - Low	2 - Major Impact	8.00	8.00	➔	Board/SMT - SW	No	HLH04
HLH06B	No	Loss of charitable status by virtue of HLH not being deemed to be an 'Arms Length' Organisation	Compliance	Due to the necessary use of HLH reserves to bridge financial gaps for in-year deficits, there are risks associated with HLH being unable to function as an independent charity, with an over reliance on the Highland Council for funding support. This reduces the financial management governance of the HLH Board and jeopardises the very nature of being 'arms-length'. HLH reserves drop to zero limiting the Board's power to financially manage and govern HLH independently of the HC.	The consequences would be an over reliance on HC funding and a danger of unacceptable levels of influence and management by the HC jeopardising our OSCR requirements. Ultimately, this could lead to the Charity being 'wound-up' due to the unacceptable level of Personal and Professional risks to the HLH Board of directors.	1 - (A) Very High	1 - Critical	Ongoing open and frank dialogue between the HLH Board, HLH Executive team and the HC Senior leadership team, whilst ensuring that the HC Administration and Local Councillors are fully sighted on this risk. It is essential that there is clarity regarding independent Board decision making and when joint working with the HC is required, to preserve the arm's length agreement and operating requirements It should be noted however, that operational autonomy remains intact with no HC interference on the day-to-day running of HLH services. The adopted and agreed HLH budget sets out a clear 3-year roadmap to get HLH on a sustainable footing, including the provision of growing a 'reserves-pot'. However, agreements need to be in place to ensure that these are retained By HLH at the FY close and not simply used to reduce any wider HLH budget gaps.	4 - (D) - Low	2 - Major Impact	8.00	9.00	↓	Board/SMT - SW	No	HLH06B

Risk No	Risk Management Plan in place Yes / No	Risk Identification title - Purple tag within the risk number column highlights possible impact / relevance to the Trading Company as well as the main charity	Risk Category	Description of the Risk cause / trigger	Consequences	Pre-mitigated Likelihood	Pre-mitigated Impact	Mitigations	Post-mitigated Likelihood	Post-mitigated Impact	Risk Management Score	Previous Risk Management Score	Risk Score Change Since Last Review - The lower the score the higher the risk	Risk Owner/Role	Risk Management Plan in place Yes / No	Risk No
HLH10	No	Over reaching/over commitment There is a risk that in an attempt to get back to 'business as usual' or pre pandemic operational numbers that we over reach or over commit, placing an unacceptable workload on our staff	Human resource - Capacity, Recruitment etc.	Failure to deliver significant projects/events and pressure on central/operational services	Staff stress, missed deadlines, possible loss of revenue or risk of accidents/incidents	2 - (B) - High	2 - Major Impact	Engage in early strategic planning of ICT systems and management arrangements with the HC and undertake extensive stakeholder engagement	4 - (D) - Low	2 - Major Impact	8.00	8.00	➔	SMT - SW	No	HLH10
HLH11	No	Insufficient succession planning There is a risk that the charity does not provide suitable arrangements for succession planning	Business Continuity & Disaster Recovery	Inability to appoint any gaps in the management team	Temporary loss of efficiency	3 - (C) - Significant	1 - Critical	Horizon scanning for business critical appointments, in house training of staff for development and advancement opportunities to try and avoid single points of failure	4 - (D) - Low	2 - Major Impact	8.00	8.00	➔	SMT - SW	No	HLH11
HLH11A	No	Proposed new risk - There is a risk that the charity is not providing suitable training and development opportunities, to prepare and enable internal applications from current staff, for succession planning and career development opportunities/aspirations	Business Continuity & Disaster Recovery	Inability to appoint any gaps in the management team	Temporary loss of efficiency	2 - (B) - High	2 - Major Impact	Trg and development needs being gathered as part of a wider piece of work. Details and outcomes with proposals of an action plan/workstream to come to a future board mtg with the risk score currently under review as it is a new risk.	4 - (D) - Low	2 - Major Impact	8.00	8.00	➔	SMT - SW	No	HLH11A
HLH15	No	Uncertainty of economic climate and cost of living increases There is a risk that the uncertainty of the economic climate and increase in cost of living leads to difficult circumstances for the charity and its staff	Geopolitical, Environmental or Economic Shock	Disruption to service delivery due to costs of products/services without additional financial assistance from the HC	Inability to deliver the SDC for the HC - Costs create an unacceptable additional budget pressure	3 - (C) - Significant	2 - Major Impact	Factor in potential restrictions within operational plans if appropriate or necessary/look for alternative suppliers or products	3 - (C) - Significant	3 - Minor Impact	9.00	9.00	➔	Board/SMT - SW	No	HLH15
HLH20	No	Major H&S or Environmental Regulation Breach	Health & Safety - Personnel and Public safety	Failure of health and safety systems or lack of adherence to them leading to a H&S breach	Reputational damage and/or prosecution/fine.	4 - (D) - Low	1 - Critical	Governance provided by the HSECC Committee, Specialist H&S advisors employed by HLH	4 - (D) - Low	2 - Major Impact	8.00	8.00	➔	SMT - DW	No	HLH20
HLH27	No	New amalgamated risk of HLH05, 08 and 12. Poor and or ineffective working relationships develop between the Council and HLH. There is a risk that due to the ongoing economic challenges facing the HC and HLH that numerous internal or external influential elements could lead to poor and or ineffective working relationships between the HC and HLH.	Delivery Partner Risk	Lack of partnership approach coupled with the need to maintain the difficult balance of the political direction/needs with the operational deliverables within a reduced financial climate could raise the possibility of THC working in isolation without consulting HLH whilst taking decisions	Missed opportunity for service development / improvement	3 - (C) - Significant	1 - Critical	Maintain close liaison between the board, HLH officers and HC Staff	4 - (D) - Low	2 - Major Impact	8.00	8.00	➔	Board/SMT - SW	No	HLH26
HLH18	No	Poor or ineffective working relationship between the HLH Board and ELT There is a risk of poor or ineffective working relationships between the HLH Board and the HLH ELT	Delivery Partner Risk	Lack of partnership approach	Ineffective strategic management of HLH	5 - (E) - Very Low	1 - Critical	Ensure close liaison with HLH Board and HLH SMT, and provide accurate and timely reporting on operations and governance	5 - (E) - Very Low	2 - Major Impact	10.00	10.00	➔	SMT - SW	No	HLH18
HLH19	No	Ineffective governance of HLH by the Board There is a risk of ineffective governance of HLH by the HLH Board	Poor Governance	Failure to establish effective code of corporate governance	Financial insolvency and delivery of CLL services reverts to the Council	5 - (E) - Very Low	1 - Critical	Ensure close liaison with HLH Board and HLH SMT, and provide accurate and timely reporting on operations and governance	5 - (E) - Very Low	2 - Major Impact	10.00	10.00	➔	Board/SMT - SW	No	HLH19
HLH22	No	Breakdown in employee relations There is a risk especially within the current economic climate that there is a breakdown in employee relationships	Operations	Industrial action, increase in grievances, increase in staff absences	Major financial and reputational damage Staff stress, missed deadlines, possible loss of revenue or risk of accidents/incidents	5 - (E) - Very Low	1 - Critical	Governance provided through Corporate Services and Close liaison between staff consultative groups and recognised unions	5 - (E) - Very Low	2 - Major Impact	10.00	10.00	➔	SMT - DW	No	HLH22
HLH23	No	Donations - strategy fails to deliver anticipated income There is a risk that the donations strategy fails to deliver the anticipated income	Operations	Cost of living increases lead to lack of or reduction in donations income	Tap to donate and cash donations fail to meet income targets	2 - (B) - High	2 - Major Impact	Donations Working Group led jointly by SW & Alan H in place. Weekly monitoring by the Executive Team Monthly budget monitoring process Scrutiny by Trading Company, Finance and Audit Committee, Finance reports to HLH Board	4 - (D) - Low	3 - Minor Impact	12.00	12.00	➔	TRADING COMP - SW	No	HLH23
HLH24	N/A	Castle and Levelling Up Fund construction and project risks currently managed within the respective project risk registers.	Operations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	HLH24
HLH25	No	Proposal to remove this risk as it is covered within HLH 20. There is a risk to the company that could arise from social concern about our operations affecting the environment and or risk of damage to ecosystems or public health arising from some man-made environmental offence or breach of environmental regulations such as a major chemical spill.	Environment	HLH breaches environmental policies and or has operations hampered by local activists protesting about our operations linking them to an environmental issue	Business context - risk of financial exposure, loss of reputation. Environmental context - risk of adverse impact on the natural environment or public health	5 - (E) - Very Low	1 - Critical	Governance provided by the HSECC Committee, Specialist H&S advisors employed by HLH	5 - (E) - Very Low	2 - Major Impact	10.00	10.00	➔	SMT - JWM	No	HLH25

Risk No:	Risk Score:	Owned By:	Last review date:
HLH01	2 A:2	Executive	22-Jul-24
Risk Description:			
Impact of HLH Capital Programme/Lack of investment allocation for the HLH estate			
Background			
<p>During its last capital review, THC reduced its capital budget which is now around half of its previous level. This has had an impact on HLH's ability to deliver projects which support income generation to enable savings to be returned to THC. Additionally, THC took the decision to fund the replacement of its mobile libraries (yet to be provided by THC) and also approved work to the Caithness Horizons building, from the HLH/CLL line, thereby further reducing the funds available for HLH income generating projects. More recently the approved THC Capital Programme lacked capital investment for the HLH estate which long term will lead to a lack of growth.</p> <p>In order to address this situation, there have been discussions, initially between sportscotland and HLH, and more recently including THC, HIE and UHI with a view to establishing a formal partnership to develop a sports facilities capital development plan for the Highland Council area. In the discussion, sportscotland has expressed a desire to move from its current application model of funding to a strategic partnership approach. While the detail has yet to be agreed and discussions continue with THC, it is considered that it is worth investing time in exploring this new model and that it could help to address the reduced amount of capital funding which the Council has at its disposal. Nevertheless, the lack of funding shown within the approved THC capital programme, along with an understanding that this is unlikely to change within the current review, fails to address the strategic need or commitment to funding and as such will lead to delays in investment within the HLH portfolio thereby jeopardising the ability to attract match funding from external sources or our ability to generate additional income.</p> <p>However, if the HC identifies projects within its capital programme, HLH would look to try and secure external grant funding, to complement other funding sources, such as planning gain and smaller sportscotland funding streams (other than the strategic funding described above).</p> <p>Dependent on whether applications are approved, seeking external funding could help to mitigate this risk, however, it cannot be relied upon to replace THC's capital programme. Match funding is normally required, and this can influence the kinds of projects which can be developed.</p>			
Summary of operational position			
<ul style="list-style-type: none"> • Outline business cases, for HLH Projects were submitted prior to the most recent review of the capital programme in July 2021, but they were not supported within the approved capital programme. • HLH met with THC and sportscotland in Jun 22, to discuss strategic investment within the highlands to discuss a DRAFT investment strategy. • As requested by the Scottish Government and sportscotland, HLH, with guidance from sportscotland drafted and submitted to THC in Dec 2022, a DRAFT highlands facilities strategic overview document for sport facilities investment for their consideration. Possibly going to council in Nov 23. • HLH are working with THC to see if community leisure projects can be provided within the future new school provision programme. • The HC capital programme review took place on 14 Sep 23, with the outcome being that the funding for Inverness Leisure improvements and expansion being removed and funding for the wider HLH estate was set for 24/25, 25/26, & 26/27 at £272k reducing to £271k for 27/28 and 28/29 <p>These opportunities were recently remitted to the operational development plan/Highland Integrated Investment Programme within the May 24 SDC mtg. HLH CEO attends the Asset Reconfiguration Board Mtgs however, HLH awaits its invite to the Capital Investment Meetings.</p> <p>Dingwall chosen by the HC as an area for strategic investment review and the Leisure Centre has been raised by the HC as worthy of investment and expansion to compliment any such investment programme.</p>			
Action	Who is responsible	Next Review	Update
HLH CEO to raise funding issue with Senior THC Officials (CEO) and elected members.	HLH Chief Executive and THC's ECO Resources and Finance	No further progress expected until any projects are approved for funding by THC as part of the ODP/HIP or within a review of the wider capital programme.	Capital Investment opportunities to be considered within the ODP/HIP by the HC. HLH continue to press for funding

Risk No:	Risk Score:	Owned By:	Last review date:
HLH02	6 C:2	Executive	22-Jul-24
Risk Description:			
Recruitment and retention issues			
Background There is a risk that a lack of available suitably qualified staff, or vacancies not being attractive to potential employees could lead to recruitment and retention issues impacting on service delivery			
Summary of operational position			
<ul style="list-style-type: none"> • Where operationally possible covering vacancies through redeployment of staff • Proactive advertising campaign to keep the vacancies visible to perspective employees • Consolidation of programmes and classes to prevent duplication and also ensure capacity of classes is maintained • Continuation of online classes where available • Status Review Group to monitor and report on vacancy issues • Operational staff to be reminded to report any vacancy issues within risk register discussions at management mtgs <p>HLH is currently managing to recruit to the majority of vacancies along with this risk via the SRG route and any concerns will be raised within future HR reports.</p>			
Action	Who is responsible	Next Review	Update
Ongoing	HLH Chief Executive	F&A Committee	Situation continues to be monitored via the HLH SRG with no issues currently being highlighted for concern. Head of Investement and Programme Managment to continue to discuss the risks at management meetings and attend SRG if required.

Risk No:	Risk Score:	Owned By:	Last review date:
HLH02	6 B:2	Executive	22-Jul-24
Risk Description:			
Seasonal Recruitment and retention issues			
<p>Background</p> <p>There is a risk that a lack of available suitably qualified staff, or vacancies not being attractive to potential employees could lead to recruitment and retention issues impacting on service delivery</p>			
Summary of operational position			
<ul style="list-style-type: none"> • Where operationally possible covering vacancies through redeployment of staff • Proactive advertising campaign to keep the vacancies visible to perspective employees • Consolidation of programmes and classes to prevent duplication and also ensure capacity of classes is maintained • Continuation of online classes where available • Status Review Group to monitor and report on vacancy issues • Consideration of covering vacancies through redeployment of staff • Proactive advertising campaign to keep the vacancies visible to perspective employees. • Investigation into the possibility of year round opening to make posts more attractive also under consideration. However, this requires additional capital and revenue investment to make some sites more attractive and viable. For instance, the BNVC is being considered by the HC as a possible motor home parking facility. This might allow for a permanent post to be established year round, but discussions are still in the early stages. • Risk profile raised from C:2 to B:2 • Utilisation of agency staff also being considered at the BNVC as a number of interview candidates, specifically in the Lochaber area, are simply not turning up for interviews, HLH is currently managing to recruit to the majority of vacancies, along with this risk via the SRG route and any concerns will be raised within future HR reports. <p>HLH are engaging with Agency recruitment firms as a possible source for candidates to fill vacancies. However, managers must be aware of the risk associated with this and to ensure that contracted staff are not impacted or affected though the possibility of agency staff not fully engaging with the HLH 'i-care' principals or having that same sense of corporate identity or ownership due to the nature of temporary agency staff assistance. Any instances of this should be raised immediately through the chain of command.</p>			
Action	Who is responsible	Next Review	Update
Ongoing	HLH Chief Executive	F&A Committee	<p>Situation continues to be monitored via the HLH SRG with no issues currently being highlighted for concern. Head of Investment and Programme Management to continue to discuss the risks at management meetings and attend SRG if required.</p>

Risk No:	Risk Score:	Owned By:	Last review date:
HLH06	6 C:2	Executive	22-Jul-24
Risk Description:			
Non achievement of income and expenditure targets			
Background			
Non-achievement of income and expenditure targets and failure to control expenditure to achieve revised targets leading to an inability to deliver the service delivery contract. Aggressive targets mean a greater requirement for scrutiny. The introduction by THC of lets fees, without consultation, for HLH usage of THC facilities could lead to a request for a major budget pressure or the cancellation of large elements of our programme for future FYs.			
Summary of operational position			
<ul style="list-style-type: none"> • Creation of the performance board with formal budget savings and targets reviewed monthly • Weekly monitoring by the Executive Team • Financial scenario planning continually reviewed. • Financial budget setting process commencing Jul 24 for FY25/26 • Open-book arrangement with THC to provide due diligence with regards to ongoing solvency support. • Scrutiny by Finance and Audit Committee quarterly • Finance reports to HLH Board quarterly • Controls carefully monitored with negative variance to budget mitigated by ongoing optimisation of income and cost controls, with ongoing solvency achieved through financial support from THC. • Forecast is to achieve budget 			
Action	Who is responsible	Next Review	Update
Close monitoring of all budgets remains in place with the Head of finance monitoring through the performance board mtgs.	HLH Chief Executive	F&A Committee	Performance board and executive team continue to closely monitor I&E accounts. CEO and Head Of Finance to meet with Directors to commence the process of review and setting of budgets for FY 25/26 with a greater focus being on budget versus actual spend, to help prevent any overspends against agreed budgets going forward.

Risk No:	Risk Score:	Owned By:	Last review date:
HLH07A	4 B:2	Executive	22-Jul-24
Risk Description:			
Operating issues linked with the implementation of the new HC/HLH Finance System. This does not affect the completion of the 2023/24 financial statements and associated legal reporting timescales.			
Background			
A new short term risk has been identified with the implementation of the new HC/HLH Finance system which whilst operating correctly, it is not yet fully functional, resulting in an inability to run accurate financial reports			
Summary of operational position			
<ul style="list-style-type: none"> • There is delay in the implantation of the reporting function of the new financial system however critical functions are operational with no issues affecting legal compliance. • Operational staff along with finance team maintaining internal financial spreadhseets for monitoring and reporting purposes. 			
Action	Who is responsible	Next Review	Update
Currently working with the HC to resolve the issues	HLH Chief Executive	Feb F&A Committee	Ongoing

Risk No:	Risk Score:	Owned By:	Last review date:
HLH09	4 C:2	Executive	22-Jul-24
Risk Description:			
Service Delivery Contract (SDC) not fully understood, or amended by THC, without HLH agreement, as THC corporate memory can be lost over time			
Background			
<ul style="list-style-type: none"> The Director of Corporate Performance will be the main point of contact with THC to ensure continuity throughout the process and draw on previous experience of SDC negotiations. A joint HLH officer / board member group has been established to provide guidance and oversight to the review. The first meeting of this group took place on 15 May 2023. A temporary reallocation of certain line management responsibilities from the Director to the Chief Executive have been made to provide capacity for the negotiations Guidance will be sought from HLH legal team as and when necessary throughout the proceedings to ensure that the proposals align with a sustainable future for the charity HLH / Chair CEO will continue to brief the HLH Boards and F&A Committee throughout the process 			
Summary of operational position			
SDC board meeting regularly to progress the following project deliverables:			
1 - Capital investment/spend to save/ asset rationalisation - Remitted to ODP/Highland Investment Programme (HIP) May 2024			
2 - Options for Tain/TRACC - COMPLETED – implementation remitted to the Operational Delivery Plan (ODP)			
3 - Placed based planning - COMPLETED			
4 - Settlement agreement COMPLETED – requires formalisation			
5 - Public Service Obligations review - COMPLETED subject to THC/HLH board approval			
6. Community Learning and Development – establishment of working group to support the transfer of the CLD team from HLH to THC – ToR and outline workplan for next SDC board meeting (July)			
Action	Who is responsible	Next Review	Update
TRACC stakeholder mtg date yet to be confirmed by the HC	HLH Chief Executive	F&A Committee	SDC Board well underway and progressing the project plan. Outcome from Tian and TRACC sought and awaited from the HC

Risk No:	Risk Score:	Owned By:	Last review date:
HLH16	2 A:2	Executive	22-Jul-24
Risk Description:			
<p>HLH Catering sites - HLH Catering sites – financial recovery does not materialise. There is a risk that catering sites, currently on a process of operational and financial recovery, are unable to recover the business to such an extent as generating a profitable position. Sites operate at a financial loss with little, or no possibility of recovery plans yielding results.</p>			
Background			
<ul style="list-style-type: none"> • Despite a number of interventions, HLH had a number of catering sites which were simply failing to achieve income targets. • There were a number of integrated reasons from post pandemic customer base not returning through to the difficulty to employ/retain suitable staff. • Financial and operational modelling continued to be carried out • Close monitoring and reporting on loss making sites focussing on their operating deficit was maintained • Operating hours and/or model adjusted accordingly to reduce/minimise impact of losses also took place • Catering sites are in the process of being managed within their adjacent respective facility rather than centrally 			
Summary of operational position			
<ul style="list-style-type: none"> • Capital investments have been completed at both the Botanic and HFM Cafes. • Site operational catering improvement plans inc. the walk the counter checklists for staff and review of menu designs adopted. • IBG staff training and review of roles and responsibilities completed • Wider IBG workstream adopted to provide business improvement and ensure full realisation of the recent investment • IBG catering price review completed and increases incorporated • HLH17 risk now incorporated into this risk to be managed as an operational deliverable and reviewed at the end of Q2 			
Action	Who is responsible	Next Review	Update
	HLH Chief Executive	F&A Committee	<p>Close budget monitoring and reporting on financial positions remain in place, to assist with brining the operating deficit down and strengthen the operational and financial viability of these sites. Q1 and Q2 returns should provide suitable evidence to enable any further corrective or supportive action to be taken, to enable the sites to become viable, or help inform alternative commercial operating models to be considered, including the development of further exit strategies.</p>

Risk No:	Risk Score:	Owned By:	Last review date:
HLH24A	4 B:2	Trading Company	22-Jul-24
Risk Description:			
Risk of operational budgets or Operational Management / funding agreements for LUF/Castle projects not being acceptable to HLH or the HC			
<p>Background</p> <ul style="list-style-type: none"> • Financial and operational modelling being carried out by Head of Levelling Up Fund Projects • Operational and management agreements being created by Head of Levelling Up Fund Projects • Operational and management agreements for the castle being developed by the Director of Castle and Events - clarity of the proposal for investing the profit from this site still under review and could impact future HLH Budget settlement agreements. 			
Summary of operational position			
Operational agreements and budgets currently being scoped out by the Director of Castle and Events and the Head of Levelling up Fund Projects with input from the operational teams. The situation is complex, hence the increased risk at this early stage, due to a number of end users and their associated aspirations for their use of the facilities, which HLH will need to accommodate and align with where possible but at nil cost to HLH or the HC. End game is to prevent the adoption of a management agreement situation which is not workable or costs HLH / THC			
Action	Who is responsible	Next Review	Update
	HLH Chief Executive	Feb F&A Committee	Ongoing development of proposed plans and operational agreements and budgets

High Life Highland - Combined Charity and Trading Company Business Critical Risk Register - Removed Risks

Risk No	Risk title - Purple tag highlights possible impact / relevance to the Trading Company	Date Removed
HLH05	Poor and or ineffective working relationship between the Council and HLH. There is a risk that due to the ongoing economic challenges facing the HC and HLH that this could lead to poor and or ineffective working relationships between the HC and HLH	15 May 24 post F&A Mtg request to amalgamate HC relationship risks so new risk HLH26 created to cover this
HLH06A	The impact of the additional cost to fund the COSLA negotiated pay award without Council support risks pushing the charity into a negative arrears situation in the next FY without any written guarantee that the HC will cover this gap	19 Jan 23 - Removed due to being overtaken by events and covered under the overarching budget discussions/SDC review
HLH 07	Failure to implement THC ICT Transformation Project leading to system failures and lack of corporate competitiveness	May 24 - F&A Cttee
HLH08	Specific Council decisions impact on HLH There is a risk that the HC takes decisions without consultation or agreement with HLH leading to operational restrictions	15 May 24 post F&A Mtg request to amalgamate HC relationship risks so new risk HLH26 created to cover this
HLH12	THC savings consultation process leaves HLH vulnerable to criticism There is a risk that the HC savings process leaves HLH vulnerable to criticism should service delivery have to be reduced	15 May 24 post F&A Mtg request to amalgamate HC relationship risks so new risk HLH26 created to cover this
HLH13	Reliance on individual suppliers/contracts There is a risk that the charity relies on individual suppliers / contracts leading to lack of competitive alternatives or in some cases a lack of supply of any particular service or item	Removed for May 23 F&A Cttee - risk now an operational day to day requirement with regards to engaging with alternative suppliers
HLH14	War in Ukraine - Impact on service delivery / operations	Nov-22

Risk No	Risk title - Purple tag highlights possible impact / relevance to the Trading Company	Date Removed
HLH17	HLH Catering strategy is not achieved	May - 24 combined with HLH016
HLH21	Poor project planning and management (see Corporate Programme Update) There is a risk that in a bid to push projects on, that poor planning or poor project management leads to delivery or quality control issues.	Removed for May 23 F&A Cttee - risk now an operational day to day requirement and mitigated via the Programme Board Governance
HLH26	Deposit Return Scheme - Delayed now until Oct 2025	Aug 23 F&A Cttee

High Life Highland - Combined Charity and Trading Company Business Critical Risk Register

Risk No	Risk Management Plan in place Yes / No	Risk Identification title - Purple tag within the risk number column highlights possible impact / relevance to the Trading Company as well as the main charity	Risk Category	Description of the Risk cause / trigger	Consequences	Pre-mitigated Likelihood	Pre-mitigated Impact	Mitigations	Post -mitigated Likelihood	Post-mitigated Impact	Risk Management Score	Risk Score Change Since Last Review - The lower the score the higher the risk	Risk Owner/Role	Risk Management Plan in place Yes / No	Risk No
HLH01	Yes	Impact of HLH Capital Programme/lack of investment allocation for HLH Estate and reducing HC maintenance budgets. There is a risk that the absence of funding for HLH facilities within the HC Capital Programme will lead to a prolonged lack of investment leading to facility decline, poor customer experience and lack of ability to increase memberships and prohibit growth	Delivery Partner Risk	Financial modelling demonstrates a consistent lack of growth and or building fails leading to a withdrawal of service	Inability to grow and meet income targets, could also lead to a reduction in services, or closure of facilities	1 - (A) Very High	1 - Critical	External grant funding will continue to be sought to complement other funding sources such as planning gain and smaller sports/scotland funding streams. Outline business cases, for HLH Projects were submitted but were not supported within the approved capital programme. The HC capital programme review took place on 14 Sep 23, with the outcome being that the funding for Inverness Leisure improvements and expansion being removed and funding for the wider HLH estate was set for 24/25, 25/26, & 26/27 at £272k reducing to £271k for 27/28 and 28/29. Investment opportunities along with spend to save measures around placed based planning presented within the SDC review Board Mtgs, for THC consideration.	1 - (A) Very High	2 - Major Impact	2.00	➡	SMT - SW	Yes	HLH01
HLH02	Yes	Recruitment and retention issues There is a risk that a lack of available suitably qualified staff, or vacancies not being attractive to potential employees could lead to recruitment and retention issues impacting on service delivery	Human resource - Capacity, Recruitment etc.	Recruitment and retention issues due to a lack of suitably qualified staff available to recruit and or HLH vacancies not being attractive enough to potential employees impacting on operational capabilities.	Insufficient staff numbers to safely operate HLH facilities; cancellations of HL cards; negative publicity; unable to deliver the SDC for THC	1 - (A) Very High	1 - Critical	Consideration of covering vacancies through redeployment of staff Proactive advertising campaign to keep the vacancies visible to perspective employees Consolidation of programmes and classes to prevent duplication and also ensure capacity of classes is maintained Continuation of on line classes where available Staff hourly rates to be continually monitored and reported against market rates	3 - (C) - Significant	2 - Major Impact	6.00	➡	SMT - DW	Yes	HLH02
HLH02A	Yes	Seasonal Recruitment and retention issues specifically related to trading company activities which could lead to recruitment and retention issues impacting on service delivery and income generation	Human resource - Capacity, Recruitment etc.	Difficulty recruiting within seasonal periods due to fluidity of the market place and other employers paying increased rates.	Insufficient staff numbers to safely operate HLH trading company facilities;	2 - (B) - High	2 - Major Impact	Consideration of covering vacancies through redeployment of staff Proactive advertising campaign to keep the vacancies visible to perspective employees. Investigation into the possibility of year round opening to make posts more attractive also under consideration. However, this requires additional capital and revenue investment to make some sites more attractive and viable. For instance, the BNVC is being considered by the HC as a possible motor home parking facility. This might allow for a permanent post to be established year round, but discussions are still in the early stages. Utilising agency staff is also being considered for the BNVC. HLH recently adopted the use of an on-line application form, to streamline the process too.	2 - (B) - High	2 - Major Impact	4.00	➡	SMT - DW	Yes	HLH02A
HLH03	No	Major external issues affecting HLH's ability to deliver services e.g. pandemic, environmental, cyber attack, terrorist incident, lack of external contractors or specialists - there is a risk that any major external issue such as a pandemic, cyber attack or terrorist incident could affect HLH's ability to deliver services	Environment	Performance reporting identifies that an external restriction has led to an uncontrollable Loss of customers/ members or availability of HLH staff Ultimately jeopardising the financial model and sustainability of the charity in its current form.	Reduction in income that undermines the financial viability of the company	3 - (C) - Significant	1 - Critical	Learning on experience and lessons identified from previous issues. Continual improvement process embedded within the charity to provide an agile and reactive and pro active team best placed to take on the challenges. Completion of phishing email tests and training processes now implemented to minimise the cyber threat.	4 - (D) - Low	2 - Major Impact	8.00	➡	Board/SMT - SW	No	HLH03
HLH04	No	Changes to the political landscape There is a risk that changes to the political landscape leads to loss of corporate knowledge with the knock on effect resulting in a lack of understanding of HLH and the agreements in place governing the respective roles within the HC and HLH	Geopolitical, Environmental or Economic Shock	The political direction changes towards HLH demonstrating the lack of understanding/ agreement on respective roles of HC/HLH due to loss of corporate knowledge	Missed opportunity for service development / improvement	1 - (A) Very High	1 - Critical	CEO represents HLH at the Education Committee sub-group, maintain HLH profile with elected members and wider political audience. HLH staff regularly liaise with HC counterparts to maintain lines of communication and try to maintain HC corporate knowledge	4 - (D) - Low	2 - Major Impact	8.00	➡	Board/SMT - SW	No	HLH04
HLH07A	No	A new short term risk has been identified with the implementation of the new HC/HLH Finance system. It is operationally functional but the management and reporting systems have yet to be implemented reports.	Information Technology & Infrastructure	HLH temporarily unable to create budget monitoring reports. Operating issues linked with the implementation of the new HC/HLH Finance System. This does not affect the completion of the 2023/24 financial statements and associated legal reporting timescales.	The budget monitoring process will be delayed.	2 - (B) - High	3 - Minor Impact	Budget holders have been advised of the delay and will undertake two months monitoring when the system goes live and have been instructed to maintain normal budget controls. No separate HLH Risk Management plan required other than the actions noted under Mitigations. THC has a specific project risk register in place.	3 - (C) - Significant	3 - Minor Impact	9.00	➡	SMT - DW	No	HLH07A
HLH06	Yes	Non achievement of income and expenditure targets There is a risk that due to the slower than anticipated return to membership numbers aligned with extremely tight savings targets, that income and expenditure targets will not be achieved leading to a greater than anticipated affordability gap within the financial plan	Operations	Financial reporting demonstrates early and continuous indications of failing to control expenditure and to achieve income targets predicting an unacceptable year end bottom line	Inability to meet income targets, could lead to a reduction in services, closure of facilities and redundancies	1 - (A) Very High	1 - Critical	Governance provided through Creation of the performance board, Weekly monitoring by the Executive Team. Monthly budget monitoring process Scrutiny by Finance and Audit Committee Finance reports to HLH Board.	3 - (C) - Significant	2 - Major Impact	6.00	➡	SMT - SW	Yes	HLH06
HLH06B	Yes	Loss of charitable status by virtue of HLH not being deemed to be an 'Arms Length' Organisation	Compliance	Due to the necessary use of HLH reserves to bridge financial gaps for in-year deficits, there are risks associated with HLH being unable to function as an independent charity, with an over reliance on the Highland Council for funding support. This reduces the financial management governance of the HLH Board and jeopardises the very nature of being 'arms-length'. HLH reserves drop to zero limiting the Board's power to financially manage and govern HLH independently of the HC.	The consequences would be an over reliance on HC funding and a danger of unacceptable levels of influence and management by the HC jeopardising our OSCR requirements. Ultimately, this could lead to the Charity being 'wound-up' due to the unacceptable level of Personal and Professional risks to the HLH Board of directors.	1 - (A) Very High	1 - Critical	Ongoing open and frank dialogue between the HLH Board, HLH Executive team and the HC Senior leadership team, whilst ensuring that the HC Administration and Local Councilors are fully sighted on this risk. It is essential that there is clarity regarding independent Board decision making and when joint working with the HC is required, to preserve the arm's length agreement and operating requirements it should be noted however, that operational autonomy remains intact with no HC interference on the day-to-day running of HLH services. The adopted and agreed HLH budget sets out a clear 3-year roadmap to get HLH on a sustainable footing, including the provision of growing a 'reserves-pot'. However, agreements need to be in place to ensure that these are retained By HLH at the FY close and not simply used to reduce any wider HLH budget gaps.	4 - (D) - Low	1 - Critical	4.00	➡	Board/SMT - SW	Yes	HLH06B
HLH09	Yes	SDC negotiations develop and or conclude, leading to unacceptable operational and organisational changes to the Service Delivery obligations of the Charity	External Stakeholder Management	Lack of HC Corporate knowledge of the SDC could lead to amendments proposed and or made without approval by the HLH Board	Major Financial/operational and PR consequences affecting the 'going concern' of the charity	1 - (A) Very High	1 - Critical	Ensure close liaison with HLH SMT and HC Staff - Early engagement by HLH to help shape and inform the renegotiations	2 - (B) - High	2 - Major Impact	4.00	➡	SMT - SW	Yes	HLH09
HLH10	No	Over reaching/over commitment There is a risk that in an attempt to get back to 'business as usual' or pre pandemic operational numbers that we over reach or over commit, placing an unacceptable workload on our staff	Human resource - Capacity, Recruitment etc.	Failure to deliver significant projects/events and pressure on central/ operational services	Staff stress, missed deadlines, possible loss of revenue or risk of accidents/incidents	2 - (B) - High	2 - Major Impact	Engage in early strategic planning of ICT systems and management arrangements with the HC and undertake extensive stakeholder engagement	4 - (D) - Low	2 - Major Impact	8.00	➡	SMT - SW	No	HLH10
HLH24A	Yes	Risk of operational budgets or Operational Management / funding agreements for LUF/Caste projects not being acceptable to HLH or the HC	Operations	Unable to agree acceptable operating and funding agreements prior to recruitment and the opening of facilities	Business context - risk of financial exposure, loss of reputation damaging PR with partner organisations	2 - (B) - High	2 - Major Impact	Operational agreements and budgets currently being scoped out by the Director of Castle and Events and the Head of Levelling up Fund Projects with input from the operational teams. The situation is complex, hence the increased risk at this early stage, due to a number of end users and their associated aspirations for their use of the facilities, which HLH will need to accommodate and align with where possible but at nil cost to HLH or the HC. End game is to prevent the adoption of a management agreements which are not workable or which cost HLH / THC	2 - (B) - High	2 - Major Impact	4.00	⬇	Board/SMT - SW	Yes	HLH24A
HLH11	No	Insufficient succession planning There is a risk that the charity does not provide suitable arrangements for succession planning	Business Continuity & Disaster Recovery	Inability to appoint any gaps in the management team	Temporary loss of efficiency	3 - (C) - Significant	1 - Critical	Horizon scanning for business critical appointments, in house training of staff for development and advancement opportunities to try and avoid single points of failure	4 - (D) - Low	2 - Major Impact	8.00	➡	SMT - SW	No	HLH11

Risk No	Risk Management Plan in place Yes / No	Risk Identification title - Purple tag within the risk number column highlights possible impact / relevance to the Trading Company as well as the main charity	Risk Category	Description of the Risk cause / trigger	Consequences	Pre-mitigated Likelihood	Pre-mitigated Impact	Mitigations	Post-mitigated Likelihood	Post-mitigated Impact	Risk Management Score	Risk Score Change Since Last Review - The lower the score the higher the risk	Risk Owner/Role	Risk Management Plan in place Yes / No	Risk No
HLH15	No	Uncertainty of economic climate and cost of living increases There is a risk that the uncertainty of the economic climate and increase in cost of living leads to difficult circumstances for the charity and its staff	Geopolitical, Environmental or Economic Shock	Disruption to service delivery due to costs of products/services without additional financial assistance from the HC	Inability to deliver the SDC for the HC - Costs create an unacceptable additional budget pressure	3 - (C) - Significant	2 - Major Impact	Factor in potential restrictions within operational plans if appropriate or necessary/look for alternative suppliers or products	3 - (C) - Significant	3 - Minor Impact	9.00	➔	Board/SMT - SW	No	HLH15
HLH16	Yes	HLH Catering sites - financial losses become unsustainable There is a risk that sites which currently operate at a financial loss become financially unsustainable, despite the adoption of a new catering strategy and capital investment.	Operations	sites continue to operate at a loss without a realistic possibility of this situation improving	Continuation of this becomes financially unsustainable - Facilities cease to trade leading to poor reputational damage to the charity	2 - (B) - High	2 - Major Impact	Close budget monitoring and reporting on financial positions remain in place, to assist with brining the operating deficit down and strengthen the operational and financial viability of these sites. Q1 and Q2 returns should provide suitable evidence to enable any further corrective or supportive action to be taken, to enable the sites to become viable, or help inform alternative commercial operating models to be considered, including the development of further exit strategies.	1 - (A) Very High	2 - Major Impact	2.00	➔	TRADING COMP - SW	Yes	HLH16
HLH18	No	Poor or ineffective working relationship between the HLH Board and ELT There is a risk of poor or ineffective working relationships between the HLH Board and the HLH ELT	Delivery Partner Risk	Lack of partnership approach	Ineffective strategic management of HLH	5 - (E) - Very Low	1 - Critical	Ensure close liaison with HLH Board and HLH SMT, and provide accurate and timely reporting on operations and governance	5 - (E) - Very Low	2 - Major Impact	10.00	➔	SMT - SW	No	HLH18
HLH26	No	There is a risk to the company from the current proposal by the Scottish Government for the early introduction of the Deposit Return Scheme for drinks bottles etc. (DRS)	Regulatory	With the early introduction of the DRS there is a responsibility placed upon the retailer to provide services for both the introduction of the charges but also the reimbursement of those returning bottles etc. There is also a need for the setting up of a safe, secure and compliant storage facility for returned items prior to their collection	There is a real danger that this scheme is introduced without all of the details fully thought out by the SG. HLH may have to refund many items for which it didn't ultimately sell and this could place a financial burden on the accounts until such time as a refund was provided. Additionally, the staff time required to be available for refunds and sorting out the recycling could require additional funding placing a further financial burden on the Charity	1 - (A) Very High	2 - Major Impact	The HOS for commercial operations is leading on the integration of this scheme to coordinate all HLH inputs for our sites. The HOS is also reviewing the guidance to see if HLH can apply for an exemption the scheme. Retailers are also lobbying the SG to delay this scheme further until all of the infrastructure can be put in place.	3 - (C) - Significant	3 - (C) - Significant	9.00	➔	TRADING COMP - SW	No	HLH26
HLH19	No	Ineffective governance of HLH by the Board There is a risk of ineffective governance of HLH by the HLH Board	Poor Governance	Failure to establish effective code of corporate governance	Financial insolvency and delivery of CLL services reverts to the Council	5 - (E) - Very Low	1 - Critical	Ensure close liaison with HLH Board and HLH SMT, and provide accurate and timely reporting on operations and governance	5 - (E) - Very Low	2 - Major Impact	10.00	➔	Board/SMT - SW	No	HLH19
HLH20	No	Major H&S Breach	Health & Safety - Personnel and Public safety	Failure of health and safety systems or lack of adherence to them leading to a H&S breach	Reputational damage and/or prosecution/fine.	4 - (D) - Low	1 - Critical	Governance provided by the HSECC Committee, Specialist H&S advisors employed by HLH	4 - (D) - Low	2 - Major Impact	8.00	➔	SMT - DW	No	HLH20
HLH22	No	Breakdown in employee relations There is a risk especially within the current economic climate that there is a breakdown in employee relationships	Operations	Industrial action, increase in grievances, increase in staff absences	Major financial and reputational damage Staff stress, missed deadlines, possible loss of revenue or risk of accidents/incidents	5 - (E) - Very Low	1 - Critical	Governance provided through Corporate Services and Close liaison between staff consultative groups and recognised unions	5 - (E) - Very Low	2 - Major Impact	10.00	➔	SMT - DW	No	HLH22
HLH23	No	Donations - strategy fails to deliver anticipated income There is a risk that the donations strategy fails to deliver the anticipated income	Operations	Cost of living increases lead to lack of or reduction in donations income	Tap to donate and cash donations fail to meet income targets	2 - (B) - High	2 - Major Impact	Donations Working Group led jointly by SW & Alan H in place. Weekly monitoring by the Executive Team Monthly budget monitoring process Scrutiny by Trading Company, Finance and Audit Committee, Finance reports to HLH Board	4 - (D) - Low	3 - Minor Impact	12.00	➔	TRADING COMP - SW	No	HLH23
HLH24	N/A	Castle and Levelling Up Fund construction and project risks currently managed within the respective project risk registers.	Operations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	HLH24
HLH24A	Yes	Risk of operational budgets or Operational Management / funding agreements for LUF/Castle projects not being acceptable to HLH or the HC	Operations	Unable to agree acceptable operating and funding agreements prior to recruitment and the opening of facilities	Business context - risk of financial exposure, loss of reputation damaging PR with partner organisations	2 - (B) - High	2 - Major Impact	Operational agreements and budgets currently being scoped out by the Dir Castle and Events and the Head of Levelling up Projects with input from the operational teams. The situation is complex, hence the increased risk at this early stage, due to a number of end users and their associated aspirations for their use of the facilities, which HLH will need to accommodate and align with, where possible, but at nil cost to HLH or the HC	2 - (B) - High	2 - Major Impact	4.00	➔	Board/SMT - SW	Yes	HLH24A
HLH25	No	There is a risk to the company that could arise from social concern about our operations affecting the environment and or risk of damage to ecosystems or public health arising from some man-made environmental offence or breach of environmental regulations such as a major chemical spill.	Environment	HLH breaches environmental policies and or has operations hampered by local activists protesting about our operations linking them to an environmental issue	Business context - risk of financial exposure, loss of reputation Environmental context - risk of adverse impact on the natural environment or public health	5 - (E) - Very Low	1 - Critical	Governance provided by the HSECC Committee, Specialist H&S advisors employed by HLH	5 - (E) - Very Low	2 - Major Impact	10.00	➔	SMT - JWM	No	HLH25
HLH26	No	New amalgamated risk of HLH05, 08 and 12. Poor and or ineffective working relationships develop between the Council and HLH. There is a risk that due to the ongoing economic challenges facing the HC and HLH that numerous internal or external influential elements could lead to poor and or ineffective working relationships between the HC and HLH.	Delivery Partner Risk	Lack of partnership approach coupled with the need to maintain the difficult balance of the political direction/needs with the operational deliverables within a reduced financial climate could raise the possibility of THC working in isolation without consulting HLH whilst taking decisions	Missed opportunity for service development / improvement	3 - (C) - Significant	1 - Critical	Maintain close liaison between the board, HLH officers and HC Staff	4 - (D) - Low	2 - Major Impact	8.00	➔	Board/SMT - SW	No	HLH26

Risk No	Risk Management Plan in place Yes / No	Risk Identification title - Purple tag within the risk number column highlights possible impact / relevance to the Trading Company as well as the main charity	Risk Category	Description of the Risk cause / trigger	Consequences	Pre-mitigated Likelihood	Pre-mitigated Impact	Mitigations	Post -mitigated Likelihood	Post-mitigated Impact	Risk Management Score	Risk Score Change Since Last Review - The lower the score the higher the risk	Risk Owner/Role	Risk Management Plan in place Yes / No	Risk No
HLH01	Yes	Impact of HLH Capital Programme/lack of investment allocation for HLH Estate and reducing HC maintenance budgets. There is a risk that the absence of funding for HLH facilities within the HC Capital Programme will lead to a prolonged lack of investment leading to facility decline, poor customer experience and lack of ability to increase memberships and prohibit growth	Delivery Partner Risk	Financial modelling demonstrates a consistent lack of growth and or building fails leading to a withdrawal of service	Inability to grow and meet income targets, could also lead to a reduction in services, or closure of facilities	1 - (A) Very High	1 - Critical	External grant funding will continue to be sought to complement other funding sources such as planning gain and smaller sports/Scotland funding streams. Outline business cases, for HLH Projects were submitted but were not supported within the approved capital programme. The HC capital programme review took place on 14 Sep 23, with the outcome being that the funding for Inverness Leisure improvements and expansion being removed and funding for the wider HLH estate was set for 24/25, 25/26, & 26/27 at £272k reducing to £271k for 27/28 and 28/29. Investment opportunities presented within the SDC review Board Mtgs for HC consideration.	1 - (A) Very High	2 - Major Impact	2.00	➔	SMT - SW	Yes	HLH01
HLH02	Yes	Recruitment and retention issues There is a risk that a lack of available suitably qualified staff, or vacancies not being attractive to potential employees could lead to recruitment and retention issues impacting on service delivery	Human resource - Capacity, Recruitment etc.	Recruitment and retention issues due to a lack of suitably qualified staff available to recruit and or HLH vacancies not being attractive enough to potential employees impacting on operational capabilities.	Insufficient staff numbers to safely operate HLH facilities; cancellations of HL cards; negative publicity; unable to deliver the SDC for THC	1 - (A) Very High	1 - Critical	Consideration of covering vacancies through redeployment of staff Proactive advertising campaign to keep the vacancies visible to perspective employees Consolidation of programmes and classes to prevent duplication and also ensure capacity of classes is maintained Continuation of on line classes where available Staff hourly rates to be continually monitored and reported against market rates	3 - (C) - Significant	2 - Major Impact	6.00	➔	SMT - DW	Yes	HLH02
HLH02A	Yes	Seasonal Recruitment and retention issues specifically related to trading company activities which could lead to recruitment and retention issues impacting on service delivery and income generation	Human resource - Capacity, Recruitment etc.	Difficulty recruiting within seasonal periods due to fluidity of the market place and other employers paying increased rates.	Insufficient staff numbers to safely operate HLH trading company facilities;	2 - (B) - High	2 - Major Impact	Consideration of covering vacancies through redeployment of staff Proactive advertising campaign to keep the vacancies visible to perspective employees	3 - (C) - Significant	2 - Major Impact	6.00	➔	SMT - DW	Yes	HLH02A
HLH05	Yes	Poor and or ineffective working relationship between the Council and HLH. There is a risk that due to the ongoing economic challenges facing the HC and HLH that this could lead to poor and or ineffective working relationships between the HC and HLH	Delivery Partner Risk	Lack of partnership approach demonstrated by the HC, coupled with the change in their senior leadership - possibility of THC working in isolation without consulting HLH whilst taking decisions	Missed opportunity for service development / improvement	1 - (A) Very High	1 - Critical	Maintain close liaison between the board and HC Staff	2 - (B) - High	1 - Critical	2.00	➔	Board/SMT - SW	Yes	HLH05
HLH06	Yes	Non achievement of income and expenditure targets There is a risk that due to the slower than anticipated return to membership numbers aligned with extremely tight savings targets, that income and expenditure targets will not be achieved leading to a greater than anticipated affordability gap within the financial plan	Operations	Financial reporting demonstrates early and continuing indications of failing to control expenditure and to achieve income targets predicting an unacceptable year end bottom line	Inability to meet income targets, could lead to a reduction in services, closure of facilities and redundancies	1 - (A) Very High	1 - Critical	Governance provided through Creation of the performance board, Weekly monitoring by the Executive Team. Monthly budget monitoring process Scrutiny by Finance and Audit Committee Finance reports to HLH Board and detailed engagement with the Council at Officer level ahead of the Council setting its budget on 2 March 2023.	3 - (C) - Significant	2 - Major Impact	6.00	➔	SMT - SW	Yes	HLH06
HLH06B	Yes	New Risk - 30 Nov 22 - Due to the necessary use of HLH reserves to bridge financial gaps for in-year deficits, there are risks associated with HLH being unable to function as an independent charity, with an over reliance on the Highland Council for funding support. This reduces the financial management governance of the HLH Board and jeopardises the very nature of being 'arms-length'.	Poor Governance	HLH reserves drop to zero limiting the Board's power to financially manage and govern HLH independently of the HC.	The consequences would be an over reliance on HC funding and a danger of unacceptable levels of influence and management by the HC jeopardising our OSCAR requirements. Ultimately, this could lead to the Charity being 'wound-up' due to the unacceptable level of Personal and Professional risks to the HLH Board of directors.	1 - (A) Very High	1 - Critical	Ongoing open and frank dialogue between the HLH Board, HLH Executive team and the HC Senior leadership team, whilst ensuring that the HC Administration and Local Councillors are fully sighted on this risk. It is essential that there is clarity regarding independent Board decision making and when joint working with the HC is required, so as to preserve the arms length agreement and operating requirements.	2 - (B) - High	2 - Major Impact	4.00	➔	Board/SMT - SW	Yes	HLH06B
HLH07	Yes	Failure to implement THC ICT Transformation Project leading to system failures and lack of corporate competitiveness There is a risk that failing to implement THC ICT transformation project leads to system failures and a lack of corporate competitiveness	Information Technology & Infrastructure	HLH unable to deliver service ambitions HLH limited to THC ICT systems, contracts and associated costs leading to Reputational damage for HLH	Slow response to operational needs, lack of product development for online delivery leading to miss opportunities to grow the business and make it more efficient through automated systems ultimately leading to a lack of corporate competitiveness	3 - (C) - Significant	1 - Critical	Horizon scanning for business critical appointments, in house training of staff for development and advancement opportunities to try and avoid single points of failure	2 - (B) - High	3 - Minor Impact	6.00	➔	SMT - DW	Yes	HLH07
HLH08	Yes	Specific Council decisions impact on HLH There is a risk that the HC takes decisions without consultation or agreement with HLH leading to operational restrictions	Delivery Partner Risk	HC announces decisions which restricts HLH operations	Missed opportunity for prioritisation, could also lead to the closure of facilities and redundancies	1 - (A) Very High	1 - Critical	Maintain vigilance and try to ensure that HLH is always represented and acknowledged prior to the HC taking decisions that are business critical for HLH operations - RMP part of HLH05	2 - (B) - High	1 - Critical	2.00	➔	SMT - SW	Yes	HLH08
HLH09	Yes	SDC negotiations develop and or conclude, leading to unacceptable operational and organisational changes to the Service Delivery obligations of the Charity	External Stakeholder Management	Lack of HC Corporate knowledge of the SDC could lead to amendments proposed and or made without approval by the HLH Board	Major Financial/operational and PR consequences affecting the 'going concern' of the charity	1 - (A) Very High	1 - Critical	Ensure close liaison with HLH SMT and HC Staff - Early engagement by HLH to help shape and inform the renegotiations	2 - (B) - High	2 - Major Impact	4.00	➔	SMT - SW	Yes	HLH09
HLH12	Yes	THC savings consultation process leaves HLH vulnerable to criticism There is a risk that the HC savings process leaves HLH vulnerable to criticism should service delivery have to be reduced	Reputational Risk	HLH starts to report or identify poor press leading to the Reputation of HLH being affected leading to a lessening of customer support and an associated loss of income.	Reputational damage	1 - (A) Very High	1 - Critical	Early engagement with the HC staff and maintain close liaison throughout the process	3 - (C) - Significant	2 - Major Impact	6.00	➔	SMT - SW	Yes	HLH12
HLH16	Yes	Non income generating catering sites - financial losses become unsustainable There is a risk that sites which currently operate at a financial loss become financially unsustainable	Operations	sites continue to operate at a loss without a realistic possibility of this situation improving	Continuation of this becomes financially unsustainable - Facilities cease to trade leading to poor reputational damage to the charity	2 - (B) - High	2 - Major Impact	Financial and operational modelling to be carried out, close monitoring and reporting on loss making sites focussing on their operating deficit to be maintained with operating hrs and or model adjusted accordingly to reduce impact of losses	1 - (A) Very High	2 - Major Impact	2.00	➔	TRADING COMP - SW	Yes	HLH16
HLH17	Yes	HLH Catering strategy is not achieved There is a risk that the HLH Catering Strategy fails to deliver the anticipated targets leading to increased budget pressures	Operations	Target to break even is not achieved leading to financial losses	ROI in catering not realised creating an additional budget pressure	2 - (B) - High	1 - Critical	Steps already taken to revise the catering strategy and recommendations are being made for HLH (Trading) CIC to consider closure for sites unlikely to make a profit.	2 - (B) - High	2 - Major Impact	4.00	➔	TRADING COMP - SW	Yes	HLH17
HLH03	No	Major external issues affecting HLH's ability to deliver services e.g. pandemic, environmental, cyber attack, terrorist incident, lack of external contractors or specialists - there is a risk that any major external issue such as a pandemic, cyber attack or terrorist incident could affect HLH's ability to deliver services	Environment	Performance reporting identifies that an external restriction has led to an uncontrollable Loss of customers/ members or availability of HLH staff Ultimately jeopardising the financial model and sustainability of the charity in its current form.	Reduction in income that undermines the financial viability of the company	3 - (C) - Significant	1 - Critical	Leaning on experience and lessons identified from previous issues. Continual improvement process embedded within the charity to provide an agile and reactive and pro active team best placed to take on the challenges	4 - (D) - Low	2 - Major Impact	8.00	➔	Board/SMT - SW	No	HLH03
HLH04	No	Changes to the political landscape There is a risk that changes to the political landscape leads to loss of corporate knowledge with the knock on effect resulting in a lack of understanding of HLH and the agreements in place governing the respective roles within the HC and HLH	Geopolitical, Environmental or Economic Shock	The political direction changes towards HLH demonstrating the lack of understanding/ agreement on respective roles of HC/HLH due to loss of corporate knowledge	Missed opportunity for service development / improvement	1 - (A) Very High	1 - Critical	CEO represents HLH at the Education Committee sub-group, maintain HLH profile with elected members and wider political audience. HLH staff regularly liaise with HC counterparts to maintain lines of communication and try to maintain HC corporate knowledge	4 - (D) - Low	2 - Major Impact	8.00	➔	Board/SMT - SW	No	HLH04
HLH10	No	Over reaching/over commitment There is a risk that in an attempt to get back to "business as usual" or pre pandemic operational numbers that we over reach or over commit, placing an unacceptable workload on our staff	Human resource - Capacity, Recruitment etc.	Failure to deliver significant projects/events and pressure on central/ operational services	Staff stress, missed deadlines, possible loss of revenue or risk of accidents/incidents	2 - (B) - High	2 - Major Impact	Engage in early strategic planning of ICT systems and management arrangements with the HC and undertake extensive stakeholder engagement	4 - (D) - Low	2 - Major Impact	8.00	➔	SMT - SW	No	HLH10
HLH11	No	Insufficient succession planning There is a risk that the charity does not provide suitable arrangements for succession planning	Business Continuity & Disaster Recovery	Inability to appoint any gaps in the management team	Temporary loss of efficiency	3 - (C) - Significant	1 - Critical	Horizon scanning for business critical appointments, in house training of staff for development and advancement opportunities to try and avoid single points of failure	4 - (D) - Low	2 - Major Impact	8.00	➔	SMT - SW	No	HLH11
HLH15	No	Uncertainty of economic climate and cost of living increases There is a risk that the uncertainty of the economic climate and increase in cost of living leads to difficult circumstances for the charity and its staff	Geopolitical, Environmental or Economic Shock	Disruption to service delivery due to costs of products/services without additional financial assistance from the HC	Inability to deliver the SDC for the HC - Costs create an unacceptable additional budget pressure	3 - (C) - Significant	2 - Major Impact	Factor in potential restrictions within operational plans if appropriate or necessary/look for alternative suppliers or products	3 - (C) - Significant	3 - Minor Impact	9.00	➔	Board/SMT - SW	No	HLH15
HLH20	No	Major H&S Breach	Health & Safety - Personnel and Public safety	Failure of health and safety systems or lack of adherence to them leading to a H&S breach	Reputational damage and/or prosecution/fine.	4 - (D) - Low	1 - Critical	Governance provided by the HSECC Committee, Specialist H&S advisors employed by HLH	4 - (D) - Low	2 - Major Impact	8.00	➔	SMT - DW	No	HLH20
HLH23	No	Donations - strategy fails to deliver anticipated income There is a risk that the donations strategy fails to deliver the anticipated income	Operations	Cost of living increases lead to lack of or reduction in donations income	Tap to donate and cash donations fail to meet income targets	2 - (B) - High	2 - Major Impact	Weekly monitoring by the Executive Team Monthly budget monitoring process Scrutiny by Trading Company, Finance and Audit Committee, Finance reports to HLH Board	3 - (C) - Significant	3 - Minor Impact	9.00	➔	TRADING COMP - SW	No	HLH23

Risk No	Risk Management Plan in place Yes / No	Risk Identification title - Purple tag within the risk number column highlights possible impact / relevance to the Trading Company as well as the main charity	Risk Category	Description of the Risk cause / trigger	Consequences	Pre-mitigated Likelihood	Pre-mitigated Impact	Mitigations	Post -mitigated Likelihood	Post-mitigated Impact	Risk Management Score	Risk Score Change Since Last Review - The lower the score the higher the risk	Risk Owner/Role	Risk Management Plan in place Yes / No	Risk No
HLH24A	Yes	Risk of operational budgets or Operational Management / funding agreements for LUF/Castle projects not being acceptable to HLH or the HC	Operations	Unable to agree acceptable operating and funding agreements prior to recruitment and the opening of facilities	Business context: - risk of financial exposure, loss of reputation damaging PR with partner organisations	2 - (B) - High	2 - Major Impact	Operational agreements and budgets currently being scoped out by the Dir Castle and Events and the Head of Levelling up Projects with input from the operational teams. The situation is complex, hence the increased risk at this early stage, due to a number of end users and their associated aspirations for their use of the facilities, which HLH will need to accommodate and align with, where possible, but at nil cost to HLH or the HC	2 - (B) - High	2 - Major Impact	4.00	➔	Board/SMT - SW	Yes	HLH24A
HLH18	No	Poor or ineffective working relationship between the HLH Board and ELT There is a risk of poor or ineffective working relationships between the HLH Board and the HLH ELT	Delivery Partner Risk	Lack of partnership approach	Ineffective strategic management of HLH	5 - (E) - Very Low	1 - Critical	Ensure close liaison with HLH Board and HLH SMT, and provide accurate and timely reporting on operations and governance	5 - (E) - Very Low	2 - Major Impact	10.00	➔	SMT - SW	No	HLH18
HLH19	No	Ineffective governance of HLH by the Board There is a risk of ineffective governance of HLH by the HLH Board	Poor Governance	Failure to establish effective code of corporate governance	Financial insolvency and delivery of CLL services reverts to the Council	5 - (E) - Very Low	1 - Critical	Ensure close liaison with HLH Board and HLH SMT, and provide accurate and timely reporting on operations and governance	5 - (E) - Very Low	2 - Major Impact	10.00	➔	Board/SMT - SW	No	HLH19
HLH22	No	Breakdown in employee relations There is a risk especially within the current economic climate that there is a breakdown in employee relationships	Operations	Industrial action, increase in grievances, increase in staff absences	Major financial and reputational damage Staff stress, missed deadlines, possible loss of revenue or risk of accidents/incidents	5 - (E) - Very Low	1 - Critical	Governance provided through Corporate Services and Close liaison between staff consultative groups and recognised unions	5 - (E) - Very Low	2 - Major Impact	10.00	➔	SMT - DW	No	HLH22
HLH24	N/A	Castle and Levelling Up Fund construction and project risks currently managed within the respective project risk registers.	Operations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	HLH24
HLH24A	Yes	Risk of operational budgets or Operational Management / funding agreements for LUF/Castle projects not being acceptable to HLH or the HC	Operations	Unable to agree acceptable operating and funding agreements prior to recruitment and the opening of facilities	Business context: - risk of financial exposure, loss of reputation damaging PR with partner organisations	2 - (B) - High	2 - Major Impact	Operational agreements and budgets currently being scoped out by the Director of Castle and Events and the Head of Levelling up Fund Projects with input from the operational teams. The situation is complex, hence the increased risk at this early stage, due to a number of end users and their associated aspirations for their use of the facilities, which HLH will need to accommodate and align with where possible but at nil cost to HLH or the HC. End game is to prevent the adoption of a management agreements which are not workable or which cost HLH / THC	2 - (B) - High	2 - Major Impact	4.00	⬇	Board/SMT - SW	Yes	HLH24A
HLH25	No	There is a risk to the company that could arise from social concern about our operations affecting the environment and or risk of damage to ecosystems or public health arising from some man-made environmental offence or breach of environmental regulations such as a major chemical spill.	Environment	HLH breaches environmental polices and or has operations hampered by local activists protesting about our operations linking them to an environmental issue	Business context: - risk of financial exposure, loss of reputation Environmental context: - risk of adverse impact on the natural environment or public health	5 - (E) - Very Low	1 - Critical	Governance provided by the HSECC Committee, Specialist H&S advisors employed by HLH	5 - (E) - Very Low	2 - Major Impact	10.00	➔	SMT - JWM	No	HLH25

Risk No	Risk Management Plan in place Yes / No	Risk Identification title - Purple tag within the risk number column highlights possible impact / relevance to the Trading Company as well as the main charity	Risk Category	Description of the Risk cause / trigger	Consequences	Pre-mitigated Likelihood	Pre-mitigated Impact	Mitigations	Post-mitigated Likelihood	Post-mitigated Impact	Risk Management Score	Risk Score Change Since Last Review - The lower the score the higher the risk	Risk Owner/Role	Risk Management Plan in place Yes / No	Risk No
HLH01	Yes	Impact of HLH Capital Programme/lack of investment allocation for HLH Estate and reducing HC maintenance budgets. There is a risk that the absence of funding for HLH facilities within the HC Capital Programme will lead to a prolonged lack of investment leading to facility decline, poor customer experience and lack of ability to increase memberships and prohibit growth	Delivery Partner Risk	Financial modelling demonstrates a consistent lack of growth and or building fails leading to a withdrawal of service	Inability to grow and meet income targets, could also lead to a reduction in services, or closure of facilities	1 - (A) Very High	1 - Critical	External grant funding will continue to be sought to complement other funding sources such as planning gain and smaller sports/leisure funding streams. Outline business cases, for HLH Projects were submitted but were not supported within the approved capital programme. The HC capital programme review took place on 14 Sep 23, with the outcome being that the funding for Inverness Leisure improvements and expansion being removed and funding for the wider HLH estate was set for 24/25, 25/26, & 26/27 at £272k reducing to £271k for 27/28 and 28/29	1 - (A) Very High	2 - Major Impact	2.00	↓	SMT - SW	Yes	HLH01
HLH02	Yes	Recruitment and retention issues There is a risk that a lack of available suitably qualified staff, or vacancies not being attractive to potential employees could lead to recruitment and retention issues impacting on service delivery	Human resource - Capacity, Recruitment etc.	Recruitment and retention issues due to a lack of suitably qualified staff available to recruit and or HLH vacancies not being attractive enough to potential employees impacting on operational capabilities.	Insufficient staff numbers to safely operate HLH facilities; cancellations of HL cards; negative publicity; unable to deliver the SDC for THC	1 - (A) Very High	1 - Critical	Consideration of covering vacancies through redeployment of staff Proactive advertising campaign to keep the vacancies visible to perspective employees Consolidation of programmes and classes to prevent duplication and also ensure capacity of classes is maintained Continuation of on line classes where available Staff hourly rates to be continually monitored and reported against market rates	3 - (C) - Significant	2 - Major Impact	6.00	→	SMT - DW	Yes	HLH02
HLH02A	Yes	Seasonal Recruitment and retention issues specifically related to trading company activities which could lead to recruitment and retention issues impacting on service delivery and income generation	Human resource - Capacity, Recruitment etc.	Difficulty recruiting within seasonal periods due to fluidity of the market place and other employers paying increased rates.	Insufficient staff numbers to safely operate HLH trading company facilities;	2 - (B) - High	2 - Major Impact	Consideration of covering vacancies through redeployment of staff Proactive advertising campaign to keep the vacancies visible to perspective employees	3 - (C) - Significant	2 - Major Impact	6.00	→	SMT - DW	Yes	HLH02A
HLH05	Yes	Poor and or ineffective working relationship between the Council and HLH. There is a risk that due to the ongoing economic challenges facing the HC and HLH that this could lead to poor and or ineffective working relationships between the HC and HLH	Delivery Partner Risk	Lack of partnership approach demonstrated by the HC, coupled with the change in their senior leadership - possibility of THC working in isolation without consulting HLH whilst taking decisions	Missed opportunity for service development / improvement	1 - (A) Very High	1 - Critical	Maintain close liaison between the board and HC Staff	2 - (B) - High	1 - Critical	2.00	↓	Board/SMT - SW	Yes	HLH05
HLH06	Yes	Non achievement of income and expenditure targets There is a risk that due to the slower than anticipated return to membership numbers aligned with extremely tight savings targets, that income and expenditure targets will not be achieved leading to a greater than anticipated affordability gap within the financial plan	Operations	Financial reporting demonstrates early and continuous indications of failing to control expenditure and to achieve income targets predicting an unacceptable year end bottom line	Inability to meet income targets, could lead to a reduction in services, closure of facilities and redundancies	1 - (A) Very High	1 - Critical	Governance provided through Creation of the performance board, Weekly monitoring by the Executive Team. Monthly budget monitoring process Scrutiny by Finance and Audit Committee Finance reports to HLH Board and detailed engagement with the Council at Officer level ahead of the Council setting its budget on 2 March 2023.	3 - (C) - Significant	2 - Major Impact	6.00	→	SMT - SW	Yes	HLH06
HLH06B	Yes	New Risk - 30 Nov 22 - Due to the necessary use of HLH reserves to bridge financial gaps for in-year deficits, there are risks associated with HLH being unable to function as an independent charity, with an over reliance on the Highland Council for funding support. This reduces the financial management governance of the HLH Board and jeopardises the very nature of being 'arms-length'.	Poor Governance	HLH reserves drop to zero limiting the Board's power to financially manage and govern HLH independently of the HC.	The consequences would be an over reliance on HC funding and a danger of unacceptable levels of influence and management by the HC jeopardising our OSCR requirements. Ultimately, this could lead to the Charity being 'wound-up' due to the unacceptable level of Personal and Professional risks to the HLH Board of directors.	1 - (A) Very High	1 - Critical	Ongoing open and frank dialogue between the HLH Board, HLH Executive team and the HC Senior leadership team, whilst ensuring that the HC Administration and Local Councillors are fully sighted on this risk. It is essential that there is clarity regarding independent Board decision making and when joint working with the HC is required, so as to preserve the arms length agreement and operating requirements.	2 - (B) - High	2 - Major Impact	4.00	→	Board/SMT - SW	Yes	HLH06B
HLH07	Yes	Failure to implement THC ICT Transformation Project leading to system failures and lack of corporate competitiveness There is a risk that failing to implement THC ICT transformation project leads to system failures and a lack of corporate competitiveness	Information Technology & Infrastructure	HLH unable to deliver service ambitions HLH limited to THC ICT systems, contracts and associated costs leading to Reputational damage for HLH	Slow response to operational needs, lack of product development for online delivery leading to miss opportunities to grow the business and make it more efficient through automated systems ultimately leading to a lack of corporate competitiveness	3 - (C) - Significant	1 - Critical	Horizon scanning for business critical appointments, in house training of staff for development and advancement opportunities to try and avoid single points of failure	2 - (B) - High	3 - Minor Impact	6.00	→	SMT - DW	Yes	HLH07
HLH08	Yes	Specific Council decisions impact on HLH There is a risk that the HC takes decisions without consultation or agreement with HLH leading to operational restrictions	Delivery Partner Risk	HC announces decisions which restricts HLH operations	Missed opportunity for prioritisation, could also lead to the closure of facilities and redundancies	1 - (A) Very High	1 - Critical	Maintain vigilance and try to ensure that HLH is always represented and acknowledged prior to the HC taking decisions that are business critical for HLH operations - RMP part of HLH05	2 - (B) - High	2 - Major Impact	4.00	↓	SMT - SW	Yes	HLH08
HLH09	Yes	SDC negotiations develop and or conclude, leading to unacceptable operational and organisational changes to the Service Delivery obligations of the Charity	External Stakeholder Management	Lack of HC Corporate knowledge of the SDC could lead to amendments proposed and or made without approval by the HLH Board	Major Financial/operational and PR consequences affecting the 'going concern' of the charity	1 - (A) Very High	1 - Critical	Ensure close liaison with HLH SMT and HC Staff - Early engagement by HLH to help shape and inform the negotiations	2 - (B) - High	2 - Major Impact	4.00	↓	SMT - SW	Yes	HLH09
HLH12	Yes	THC savings consultation process leaves HLH vulnerable to criticism There is a risk that the HC savings process leaves HLH vulnerable to criticism should service delivery have to be reduced	Reputational Risk	HLH starts to report or identify poor press leading to the Reputation of HLH being affected leading to a lessening of customer support and an associated loss of income.	Reputational damage	1 - (A) Very High	1 - Critical	Early engagement with the HC staff and maintain close liaison throughout the process	3 - (C) - Significant	2 - Major Impact	6.00	↓	SMT - SW	Yes	HLH12
HLH16	Yes	Non income generating catering sites - financial losses become unsustainable There is a risk that sites which currently operate at a financial loss become financially unsustainable	Operations	sites continue to operate at a loss without a realistic possibility of this situation improving	Continuation of this becomes financially unsustainable - Facilities cease to trade leading to poor reputational damage to the charity	2 - (B) - High	2 - Major Impact	Financial and operational modelling to be carried out, close monitoring and reporting on loss making sites focussing on their operating deficit to be maintained with operating hrs and or model adjusted accordingly to reduce impact of losses	1 - (A) Very High	2 - Major Impact	2.00	→	TRADING COMP - SW	Yes	HLH16
HLH17	Yes	HLH Catering strategy is not achieved There is a risk that the HLH Catering Strategy fails to deliver the anticipated targets leading to increased budget pressures	Operations	Target to break even is not achieved leading to financial loss	ROI in catering not realised creating an additional budget pressure	2 - (B) - High	1 - Critical	Steps already taken to revise the catering strategy and recommendations are being made for HLH (Trading) CIC to consider closure for sites unlikely to make a profit.	2 - (B) - High	2 - Major Impact	4.00	↑	TRADING COMP - SW	Yes	HLH17
HLH03	No	Major external issues affecting HLH's ability to deliver services e.g. pandemic, environmental, cyber attack, terrorist incident, lack of external contractors or specialists - there is a risk that any major external issue such as a pandemic, cyber attack or terrorist incident could affect HLH's ability to deliver services	Environment	Performance reporting identifies that an external restriction has led to an uncontrollable Loss of customers/ members or availability of HLH staff Ultimately jeopardising the financial model and sustainability of the charity in its current form.	Reduction in income that undermines the financial viability of the company	3 - (C) - Significant	1 - Critical	Leaning on experience and lessons identified from previous issues. Continual improvement process embedded within the charity to provide an agile and reactive and pro active team best placed to take on the challenges	4 - (D) - Low	2 - Major Impact	8.00	→	Board/SMT - SW	No	HLH03
HLH04	No	Changes to the political landscape There is a risk that changes to the political landscape leads to loss of corporate knowledge with the knock on effect resulting in a lack of understanding of HLH and the agreements in place governing the respective roles within the HC and HLH	Geopolitical, Environmental or Economic Shock	The political direction changes towards HLH demonstrating the lack of understanding/ agreement on respective roles of HC/HLH due to loss of corporate knowledge	Missed opportunity for service development / improvement	1 - (A) Very High	1 - Critical	CEO represents HLH at the Education Committee sub-group, maintain HLH profile with elected members and wider political audience. HLH staff regularly liaise with HC counterparts to maintain lines of communication and try to maintain HC corporate knowledge	4 - (D) - Low	2 - Major Impact	8.00	→	Board/SMT - SW	No	HLH04
HLH10	No	Over reaching/over commitment There is a risk that in an attempt to get back to 'business as usual' or pre pandemic operational numbers that we over reach or over commit, placing an unacceptable workload on our staff	Human resource - Capacity, Recruitment etc.	Failure to deliver significant projects/events and pressure on central/ operational services	Staff stress, missed deadlines, possible loss of revenue or risk of accidents/incidents	2 - (B) - High	2 - Major Impact	Engage in early strategic planning of ICT systems and management arrangements with the HC and undertake extensive stakeholder engagement	4 - (D) - Low	2 - Major Impact	8.00	→	SMT - SW	No	HLH10
HLH11	No	Insufficient succession planning There is a risk that the charity does not provide suitable arrangements for succession planning	Business Continuity & Disaster Recovery	Inability to appoint any gaps in the management team	Temporary loss of efficiency	3 - (C) - Significant	1 - Critical	Horizon scanning for business critical appointments, in house training of staff for development and advancement opportunities to try and avoid single points of failure	4 - (D) - Low	2 - Major Impact	8.00	→	SMT - SW	No	HLH11
HLH15	No	Uncertainty of economic climate and cost of living increases There is a risk that the uncertainty of the economic climate and increase in cost of living leads to difficult circumstances for the charity and its staff	Geopolitical, Environmental or Economic Shock	Disruption to service delivery due to costs of products/services without additional financial assistance from the HC	Inability to deliver the SDC for the HC - Costs create an unacceptable additional budget pressure	3 - (C) - Significant	2 - Major Impact	Factor in potential restrictions within operational plans if appropriate or necessary/look for alternative suppliers or products	3 - (C) - Significant	3 - Minor Impact	9.00	→	Board/SMT - SW	No	HLH15
HLH20	No	Major H&S Breach	Health & Safety - Personnel and Public safety	Failure of health and safety systems or lack of adherence to them leading to a H&S breach	Reputational damage and/or prosecution/fine.	4 - (D) - Low	1 - Critical	Governance provided by the HSECC Committee, Specialist H&S advisors employed by HLH	4 - (D) - Low	2 - Major Impact	8.00	→	SMT - DW	No	HLH20
HLH23	No	Donations - strategy fails to deliver anticipated income There is a risk that the donations strategy fails to deliver the anticipated income	Operations	Cost of living increases lead to lack of or reduction in donations income	Tap to donate and cash donations fail to meet income targets	2 - (B) - High	2 - Major Impact	Weekly monitoring by the Executive Team Monthly budget monitoring process Scrutiny by Trading Company, Finance and Audit Committee, Finance reports to HLH Board	3 - (C) - Significant	3 - Minor Impact	9.00	→	TRADING COMP - SW	No	HLH23
HLH24A	No	Risk of operational budgets or Operational Management / funding agreements for LUF/Castle projects not being acceptable to HLH or the HC	Operations	Unable to agree acceptable operating and funding agreements prior to recruitment and the opening of facilities	Business context - risk of financial exposure, loss of reputation damaging PR with partner organisations	2 - (B) - High	2 - Major Impact	Governance provided by the HSECC Committee, Specialist H&S advisors employed by HLH	4 - (D) - Low	2 - Major Impact	8.00	→	Board/SMT - SW	No	HLH24A
HLH18	No	Poor or ineffective working relationship between the HLH Board and ELT There is a risk of poor or ineffective working relationships between the HLH Board and the HLH ELT	Delivery Partner Risk	Lack of partnership approach	Ineffective strategic management of HLH	5 - (E) - Very Low	1 - Critical	Ensure close liaison with HLH Board and HLH SMT, and provide accurate and timely reporting on operations and governance	5 - (E) - Very Low	2 - Major Impact	10.00	→	SMT - SW	No	HLH18
HLH19	No	Ineffective governance of HLH by the Board There is a risk of ineffective governance of HLH by the HLH Board	Poor Governance	Failure to establish effective code of corporate governance	Financial insolvency and delivery of CLL services reverts to the Council	5 - (E) - Very Low	1 - Critical	Ensure close liaison with HLH Board and HLH SMT, and provide accurate and timely reporting on operations and governance	5 - (E) - Very Low	2 - Major Impact	10.00	0.00	Board/SMT - SW	No	HLH19
HLH22	No	Breakdown in employee relations There is a risk especially within the current economic climate that there is a breakdown in employee relationships	Operations	Industrial action, increase in grievances, increase in staff absences	Major financial and reputational damage Staff stress, missed deadlines, possible loss of revenue or risk of accidents/incidents	5 - (E) - Very Low	1 - Critical	Governance provided through Corporate Services and Close liaison between staff consultative groups and recognised unions	5 - (E) - Very Low	2 - Major Impact	10.00	→	SMT - DW	No	HLH22
HLH24	No	Castle and Levelling Up Fund risks currently managed within the respective project risk registers.	Operations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	HLH24
HLH25	No	There is a risk to the company that could arise from social concern about our operations affecting the environment and or risk of damage to ecosystems or public health arising from some man-made environmental offence or breach of environmental regulations such as a major chemical spill.	Environment	HLH breaches environmental polices and or has operations hampered by local activists protesting about our operations linking them to an environmental issue	Business context - risk of financial exposure, loss of reputation Environmental context - risk of adverse impact on the natural environment or public health	5 - (E) - Very Low	1 - Critical	Governance provided by the HSECC Committee, Specialist H&S advisors employed by HLH	5 - (E) - Very Low	2 - Major Impact	10.00	→	SMT - JWM	No	HLH25