

## **Scotland Excel**

**To: Joint Committee**

**On: 9 December 2022**

**Report by:  
Chief Executive of Scotland Excel**

### **Strategic Risk Strategy**

#### **1. Introduction**

The Strategic Risk Strategy sets out the revised methodology that Scotland Excel will operate for managing identified strategic risk that may impact on operations, and delivery of the organisation's 5-year-strategy.

#### **2. Background**

Scotland Excel has a history of robust and active risk management. With the introduction of a new 5-Year-Strategy, the opportunity has been taken to review the methodology of monitoring, managing and reporting strategic risk to the Joint Committee and Executive Sub Committee.

Scotland Excel currently reviews its strategic risk through a regularly scheduled Senior Management Team meeting. This process will be updated to be more focussed and will be undertaken by a wider group of relevant colleagues drawn from across the organisation providing expertise on specific risk areas.

#### **3. Risk Management**

Scotland Excel management use the existing risk management methodology to systematically identify, record, monitor and report risks to committee, enabling the organisation to meet its objectives and to plan actions to mitigate risks.

Whilst the organisation feels that it has previously operated a robust risk management methodology, it has taken this opportunity to stop, reflect, consult partners and identify any opportunities to improve. The detail within this strategy sets out the legacy position, current work and proposed future operation.

#### **4. Strategic Risk Register**

On completion and approval of the new 5 year strategy, Scotland Excel will finalise its strategic risk review process. A workshop has been organised for late 2022 and will be undertaken by the Senior Management Team and wider staff members of Scotland Excel.

Whilst the eleven legacy risks have been updated, it is felt that there are several gaps that need to be addressed e.g., Supply Chain Resilience.

The workshop will explore any gaps identified by the PESTEL (political, economic, social, technological, environmental, legal) and Goals analysis. The output from this workshop will form the basis of the first review by members.

The review will also consider wider potential sectoral risks based on the knowledge and insight of Scotland Excel's operational activities. This element of risk management will seek to support members in their own risk management activities. To support this activity, Scotland Excel will work with members risk management colleagues to share our output and gain wider sectoral insight.

Scotland Excel will continue to report its Strategic Risk Register to the Executive Sub Committee on a quarterly basis. A report will also be brought to each Joint Committee in June and December. Committee members will be presented with a contextualised update, an updated risk profile and the latest Strategic Risk Register.

## **5. Recommendation**

Members are asked to approve the Scotland Excel Strategic Risk Strategy.



## Strategic Risk Strategy



## **1 Background**

This strategy sets out the revised methodology that Scotland Excel will operate for managing strategic risks that may impact upon operations and the delivery of the 5-year strategy. The organisation has a history of robust and active risk management. It has taken this opportunity, whilst creating its new 5-year strategy, to review the methodology of monitoring, managing, and reporting strategic risks. Specific and separate operational risk management will continue to be undertaken as part of activities such as framework management and project management.

### **1.1 Risk Management**

Risk may be viewed as a quantifiable level of exposure to the threat of an event or action that could adversely affect our ability to achieve our strategic goals successfully. The task of management is to respond to these risks effectively in order to maximise the likelihood of Scotland Excel achieving its objectives and ensuring the best use of resources. We use our risk management methodology to systematically identify, record, monitor and report risks to committee to enable the organisation to meet its objectives and to plan actions to mitigate risks.

Whilst the organisation feels that it has previously operated a robust risk management methodology, it has taken this opportunity to stop, reflect, consult partners and identify opportunities to improve. The details within this strategy set out the legacy position, current work and proposed future operation.

## 2 Risk Journey

This section provides an overview of the legacy risk profile of Scotland Excel prior to its latest review. At the point of publication of this strategy document, there were eleven strategic risks identified. Each risk is detailed within Appendix 1.

A subsequent workshop, as a result of the recent review, has been organised for late 2022 and will be undertaken by the Senior Management Team at Scotland Excel. Whilst the eleven legacy risks have been updated, it was felt that there are several gaps that need to be addressed e.g., Supply Chain Resilience. The workshop will explore any gaps identified by the PESTEL and Goals analysis. The output from this workshop will form the basis of the first review by members.

### 2.1 Risk profile

The legacy risk profile covers a range of areas and potential impact on the organisation. Appendix 2 provides an overview of the nomenclature and scoring methodology used by Scotland Excel.

Table 1 summarises risks identified and orders them according to their Residual Risk Score. The Residual Risk Score represents the assessed risk score taking into consideration all risk controls and mitigations in place in relation to that specific risk on that date.

**Table 1: Risk – Highest to Lowest Risk Score**

<b>Risk Ref.</b>	<b>Risk Title</b>	<b>Residual Risk Score</b>
SXL005-22/23	Supplier Failure	20
SXL011-22/23	National Care Service	20
SXL003-22/23	Political Change	16
SXL006-22/23	Staff Recruitment and Retention	16
SXL010-22/23	National Emergency including Pandemic	15
SXL001-22/23	Organisational Sustainability	15
SXL009-22/23	Environmental Impact and Climate Change	12
SXL002-22/23	Managing Growth and Diversity	12
SXL004-22/23	Reputational Risk	12
SXL008-22/23	Risk of Not Performing/Delivering	8
SXL007-22/23	Corporate Social Responsibility	6

Whilst all risks represent potential issues to Scotland Excel, risks with a higher residual score, after mitigating actions, are of particular interest and emphasis. These risks therefore demand continued monitoring and management by the organisation.

Table 2 charts risk score movement and trend over the past year in relation to each risk identified within the Scotland Excel Risk Register.

**Table 2: Residual Risk Movement During Past Year**

Period	June 21	Oct 21	April 22	July 22	4 quarter Trend
Risk					
Supplier Failure	20	20	20	20	↔
National Care Service	n/a	20	20	20	↔
Political Change	16	16	16	16	↔
Staff Recruitment and Retention	9	16	16	16	↑
National Emergency including Pandemic	15	15	15	15	↔
Organisational Sustainability	15	15	15	15	↔
Environmental Impact and Climate	6	12	12	12	↑
Managing Growth and Diversity	12	12	12	12	↔
Reputational Risk	12	12	12	12	↔
Risk of Not Performing/Delivering	8	8	8	8	↓
Corporate Social Responsibility	6	6	6	6	↔

The goal of effective risk management is to identify and evaluate organisational risks whilst also identifying mitigating actions to reduce the residual risk score, hence the potential impact on the organisation. This can be best demonstrated through the risk matrix shown in figure 1. Areas of high risk reside in the top right section of the matrix and actions identified seek to move the risk to the lower left section.

**Figure 1: Consolidated Risk Matrix (July 2022)**

Impact	5			SXL001		
	4		SXL008	SXL004 SXL002 SXL009	SXL003 SXL006	SXL005 SXL011
	3		SXL007			SXL010
	2					
	1					
		1	2	3	4	5
		Likelihood				

## 2.2 Risk management and reporting

Prior to the current review, all risks were reviewed on a quarterly basis by the Senior Management Team (SMT) at Scotland Excel. The ongoing relevance of each risk was considered, impact and likelihood reviewed and assignment of any new mitigating actions.

A quarterly update was provided to the Exec Sub Committee, and an update provided to each Joint Committee on the Strategic Risk Register.

## 3 Risk Analysis

### 3.1 Risk review

On completion and approval of the new organisational strategy, Scotland Excel will finalise its strategic risk review process. A final workshop will be conducted with the Senior Management Team to consider any risks, beyond the current legacy risks, that may impact the organisation.

### 3.2 Risk Analysis – Strategic Goals

Legacy risks have been plotted against the draft strategic goals and are shown in table 3.

**Table 3: Strategic risks and goals**

Strategic Goals and Risks		
Reference	Risk	Risk Score
<b>Goal 1 - Journey towards a net zero Scotland by 2045</b>		
SXL009-22/23	Environmental Impact and Climate Change	12
<b>Goal 2 - Drive for efficiency to support the financial sustainability of public services</b>		
SXL003-22/23	Political Change	16
SXL001-22/23	Organisational Sustainability	15
SXL002-22/23	Managing Growth and Diversity	12
SXL004-22/23	Reputational Risk	12
SXL008-22/23	Risk of Not Performing/Delivering	8
<b>Goal 3 - Community wellbeing with equal access to services, economic development and fair work jobs across Scotland</b>		
SXL011-22/23	National Care Service	20
SXL007-22/23	Corporate Social Responsibility	6
<b>Goal 4 - Development of resilient supply chains that maximise opportunities for Scottish businesses and the third sector</b>		
SXL005-22/23	Supplier Failure	20
<b>Goal 5 - Advancement of skills to deliver Scotland's economic transformation</b>		
SXL006-22/23	Staff Recruitment and Retention	16
<b>Non Goal related Risks</b>		
SXL010-22/23	National Emergency including Pandemic	15

### 3.3 Risk Analysis - PESTEL

A PESTEL analysis was conducted against the legacy risks and are shown in table 4.

**Table 4: Pestle analysis of risks**

<b>PESTEL Analysis</b>		
<b>POLITICAL</b>		
<b>Reference</b>	<b>Risk</b>	<b>Risk Score</b>
SXL011-22/23	National Care Service	20
SXL003-22/23	Political Change	16
<b>ECONOMIC</b>		
SXL005-22/23	Supplier Failure	20
SXL001-22/23	Organisational Sustainability	15
SXL002-22/23	Managing Growth and Diversity	12
<b>SOCIAL</b>		
SXL006-22/23	Staff Recruitment and Retention	16
SXL010-22/23	National Emergency including Pandemic	15
SXL004-22/23	Reputational Risk	12
SXL008-22/23	Risk of Not Performing/Delivering	8
SXL007-22/23	Corporate Social Responsibility	6
<b>TECHNOLOGICAL</b>		
<b>ENVIRONMENTAL</b>		
SXL009-22/23	Environmental Impact & Climate Change	12
<b>LEGAL/LEGISLATIVE</b>		

## 4 Risk reporting

### 4.1 Internal review and reporting

Scotland Excel recently reviewed its legacy risks through a regularly scheduled Senior Management Team meeting. This process will be changed to be more focussed and to be undertaken by a wider group of relevant colleagues.

The ongoing review will also consider wider potential sectoral risks based on the knowledge and insight of Scotland Excel's operational activities. This element of risk management will seek to support members in their own risk management activities. To support this activity, Scotland Excel will work with members risk management colleagues to share our output and gain wider sectoral insight. Additional support activities may be derived from this and shared wider with members. The supply chain resilience communications shared by Scotland Excel is an example of this type of activity.

The periodic review and discussion will likely focus on a smaller number of risks, where all are reviewed on an annual basis at a minimum. The output of this will be shared internally.


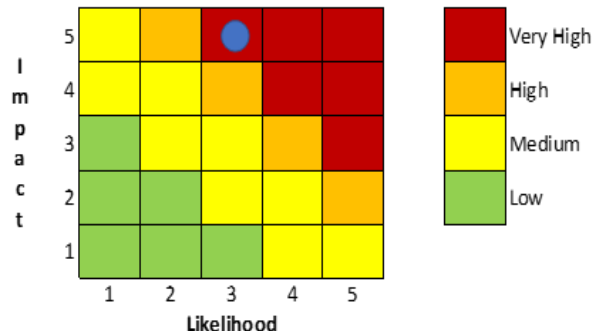



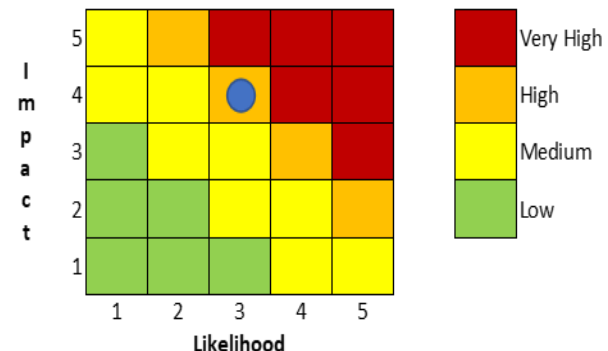
## **4.2 External reporting**


Scotland Excel reports its risk register to the Exec Sub Committee on a quarterly basis and will continue to do so. A report will also be brought to each Joint Committee.


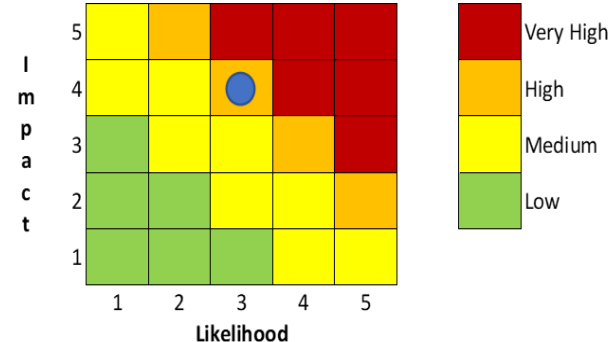
Committee members will be presented with a contextualised update, an updated risk profile as shown in Figure 1. and the latest risk register as shown in Appendix 1.

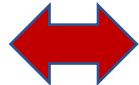
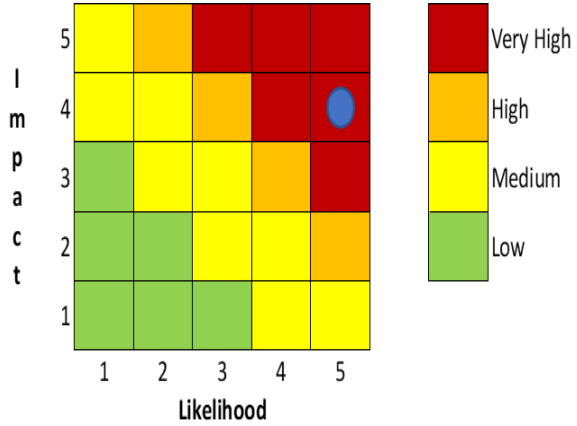
## Appendix 1


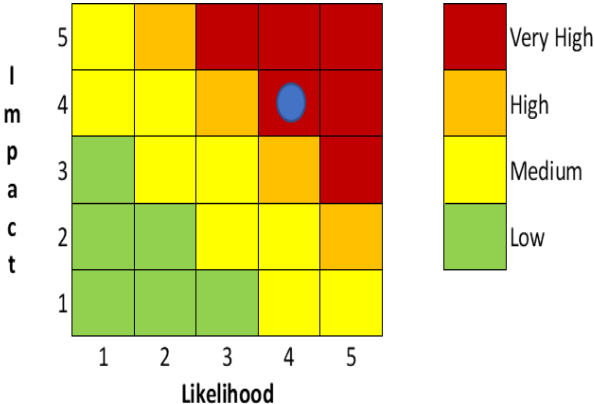
Reference:	SXL001-22/23	Organisational Sustainability					
Owner	JW						
Risk Statement	Context	Current Risk Controls	Original Evaluated Risk Score				
			Likelihood	Impact		Evaluation	
Membership of Scotland Excel is optional for all stakeholders and Scotland Excel must be alert to this and the impact of Councils or Associate Members resigning their membership.	Potential for local government organisations withdrawing support.  Requirement to diversify and generate financial income from alternate sources.  Council budget cuts impacting upon use of services provided. Scotland Excel has been set a savings challenge by its CEOMG – cost savings becoming increasingly important for the sector  Scottish Government policy changes impacting on Scotland Excel operations.	Continuing focus on added Core Value delivered for all member councils.  On-going development of projects offering new services and increasing benefits to stakeholders.  Identification of new opportunities to provide additional chargeable services based on customer demand.  Ongoing robust market testing of all new shared service propositions.  Ongoing robust business model is in place for all new services (cost to serve, funding/uptake forecasts).  Regular engagement with Chief Execs, Finance Directors, Corporate Procurement Leads and Elected Members demonstrating the value added by Scotland Excel  Sectoral Savings Plan in development	4	4		16	
			Residual Risk Score				
			Likelihood	Impact	Residual	Trend	
			3	5	15		
							

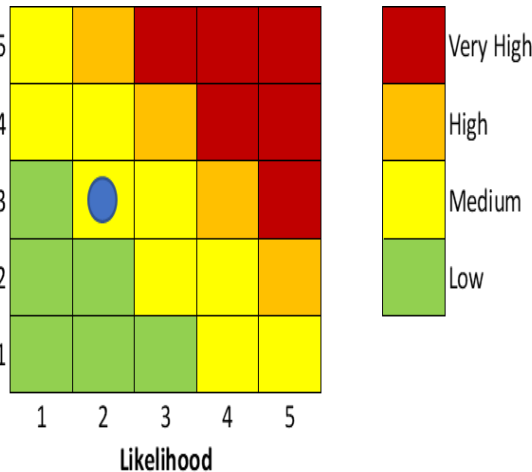
Reference:	SXL002-22/23	Managing Growth and Diversity				
Owner	SB					
Risk Statement	Context	Current Risk Controls	Original Evaluated Risk Score			
There is a risk to the long-term future of the organisation if it fails to adapt the portfolio of services to meet member needs.	Failure to identify and manage emerging opportunities and threats to Scotland Excel.  Inability to evolve service offering in a diverse and changing landscape.  Inability to attract and retain high caliber staff to Scotland Excel	Horizon Scanning and stakeholder engagement will continue to be used to identify market development opportunities.  People Strategy and workforce planning tools used to ensure that Scotland Excel has the right caliber of staff to deliver and grow a quality service offering.  New project opportunities have been won across a number of councils and	Likelihood	Impact	Evaluation	
			3	4	12	
			Residual Risk Score			
			Likelihood	Impact	Residual	Trend
			3	4	12	
						

Reference:	SXL003-22/23	Political Change				
Owner	JW					
Risk Statement	Context	Current Risk Controls	Original Evaluated Risk Score			
			Likelihood	Impact	Evaluation	
Legislative and Policy changes impact upon the organisation and how it must operate.  Political uncertainty created by, for example, Brexit create unknown challenges for the organisation  Green Party joining Scottish Government.  Scottish Local Government Elections May 2022  Potential Independence Referendum in 2023	Political, Legislative and Policy changes at local, national, UK and international levels may impact Scotland Excel operations and practice.	An effective and properly resourced public affairs strategy is in place.  Effective research, engagement, partnership working and briefings ensuring the organisation is aware of and able to respond to challenges and opportunities in the external environment.  Active participation by the organisation in various groups and boards influencing policy and “direction of travel”.  Active engagement with SG colleagues to influence and support policy development  The Green Party manifesto was reviewed pre-election.	4	4	16	
			Residual Risk Score			
			Likelihood	Impact	Residual	Trend
			4	4	16	
<div><div><div>Impact</div><div><div>5</div><div>4</div><div>3</div><div>2</div><div>1</div></div><div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div></div><div>Likelihood</div></div><div><div><div>Very High</div><div>High</div><div>Medium</div><div>Low</div></div></div></div>						


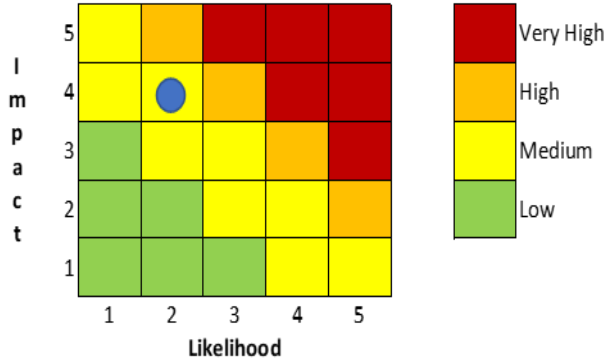
Reference:	SXL004-22/23	Reputational Risk				
Owner	JW					
Risk Statement	Context	Current Risk Controls	Original Evaluated Risk Score			
			Likelihood	Impact	Evaluation	
			2	4	8	
			Residual Risk Score			
			Likelihood	Impact	Residual	Trend
Scotland Excel is faced with negative publicity or a media crisis through a service issue or failure that compromises the organisation’s stakeholders and adversely affects the organisational reputation across the sector.	Negative publicity or media coverage affects the organisation and impacts stakeholders. Negative media reports relating to a framework or service provider. An increased need to generate positive marketing outlining Scotland Excel’s role during the pandemic and post Brexit.	Colleagues advise communications team of any potential issues to enable effective planning for “negative” media interest.  Pro-active monitoring of press coverage carried out by marketing team and wider organisation.  Pro-active and robust engagement with press organisations to ensure positive relationships and coverage.  Development of easier to use/access, new corporate website.  Organisational promotion of corporate values to ensure individuals, teams and the organisation as a whole operates in line with its Values.	3	4	12	
						

Reference:	SXL005-22/23	Supplier Failure				
Owner	HC					
Risk Statement	Context	Current Risk Controls	Original Evaluated Risk Score			
			Likelihood	Impact		Evaluation
			3	4		12
			Residual Risk Score			
			Likelihood	Impact	Residual	Trend
The failure of a service provider within a Scotland Excel framework could have significant implications for service provision within member council areas. Negative reputational impact for SXL across the portfolio from breach of contract and / or supplier failure.	Financial and other socio-economic factors impacting the resilience of Scotland Excel framework suppliers. Focus required in areas which have a direct impact on delivery as a result of business failure. Covid pandemic, energy costs, climate, conflict in Europe, recruitment challenges and Brexit are expected to have a long-term impact in relation to supplier sustainability. Increasing number Social Care providers are also being impacted by the economic conditions with recruitment challenges impacting financial sustainability.	Effective risk management is in place during development and management of contracts. Robust processes for monitoring financial stability of suppliers carried out prior to award and throughout the life of a contract, utilising external advice as required.	5	4	20	
						
		Specific measures are in place to meet the management of Social Care contracts and these key areas of risk.				
		Scotland Excel has a range of measures for monitoring supplier resilience in addition to the external financial monitoring tools used.				
		A new tailored approach to financial risk for high-risk contracts has been implemented “Step-in Right” within relevant and appropriate social care contracts maintained. Scotland Excel are involved in various groups developed during the pandemic to support provider sustainability and supply chain development.				
		Robust Market Analysis Strategy practiced across procurement categories.				
		Frameworks are established with lotting structures developed to provide variety and capacity for each local authority area, providing resilience in local supply chains.				


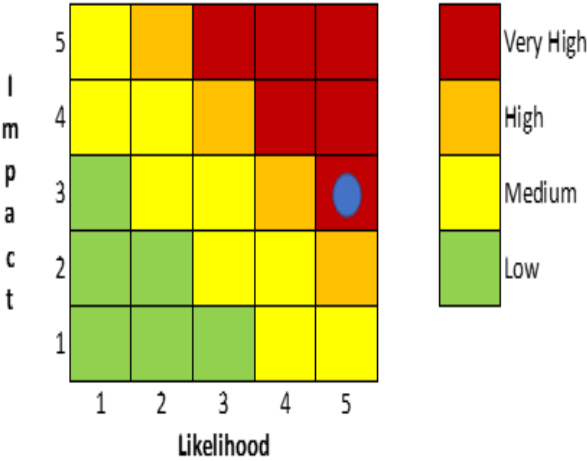
Reference:	SXL006-22/23	Staff Recruitment and Retention				
Owner	SB					
Risk Statement	Context	Current Risk Controls	Original Evaluated Risk Score			
Scotland Excel encounters problems in recruiting and retaining staff of suitable skill, quality, and experience to deliver the operating plan and for projects.	Demand in the market for staff makes recruiting and retaining staff problematic.  Inability to attract and retain high caliber staff to Scotland Excel.  Home and hybrid working practices have altered the recruitment and working environment for all public sector organisations.	People Strategy and workforce planning tools (recruitment, PRD etc.) used to ensure that Scotland Excel has the right caliber of staff to deliver and grow a quality service offering.  Recruitment processes reviewed and updated.  PRD process reviewed and updated in consultation with Scotland Excel staff.  Successful recruitment campaigns including events to be replicated.  Retention measures improved including secondment opportunities and projects to enrich roles.  Enhanced organisational reputation through events, partnerships and marketing.  Investors in People Gold accreditation achieved and maintained.  Staff turnover figures collated and presented to SMT on a regular basis.  Approach and investment in staff development and expansion of Graduate Programme.	Likelihood	Impact	Evaluation	
			3	3	9	
			Residual Risk Score			
			Likelihood	Impact	Residual	Trend
			4	4	16	
						

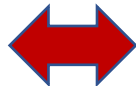
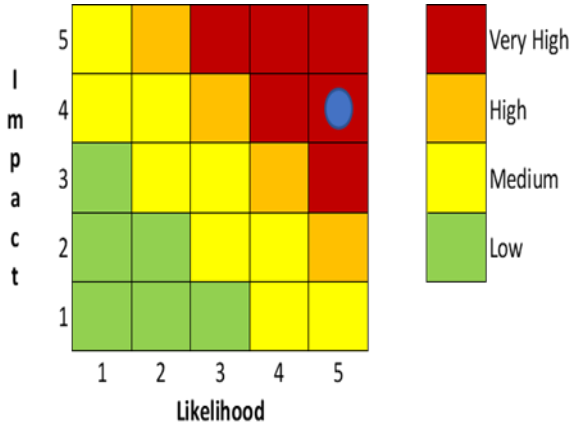
Reference:	SXL007-22/23	Corporate Social Responsibility				
Owner	HC					
Risk Statement	Context	Current Risk Controls	Original Evaluated Risk Score			
			Likelihood	Impact		Evaluation
			2	3		6
			Residual Risk Score			
			Likelihood	Impact	Residual	Trend
Scotland Excel may not be seen as an industry leader in terms of how it addresses key aspects of corporate social responsibility with an associated negative impact upon our reputation and stakeholder perceptions.	Ensure that, where possible, community benefits are delivered as part of the contract portfolio.  Ethical sourcing of products and supplies in the whole supply chain.  Ensure that Scotland Excel as an organisation delivers Community Benefits in its day-to-day operations	Management and Reporting of Community Benefits developed and embedded.  Community benefit requirements issued to suppliers at tender stage. Active promotion of community benefits is delivered through our contracts.  Living Wage Employer accreditation secured, used to raise awareness with stakeholders.  Workforce matters and living wage considerations are built in at strategy stage.  Ethical sourcing strategies provided by suppliers as part of the tender process.  Co-ordination of Community Benefits Forum for partner local authorities.  Staff have become mentors for children in schools under MCR Pathways.  Partnership with Founders 4 Schools supporting CV writing, mock interviews etc.  Incorporation of “Fair Work First” into SXL frameworks  New approach to community benefits being developed to increase participation and community benefits for councils	2	3	6	
						



Reference:	SXL008-22/23	Risk of Not Performing/Delivering				
Owner	SB					
Risk Statement	Context	Current Risk Controls	Original Evaluated Risk Score			
			Likelihood	Impact	Evaluation	
Scotland Excel fails to perform in line with customer expectations. Scotland Excel fails to meet delivery targets agreed with stakeholders.	Failure to deliver in line with member council expectation.	Approved 5 years strategy and one-year operating plan in place.	2	4	8	
			Residual Risk Score			
			Likelihood	Impact	Residual	Trend
			2	4	8	
Scotland Excel fails to ensure appropriate mechanisms are in place to support operational effectiveness.	System or infrastructure failures impact on the ability of the organisation to deliver services or impacts on performance.	A range of KPIs currently exist at contract and organisational level. These are regularly reviewed.				
			Regular operating plan updates to Executive Sub Committee to ensure robust governance.			
			Regular financial period review and reporting across core and projects.			
			Regular infrastructure reviews undertaken with appropriate investment into ensuring a robust infrastructure is in place to support operations.			
	Increasing member expectations as financial challenges increase. Recruitment and Retention challenges affecting delivery plans and performance due to extended vacancies and/or staff leaving.	Business continuity approach ensures that the organisation and its systems can operate effectively remotely				
			Scotland Excel is providing new and improved services to member councils on an ongoing basis.			
			New 5 year strategy and operating plan in development in consultation with a range of council stakeholders			

Reference:	SXL009-22/23	Environmental Impact and Climate Change																																														
Owner	JW																																															
Risk Statement	Context	Current Risk Controls	Original Evaluated Risk Score																																													
Scotland Excel’s daily operations and frameworks have an adverse impact on the Environment and Climate Change and contribute to environmental challenges being faced.	In light of the growing awareness of environmental issues and the potential impact of certain working practices on the environment Scotland Excel must -  <ul style="list-style-type: none"><li>Reduce the adverse impact of organisational activity on the Environment</li><li>Reduce the adverse impact of Scotland Excel frameworks on the Environment</li><li>Maximise the influence of Scotland Excel on environmentally friendly public service delivery</li></ul>	Adoption of environmentally aware office practices within Scotland Excel i.e., recycling, agile working, double sided printing etc.  Requirement for Environmental Policy, ISO certificate or equivalent for access to certain frameworks.  Actions in relation to reducing carbon footprint scored in assessment for certain frameworks  Information in relation to environmental practices and plans requested across all frameworks  Sustainability testing carried out on all framework suppliers Net Zero Strategy in development and Strategic workshop set up to explore and agree actions	Likelihood	Impact	Evaluation																																											
			2	3	6																																											
			Residual Risk Score																																													
			Likelihood	Impact	Residual	Trend																																										
			3	4	12																																											
<table><tr><td rowspan="5">Impact</td><td>5</td><td></td><td></td><td></td><td></td><td rowspan="5">Very High</td></tr><tr><td>4</td><td></td><td></td><td></td><td></td><td>High</td></tr><tr><td>3</td><td></td><td></td><td></td><td></td><td>Medium</td></tr><tr><td>2</td><td></td><td></td><td></td><td></td><td>Low</td></tr><tr><td>1</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td colspan="6">Likelihood</td></tr><tr><td colspan="6">12</td></tr></table>						Impact	5					Very High	4					High	3					Medium	2					Low	1						Likelihood						12					
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Reference:	SXL0010-22/23	National Emergency Including Pandemic				
Owner	JW					
Risk Statement	Context	Current Risk Controls	Original Evaluated Risk Score			
Scotland Excel must ensure that, during a National Emergency or Pandemic, it can continue to deliver all its services to local authorities, associate members and to suppliers attached to its contract frameworks	A National Emergency or Pandemic is declared by the Scottish Government and/or the UK Government which impacts the day-to-day operations of Scotland Excel.	<p>Existing ICT arrangements within Scotland Excel perform well within a Home Working scenario. ICT Back up Strategy in development</p> <p>Employee support mechanisms (Occupational Health, Time to Talk etc.) remain in place during Home Working scenarios.</p> <p>Access to a range of video communication software allows business meetings to take place and ensures employees living alone or experiencing difficulties can be supported.</p> <p>Governance of the organisation can be maintained in line with governing documents.</p> <p>Framework nature of managed contracts ensure minimum dependence on single suppliers.</p> <p>The organisation can adapt to changing priorities and allocate resources accordingly, for example PPE and Food during Covid pandemic.</p> <p>Review of contract terms and conditions every 2 years</p>	Likelihood	Impact	Evaluation	
			5	5	25	
			Residual Risk Score			
			Likelihood	Impact	Residual	Trend
			5	3	15	
						

Reference:	SXL0011-22/23	National Care Service				
Owner	HC					
Risk Statement	Context	Current Risk Controls	Original Evaluated Risk Score			
			Likelihood	Impact		Evaluation
			5	4		20
			Residual Risk Score			
			Likelihood	Impact	Residual	Trend
Centralisation of Contracting and Commissioning for Care will impact not only the Social Care teams within Scotland Excel but will also impact framework spend across a broad range of SXL teams potentially impacting financial viability of SXL.  Centralisation will also remove Care as an area of Strategic Development for SXL.	The Scottish Government has stated its intention to form a National Care Service (NCS) for Scotland.  Within a consultation document the Scottish Government has indicated that the NCS will include responsibility for Contracting and Commissioning of care services across Scotland.  Currently, Scotland Excel provides the National Care Homes Contract and a range of Social Care frameworks for Scottish Local Authorities.	On-going liaising with key organisational stakeholders in relation to NCS proposal. Participation in key Scottish Government working groups relating to NCS  Social Care Contracting and Commissioning expertise already in place.  Consultation with key stakeholders in relation to consultation response.  Existing customer and supplier base using Scotland Excel Social Care frameworks  Existing supplier and customer trust in existing Scotland Excel Social Care frameworks.  Consultation with key stakeholders in relation to Parliamentary Process and responding to the Call for Views and co-design.	5	4	20	
						

## Appendix 2 - Risk Scoring Nomenclature and Methodology

Scotland Excel utilises a robust methodology to manage its strategic risks. It is derived from prior risk management experience and after consulting risk management experts within the public sector.

The risk template utilised in Appendix 1 aims to provide a one-page summary of the risk and its associated information. Each risk is defined in a statement, context provided and an owner assigned. This information (in gray) will rarely change.

Any controls implemented to mitigate the risk will be updated on a quarterly basis if required.

When a risk is identified, the team will consider the likelihood and impact of the risk. Each will be assigned a score of 1-5 with 5 as the maximum. Both numbers are multiplied to get the original evaluated risk score. This number will not change throughout the life of the risk.

On a periodic basis, the risk will be reviewed and any adjustments made to the likelihood, impact and **residual** risk score. This is the key metric of risk based on the control measures undertaken to reduce any impact from the risk. The original score will remain static from the point it is first identified.

The residual risk score will be monitored each quarter and the direction of travel provided between the current and previous quarters.

Strategic Risk Register – Risk Template	
Element	Description
<b>Reference</b>	Unique risk identifier and Risk Title
<b>Risk Statement</b>	Description of risk
<b>Context</b>	Context of identified risk
<b>Owner</b>	Executive Team Risk Owner
<b>Current Risk Controls</b>	Specific risk controls currently in place
<b>Risk Score</b>	Risk assessment detail
<b>Likelihood</b>	How likely is it that the Risk actually occurs (1-5)
<b>Impact</b>	What impact on SXL if the Risk occurs (1-5)
<b>Evaluation</b>	Likelihood x Impact = Evaluation Score
<b>Residual</b>	Current Residual Risk Evaluation after Controls
<b>Trend</b>	Evaluation movement over past 4 periods

## Appendix 2

### Sample of Risk log

Ref	Date	Description	Assigned To	Due Date	Status	Notes
SXL001-22/23		Review of Scotland excel Public Affairs strategy promoting closer engagement with partners	ET	31/05/2021	Complete	
SXL001-22/23	16/06/2021	Linked actions reviewed - No change to Residual Risk Score (3 Likelihood, 5 Impact).			Complete	
SXL001-22/23		Detailed review of Project and Contract opportunities.	SB	30/09/2021	Complete	Review of contract opportunities post COVID-19
SXL001-22/23	26/10/2021	Linked actions reviewed - No change to Residual Risk Score (3 Likelihood, 5 Impact).			Complete	
SXL001-22/23		Customer Engagement exercise with key Scottish Local Authority partners	ET	31/12/2021	Complete	Engagement plan to start in November 2021
SXL001-22/23	20/04/2022	Linked actions reviewed - no change to Residual Risk Score	SMT		Complete	
SXL001-22/23		Review Scotland Excel Business Continuity planning in light of lessons learned during pandemic to ensure the plan remains fit for purpose	SMT	30/09/2022	On-going	Continued monitoring of impact of pandemic on operations
SXL001-22/23		Develop a plan and proposal in relation to how Scotland Excel gathers, records, processes and reports operational and wider data both internally and externally to our partners.	ET	31/12/2022	On-going	Follow up from workshop and subsequent meetings with SMT and partners
SXL001-22/23		Monitor potential impact of post pandemic and BREXIT challenges to Scotland Excel frameworks. Challenges include logistics, supply of raw materials, rising energy costs and a shortage of trained labour all of which may impact framework performance.	SMT	31/03/2022	Complete	While all frameworks potentially affected particular attention to Building Supplies, Construction, Food