

## **Scotland Excel**

**To: Joint Committee**

**On: 8 December 2023**

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

### **Strategic Risk Register Update**

#### **1. Introduction**

- 1.1 This report provides the Joint Committee with an update on the Strategic Risk Register which is maintained to assess threats/risks that could impact on the delivery of Scotland Excel's 5 Year Strategy and to identify controls that are in place to mitigate these risks.

#### **2. Background**

- 2.1 The Strategic Risk Register has been developed using the revised methodology set out in the Strategic Risk Strategy, approved by Joint Committee in December 2022. The Strategic Risk Register identifies risks that may impact upon operations and the delivery of Scotland Excel's 5-year strategy. Specific and separate operational risk management will continue to be undertaken as part of day-to-day activities such as framework management and project management.

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

- 3.1 The Strategic Risk Register is maintained and reviewed regularly by the Senior Management Team (SMT) and key officers with particular expertise in certain risk areas. The register continues to be a focus for the organisation with actions being undertaken in mitigation of the risks on-going throughout the year.
- 3.2 There are currently 12 strategic risks identified within the Strategic Risk Register ranging in assessed risk score from 9 to 20. A summary of key elements in relation to each identified risk is shown in Appendix 1 to this report.
- 3.3 The on-going impact of the COVID-19 pandemic, the emerging impact of Brexit on markets and suppliers, the impact of the wars in Ukraine and the middle east, the increasing financial pressures on local government bodies, continuing recruitment difficulties, demographic challenges within Scotland and Europe and the on-going uncertainty in relation to public sector service redesign are the key influences on the November Strategic Risk Register.
- 3.4 The newest risk added to the Strategic Risk Register relates to ICT and Cyber Security. There are increasing incidences of ICT breaches across sectors resulting in catastrophic repercussions for each organisation concerned. While Scotland Excel has a range of defences already in place, along with an on-going staff training programme, these will continue to be developed and improved to

further mitigate the risk of a breach. Work will also continue to develop and implement a disaster recovery plan which will be aimed at getting the organisation up and running in as short a time as possible, should a breach occur.

- 3.5 In line with the approved Strategic Risk Strategy, an organisational action plan will run alongside the risk register. On completion of each action, the resultant mitigation will be added to the Current Risk Controls area of each risk template and will be taken into consideration at the next review meeting when assessing the Residual Risk Score.
- 3.6 The Strategic Risks with the highest residual risk score (20) relate to Supply Chain Resilience (SXL005-22/23) and, Political, Legislative and Policy Change (SXL003-23/24). The risk in relation to Supply Chain Resilience has been assessed at 20 at the past 4 review meetings due to the continuing uncertainty and market volatility post Brexit, post pandemic, in light of growing demographic challenges in Scotland and Europe and, in light of the continuing wars in Ukraine and the middle east.
- 3.7 The residual risk score in relation to Political, Legislative and Policy Change was amended upwards at the last risk review meeting to reflect increasing uncertainty across the Scottish and UK political environment, the pending general election in 2024/25 and policy changes at the Scottish Government in relation to management fee charges on category A frameworks.
- 3.8 Residual risk scores of Managing Growth and Diversity (SXL002-23/24), Reputational Risk (SXL004-23/24) and Meeting Member and Stakeholder Expectations (SXL008-23/24) were also amended upwards at the recent risk review meeting to reflect on-going issues in relation to the contract delivery plan and the emerging challenge of identifying sector wide savings to member authorities.
- 3.9 While most identified risks have maintained their current residual score, one has been assessed downwards; Redesign of Scottish Public Services (SXL011-23/24) in light of the slow progress being made in relation to creation of the NCS and the signing of the Verity House Agreement between COSLA and the Scottish Government.
- 3.10 In relation to those risks remaining unchanged following the recent review, it was decided that external factors affecting each risk had not changed and that existing controls were sufficient to maintain residual risk at current levels.
- 3.11 Following review of external factors, the Scotland Excel Risk Register as at November 2023 is shown in Appendix 1.
- 3.12 A risk workshop on how Scotland Excel identifies, manages and reports on various areas of risk was delivered in November 2023 with a re-run of the workshop available to members of the Joint Committee in January 2024.

#### **4. Recommendation**

Members are invited to note the Strategic Risk Register and provide any feedback in relation to any of the risks identified.



# **Strategic Risk Register**

**November 2023**

**Professional – Respectful – Courageous - Integrity**



## Background

This Strategic Risk Register has been developed using the revised methodology set out in the Strategic Risk Strategy for managing strategic risks that may impact upon operations and the delivery of Scotland Excel's 5-year strategy. Specific and separate operational risk management will continue to be undertaken as part of operational activities such as framework management and project management.

## Risk Management

Risk is a quantifiable level of exposure to the threat of an event or action that could adversely affect Scotland Excel's ability to achieve its strategic goals successfully. The task of management is to respond to these risks effectively to maximise the likelihood of Scotland Excel achieving its objectives and ensuring the best use of resources. Scotland Excel uses its 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.

## Strategic Risk Register Review Schedule

Scotland Excel reports its strategic risk register to the Exec Sub Committee and Joint Committee on a 6 monthly basis.

The Scotland Excel Strategic Risk Register will be reviewed internally by the Senior Management Team (SMT) and other key officers as scheduled below:

**Table 1: Strategic Risk Register Review Schedule**

Document Control	
Review Dates:	May 2023
<b>Joint Committee</b>	June 2023
Review Dates:	August 2023
Review Dates:	November 2023
<b>Joint Committee</b>	<b>December 2023</b>
Review Dates:	March 2024

## Ranked Strategic Risk Register

Table 2 summarises risks identified within the Scotland Excel Risk Register and orders them according to their Residual Risk Score as of November 2023. 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 2: Risk – Highest to Lowest Risk Score, November 2023**

<b>Risk Ref.</b>	<b>Risk Title</b>	<b>Residual Risk Score</b>
<b>SXL005 - 23/24</b>	Supply Chain Resilience	<b>20</b>
<b>SXL003 - 23/24</b>	Political, Legislative and Policy Change	<b>20</b>
<b>SXL006 - 23/24</b>	Staff Recruitment and Retention	<b>16</b>
<b>SXL012 - 23/24</b>	ICT and Cyber Security	<b>16</b>
<b>SXL002 - 23/24</b>	Managing Growth and Diversity	<b>16</b>
<b>SXL004 - 23/24</b>	Reputational Risk	<b>16</b>
<b>SXL008 - 23/24</b>	Meeting Member and Stakeholder Expectations	<b>16</b>
<b>SXL001 - 23/24</b>	Organisational Sustainability	<b>15</b>
<b>SXL011 - 23/24</b>	Redesign of Scottish Public Services	<b>12</b>
<b>SXL010 - 23/24</b>	National Emergency Including Pandemic	<b>12</b>
<b>SXL009 - 23/24</b>	Environmental Impact and Climate Change	<b>12</b>
<b>SXL007 - 23/24</b>	Corporate Social Responsibility	<b>9</b>

## Quarterly Risk Trend Movements

Table 3 charts risk score movement and trends over the past year in relation to each risk identified within the Scotland Excel Risk Register.

**Table 3: Quarterly Risk Trend Movements**

Risk Ref.	Risk Title	Period				Trend
		Q1 23	Q2 23	Q3 22	Q4 23	
SXL005 - 23/24	Supply Chain Resilience	20	20	20	-	↔
SXL003 - 23/24	Political, Legislative and Policy Change	16	16	20	-	↑
SXL006 - 23/24	Staff Recruitment and Retention	16	16	16	-	↔
SXL012 - 23/24	ICT and Cyber Security	16	16	16	-	↔
SXL002 - 23/24	Managing Growth and Diversity	12	12	16	-	↑
SXL004 - 23/24	Reputational Risk	12	12	16	-	↑
SXL008 - 23/24	Meeting Member and Stakeholder Expectations	12	12	16	-	↑
SXL001 - 23/24	Organisational Sustainability	15	15	15	-	↔
SXL011 - 23/24	Redesign of Scottish Public Services	16	16	12	-	↓
SXL010 - 23/24	National Emergency Including Pandemic	12	12	12	-	↔
SXL009 - 23/24	Environmental Impact and Climate Change	12	12	12	-	↔
SXL007 - 23/24	Corporate Social Responsibility	9	9	9	-	↔

## Consolidated Risk Matrix

Diagram 1 sets out the position of Scotland Excel Strategic Risks in the context of their likelihood of occurring and potential impact.

**Diagram 1: Consolidated Risk Matrix (November 2023)**

Impact	5			SXL001		
	4			SXL009 SXL011	SXL002 SXL004 SXL006 SXL008 SXL012	SXL003 SXL005
	3			SXL007	SXL010	
	2					
	1					
		1	2	3	4	5
		Likelihood				

### Strategic Risk Register

SXL001 – 23/24	Organisational Sustainability
SXL002 – 23/24	Managing Growth and Diversity
SXL003 – 23/24	Political, Legislative and Policy Change
SXL004 – 23/24	Reputational Risk
SXL005 – 23/24	Supply Chain Resilience
SXL006 – 23/24	Staff Recruitment and Retention
SXL007 – 23/24	Corporate Social Responsibility
SXL008 – 23/24	Meeting Member and Stakeholder Expectations
SXL009 – 23/24	Environmental Impact and Climate Change
SXL010 – 23/24	National Emergency Including Pandemic
SXL011 – 23/24	Redesign of Scottish Public Services
SXL012 – 23/24	ICT and Cyber Security

## Alignment with 5-Year Strategy Goals

Whilst all strategic risks have been reviewed and developed in line with Scotland Excel's 5-year strategy, Table 4 identifies key risks that may affect the achievement of each strategic objective.

**Table 4: Alignment With 5-Year Strategy Goals**

Reference	Risk	Risk Score
<b>Goal 1 - Journey towards a net zero Scotland by 2045.</b>		
SXL003 - 23/24	Political, Legislative and Policy Change	20
SXL009 - 23/24	Environmental Impact and Climate Change	12
<b>Goal 2 - Drive for efficiency to support the financial sustainability of public services.</b>		
SXL012 - 23/24	ICT and Cyber Security	16
SXL001 - 23/24	Organisational Sustainability	15
SXL004 - 23/24	Reputational Risk	16
SXL002 - 23/24	Managing Growth and Diversity	16
SXL008 - 23/24	Meeting Member and Stakeholder Expectations	16
<b>Goal 3 - Community wellbeing with equal access to services, economic development and fair work jobs across Scotland.</b>		
SXL011 - 23/24	Redesign of Scottish Public Services	12
SXL007 - 23/24	Corporate Social Responsibility	9
<b>Goal 4 - Development of resilient supply chains that maximise opportunities for Scottish businesses and the third sector.</b>		
SXL005 - 23/24	Supply Chain Resilience	20
SXL010 - 23/24	National Emergency Including Pandemic	12
<b>Goal 5 - Advancement of skills to deliver Scotland's economic transformation.</b>		
SXL006 - 23/24	Staff Recruitment and Retention	16



## Appendix 1: Strategic Risk Scoring Methodology and Definitions

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

The risk template utilised in Appendix 2 provides a summary of the risk and its associated information. Each risk is defined in a statement, context provided, and an owner assigned. 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.

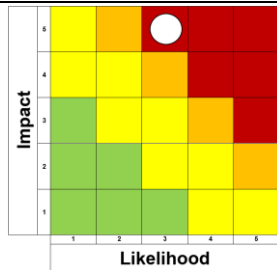

On a periodic basis, the risk will be reviewed, and any required adjustments will be made to the likelihood, impact, and residual risk score. This is the key metric of risk based on the control measures undertaken to reduce any impact from the risk. The residual risk score will be monitored each quarter and the direction of travel provided between the current and previous quarters.

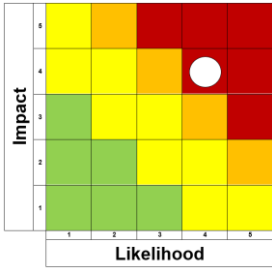

Appendix 2 presents identified Strategic Risks in the Scotland Excel risk template format. An explanation of each element of the risk template is shown in Table 5.

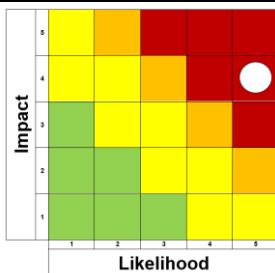

**Table 5: Descriptions of Risk Template Elements**

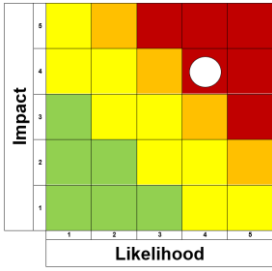

Element	Description
Reference	Unique risk identifier and risk title
Context	Context of identified risk
Risk Statement	Description of identified risk
Risk Owner	Executive team risk owner
Current Risk Controls	Specific risk controls currently in place
Risk Score	Risk assessment detail
Likelihood	How likely is it that the risk occurs (1-5)
Impact	Impact on SXL if the risk occurs (1-5)
Evaluation	Likelihood * Impact = Evaluation Score
Trend	Evaluation of movement over past 4 periods
Residual	Current Residual Risk Evaluation after Controls

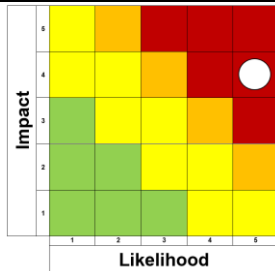

**Appendix 2: Scotland Excel Risk Register (November 2023)**

Organisational Sustainability				
Reference	SXL001-23/24			<div>Risk Matrix Position</div> 
Owner	JW			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
4	4	16		
Residual Risk Score				
Likelihood	Impact	Residual		
3	5	15		
Context				
As a membership organisation, Scotland Excel must constantly evidence its value to members and stakeholders during challenging financial, environmental, and socio-economic times. Organisational sustainability depends on meeting and exceeding member and stakeholder expectations.				
Risk Statement				
<p>Risks caused by the membership nature of Scotland Excel include:</p> <ul style="list-style-type: none"><li>• Failure to maintain excellent customer service and satisfaction levels across membership.</li><li>• Failure to clearly evidence the Value of Scotland Excel and meet expectations of members.</li><li>• Failure to meet varying and expanding expectations and requirements of members.</li></ul> <p>Risks associated with continuous public sector financial pressures:</p> <ul style="list-style-type: none"><li>• Reduced utilisation of Scotland Excel frameworks.</li><li>• Reluctance of members to increase requisition fees in light of challenging financial environment.</li><li>• Reduced real terms operational budget impacting existing service delivery.</li><li>• Failure to diversify and generate financial income from alternate sources to reduce financial reliance on membership requisition/fees.</li></ul>				
Current Risk Controls				
<ul style="list-style-type: none"><li>• Continuing focus on delivering and evidencing Core Value for all member Councils and Associate Members.</li><li>• Continuing development of Sectoral Savings Options for Councils and Associate members.</li><li>• Creation of Scotland Excel Savings Team to identify Sectoral Savings Opportunities for Local Authority Members.</li><li>• On-going development of projects offering new services and increased benefits for stakeholders.</li><li>• Identification of new opportunities to provide additional chargeable services based on customer demand.</li><li>• Ongoing robust market testing of all new shared service propositions.</li><li>• Ongoing robust business model is in place for all new services.</li><li>• Regular engagement with Chief Execs, Finance Directors, Corporate Procurement Leads and Elected Members demonstrating the value added by Scotland Excel.</li><li>• Segmentation of Scotland Excel Frameworks</li></ul>				

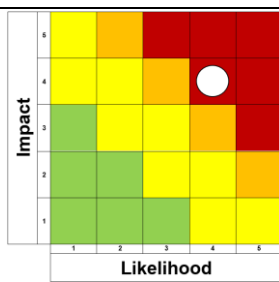

Managing Growth and Diversity				
Reference	SXL002-23/24			<div>Risk Matrix Position</div> 
Owner	SB			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
3	4	12		
Residual Risk Score				
Likelihood	Impact	Residual		
4	4	16		
Context				
Changing and competing demands from members require Scotland Excel to grow and diversify its framework portfolio and services within a changing financial, environmental, social and political environment.				
Risk Statement				
<p>Potential barriers to the diversification of Scotland Excel's framework portfolio and services include:</p> <ul style="list-style-type: none"><li>Financial, legal and other restrictions impacting ability to evolve framework and service offering.</li><li>Failure to recruit and retain staff with expertise required to deliver member requirements and grow the organisation.</li><li>Failure to source suppliers with capability, capacity and expertise required to deliver member demands.</li><li>Failure to identify and manage emerging opportunities and threats to organisation.</li></ul> <p>Risks caused by failure of Scotland Excel to diversify its framework portfolio and services include:</p> <ul style="list-style-type: none"><li>Negative reputational impact and reduced confidence in the organisation.</li><li>Inability to clearly evidence the value of Scotland Excel to members.</li><li>Reduced utilisation of Scotland Excel's framework portfolio by councils and associate members</li><li>Reduced ability to generate income out with member requisition and associate member fees.</li></ul>				
Current Risk Controls				
<ul style="list-style-type: none"><li>Stakeholder engagement will continue to be used to identify market development and project opportunities.</li><li>People Strategy and workforce planning tools used to ensure that Scotland Excel has staff with relevant expertise to deliver and grow a quality service offering.</li><li>Ongoing development and identification of non-requisition income streams.</li><li>Approval and implementation of Scotland Excel Carbon Net Zero Strategy.</li><li>Measures such as fixed-term contracts and council placements ensure that the Scotland Excel workforce can adapt to changing demands of members.</li><li>Development and implementation of diversified workforce training to ensure that Scotland Excel staff have relevant expertise to deliver and grow service offering.</li><li>Regular engagement with Chief Execs, Finance Directors, Corporate Procurement Leads and Elected Members demonstrating the value added by Scotland Excel.</li><li>Creation of Scotland Excel Savings Team to identify Sectoral Savings Opportunities for Local Authority Members.</li><li>Segmentation of Scotland Excel Frameworks</li></ul>				

Political, Legislative and Policy Change				
Reference	SXL003-23/24			<div>Risk Matrix Position</div> 
Owner	SB			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
4	4	16		
Residual Risk Score				
Likelihood	Impact	Residual		
5	4	20		
Context				
Political, Legislative and Policy changes at local, national, UK and international levels impact Scotland Excel operations and practice.				
Risk Statement				
<p>Challenges caused by political change may include:</p> <ul style="list-style-type: none"><li>• Brexit impacting delivery of Scotland Excel frameworks and suppliers.</li><li>• Increasing focus on Carbon Net Zero issues which Scotland Excel must respond to.</li><li>• Conflict around the world impacting supply chains across Scotland Excel frameworks.</li><li>• Changes in political direction causing changes to procurement guidelines.</li><li>• Changes in political direction causing changes to local government policy in Scotland.</li></ul> <p>Challenges caused by legislative changes may include:</p> <ul style="list-style-type: none"><li>• Changes to procurement guidelines and best practice impacting framework development and relevance.</li><li>• Changes to legislation impacting framework utilisation, for example: food standards, care guidance, building standards.</li><li>• Changes to environmental objectives impacting supplier resilience and framework development.</li></ul> <p>Challenges caused by policy changes may include:</p> <ul style="list-style-type: none"><li>• Local policy changes such as community wealth building, budget allocation, school meal menus and capital expenditure plans impact utilisation of Scotland Excel frameworks.</li><li>• Requirement for Scotland Excel to continuously adapt their frameworks to adhere to policy changes.</li><li>• Requirement for Scotland Excel to deliver against competing policy priorities.</li><li>• Centralisation and commercialisation of services impacting the demand for Scotland Excel services.</li></ul>				
Current Risk Controls				
<ul style="list-style-type: none"><li>• An effective and properly resourced public affairs strategy is in place.</li><li>• 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.</li><li>• Active participation by the organisation in various groups and boards influencing policy developments.</li><li>• Active participation by the organisation in collaborative procurement opportunities.</li><li>• Active engagement with the Scottish Government to influence and support policy development.</li><li>• Development of Business Intelligence function in Scotland Excel to give early warning of pending change and support future development.</li><li>• Monitoring of outcomes of The Procurement Reform (Scotland) Act 2014 on public procurement, response to reform approved by Scotland Excel's Executive Sub Committee.</li></ul>				

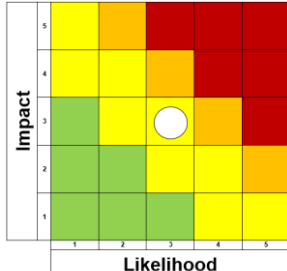
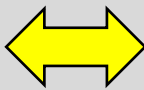
Reputational Risk				
Reference	SXL004-23/24			<div>Risk Matrix Position</div> 
Owner	JW			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
2	4	8		
Residual Risk Score				
Likelihood	Impact	Residual		
4	4	16		
Context				
Negative publicity caused by a service issue or failure damages the organisational reputation of Scotland Excel and may adversely impact the reputation of members and stakeholders.				
Risk Statement				
Reputational damage may adversely impact: <ul style="list-style-type: none"><li>Scotland Excel's ability to recruit staff and retain members.</li><li>Utilisation of Scotland Excel's framework portfolio by member organisations.</li><li>Scotland Excel's ability to recruit and retain staff.</li><li>Supplier participation in Scotland Excel frameworks.</li><li>Ability to attract new projects and meet funding requirements.</li><li>Scotland Excel's ability to meet conflicting demands of stakeholders.</li><li>Success/Uptake of Scotland Excel savings projects.</li><li>Confidence in Scotland Excel's ability to deliver its Social Care portfolio.</li></ul>				
Current Risk Controls				
<ul style="list-style-type: none"><li>Clear processes and procedures in relation to potential media issues are in place.</li><li>Pro-active monitoring of press coverage carried out by Marketing Team and wider organisation.</li><li>Pro-active and robust engagement with press organisations to ensure positive relationships and coverage.</li><li>Development and maintenance of easier to use and accessible corporate website.</li><li>Organisational promotion of corporate values to ensure individuals, teams and the organisation operates in line with its Values.</li><li>Ongoing and pro-active engagement with members and suppliers to develop constructive relationships.</li><li>Delivery of periodic events and enhanced marketing campaigns in support of recruitment.</li><li>Ongoing support of 'Meet the Buyer' events across Scotland.</li><li>Ongoing marketing campaigns in support of project delivery, The Academy, savings and frameworks.</li><li>Development and implementation of Value Project aimed at communicating the wider value of Scotland Excel to its members and stakeholders.</li><li>Creation of Scotland Excel Savings Team to identify Sectoral Savings Opportunities for Local Authority Members.</li><li>Supported Business and Construction events to be hosted by Scotland Excel.</li><li>Attendance and presentation at sectoral events such as Procurex, CIPFA, COSLA and Solace conferences.</li><li>Segmentation of Scotland Excel Frameworks</li></ul>				

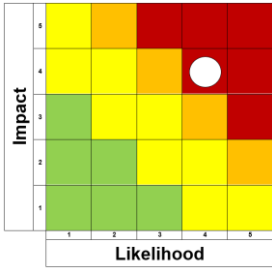

Supply Chain Resilience				
Reference	SXL005-23/24			<div>Risk Matrix Position</div> 
Owner	HC			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
3	4	12		
Residual Risk Score				
Likelihood	Impact	Residual		
5	4	20		
Context				
<p>Suppliers on Scotland Excel frameworks are required to navigate changeable and increasingly challenging supply chains circumstances. These challenges include high energy costs, inflation, recruitment and resourcing barriers, policy changes and maintaining positive employee relations.</p> <p>Suppliers are increasingly required to innovate or resource more efficient and environmentally aware products, services and materials to meet the changing demands of market.</p> <p>Failure of a service provider, or breakdown within the supply chain of a Scotland Excel framework could have significant implications for service provision within member council areas.</p>				
Risk Statement				
<p>Financial and socio-economic factors impacting the resilience of Scotland Excel framework suppliers include:</p> <ul style="list-style-type: none"><li>National emergencies i.e., Covid pandemic.</li><li>Strikes and recruitment challenges.</li><li>Rising energy costs.</li><li>International conflict.</li><li>Policy changes including Brexit.</li><li>Technological failures and challenges.</li><li>The impact of demographic change on utilisation of Scotland Excel frameworks.</li></ul> <p>Environmental and carbon net zero factors impacting the resilience of Scotland Excel framework suppliers include:</p> <ul style="list-style-type: none"><li>Disruption caused by Climate Change.</li><li>Demand for environmentally aware products outstripping supply across framework.</li><li>Failure to develop and provide environmentally aware product/service options.</li><li>Seasonal changes impacting both the supply and demand for social care services.</li></ul> <p>Impacts of supplier failure on Scotland Excel include:</p> <ul style="list-style-type: none"><li>The failure to deliver goods and services to customers through frameworks resulting in reduced confidence in Scotland Excel.</li><li>Negative reputational damage to Scotland Excel.</li><li>Reduction in member confidence in the resilience of Scotland Excel frameworks.</li></ul>				
Current Risk Controls				
<ul style="list-style-type: none"><li>Robust processes for monitoring financial stability of suppliers are carried out prior to award and throughout the life of a contract.</li><li>Utilisation of external advice as required and a tailored approach for high-risk contracts is in place.</li><li>Specific measures are in place to meet the management of Social Care contracts and these key areas of risk.</li><li>“Step-in Right” within relevant and appropriate social care contracts maintained.</li></ul>				

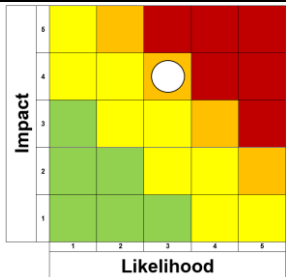

- Participation in multi-sector groups aimed at supporting provider sustainability and supply chain development.
- Robust Market Analysis Strategy practiced across procurement categories.
- Frameworks are established with lotting structures developed to provide variety and capacity for each local authority area, providing resilience in local supply chains.
- Scotland Excel monitors and reviews key supply chains across its frameworks and distributes quarterly supply chain resilience reports to customers.
- Development and implementation of Carbon Net Zero strategy.
- Roll out of Sustainable Procurement training across procurement teams.
- On-going monitoring of factors affecting suppliers and issue of quarterly “Scotland Excel Supply Chain Intelligence Report”.
- Agreement of 6% fee for National Care Home Contract.
- Segmentation of Scotland Excel Frameworks

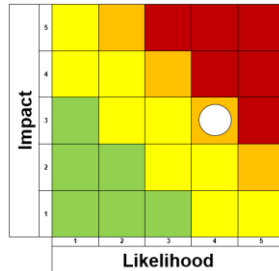

Staff Recruitment and Retention				
Reference	SXL006-23/24			<div>Risk Matrix Position</div> 
Owner	SB			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
3	3	9		
Residual Risk Score				
Likelihood	Impact	Residual		
4	4	16		
Context				
Failure to recruit and retain staff of suitable skill, quality, and experience may negatively impact Scotland Excel's ability to deliver its operating plan, five-year strategy and meet increasing customer expectations.				
Risk Statement				
Factors impacting Scotland Excel's ability to recruit and retain staff include: <ul style="list-style-type: none"><li>• High demand in the competitive public sector market for experienced procurement staff.</li><li>• Demographic changes including a reducing workforce population impacting ability to recruit staff and, aging population impacting staff retention as more staff approach retirement age.</li><li>• Changing expectations in relation to hybrid working.</li><li>• Scotland Excel's terms and conditions of employment and salary scales must be kept in line with local authority guidelines limiting flexibility within the recruitment and retention process.</li><li>• Staff turnover adversely impacting service delivery and increasing costs in relation to recruitment.</li><li>• Employment market uncertainty about the procurement profession adversely impacts Scotland Excel's ability to recruit staff.</li><li>• Language used in job advertisements impacting Scotland Excel's ability to recruit social care professionals.</li></ul>				
Current Risk Controls				
<ul style="list-style-type: none"><li>• People Strategy and workforce planning tools (recruitment, PDP etc.) are used to ensure that Scotland Excel staff have the appropriate mix of skills and experience to deliver and grow a quality service.</li><li>• Recruitment and retention processes constantly reviewed and updated.</li><li>• PDP process reviewed and updated in consultation with Scotland Excel staff.</li><li>• Delivery of periodic events and enhanced marketing campaigns in support of recruitment.</li><li>• Investors in People Gold accreditation achieved and maintained.</li><li>• Staff turnover figures collated and presented to SMT on a regular basis.</li><li>• Ongoing investment in staff learning and development programme.</li><li>• Development and implementation of a successful graduate training programme.</li><li>• Participation in relevant graduate apprenticeship opportunities</li><li>• Participation in relevant modern apprenticeship opportunities.</li><li>• Development and implementation of a Scotland Excel Employee Journey procedure.</li><li>• Broad range of flexible working options and patterns available to staff.</li><li>• Extensive range of employee benefits available to staff.</li><li>• Development and implementation of Recruitment Strategy.</li></ul>				



Corporate Social Responsibility				
Reference	SXL007-23/24			<div>Risk Matrix Position</div> 
Owner	HC			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
2	3	6		
Residual Risk Score				
Likelihood	Impact	Residual		
3	3	9		
Context				
The growing importance of corporate social responsibility among members and stakeholders requires Scotland Excel to evidence contribution to this shared priority across their framework portfolio and operational services.				
Risk Statement				
Risks associated with evolving corporate social responsibility commitments include: <ul style="list-style-type: none"><li>Underutilisation of Scotland Excel frameworks due to failure to promote, include and deliver community benefits.</li><li>Challenges exist relating to how to deliver Community Benefits within a financially challenging environment.</li><li>Reputational damage and reduced utilisation of Scotland Excel's frameworks due to failure to promote ethical sourcing of products and suppliers across portfolio supply chains.</li><li>Reputational damage caused by failure to ensure that Scotland Excel delivers Community Benefits in its day-to-day operations.</li><li>Scotland Excel's ability to recruit and retain staff and members being negatively impacted by failure to evidence measures taken to deliver corporate social responsibility.</li></ul>				
Current Risk Controls				
<ul style="list-style-type: none"><li>Management and Reporting of Community Benefits developed and embedded within established reporting cycle.</li><li>Community benefit requirements issued to suppliers at tender stage. Active promotion of community benefits is delivered through contract management.</li><li>Living Wage Employer accreditation secured and promoted across stakeholders and framework suppliers.</li><li>Workforce elements and living wage considerations are built into each procurement exercise at strategy stage.</li><li>Ethical sourcing strategies provided by suppliers as part of the tender process.</li><li>Staff have become mentors for children in schools under MCR Pathways.</li><li>Partnership with Founders 4 Schools supporting CV writing, mock interviews etc.</li><li>Incorporation of "Fair Work First" into Scotland Excel frameworks.</li><li>Establishment of Scotland Excel Employee Forum which carries out an annual programme of charitable activities.</li><li>Participation in relevant modern apprenticeship / graduate apprenticeship opportunities.</li><li>Delivery of Community Wealth Building Workshops.</li><li>Hosting of Supported Business event.</li><li>Segmentation of Scotland Excel Frameworks</li></ul>				

Meeting Member and Stakeholder Expectations				
Reference	SXL008-23/24			<div>Risk Matrix Position</div> 
Owner	SB			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
2	4	8		
Residual Risk Score				
Likelihood	Impact	Residual		
4	4	16		
Context				
As a membership organisation it is important for Scotland Excel to meet the varying and competing political, social, environmental, and financial expectations of its members.				
Risk Statement				
Risks associated with changing stakeholder and member expectations include: <ul style="list-style-type: none"><li>Loss of confidence in Scotland Excel due to failure to meet the expectations of members and stakeholders.</li><li>Challenges exist relating to how meet stakeholder expectations within a financially challenging environment.</li><li>Failure to perform and meet delivery targets in line with member and stakeholder expectations.</li><li>Failure to ensure appropriate mechanisms are in place to support operational performance and adaptability.</li><li>Insufficient resource available to Scotland Excel to meet evolving member and stakeholder expectations.</li><li>Failure to clearly evidence the value of Scotland Excel and meet expectations of members.</li></ul>				
Current Risk Controls				
<ul style="list-style-type: none"><li>Continuing focus on delivering and evidencing core value for all member Councils and Associate Members.</li><li>Continuing development of Sectoral Savings Options for Councils and Associate members.</li><li>Approved 5-year strategy and one-year operating plan in place addressing current member expectations.</li><li>Regular operating plan updates given to Executive Sub Committee to ensure robust governance.</li><li>Regular financial period review and reporting across core and projects.</li><li>Regular infrastructure reviews undertaken to support operational delivery in line with member and stakeholder expectations.</li><li>Ongoing development of services in response to changing member and stakeholder demands.</li><li>Creation of Scotland Excel Savings Team to identify Sectoral Savings Opportunities for Local Authority Members.</li><li>Development of Business Intelligence Strategy.</li><li>Attendance and presentation at sectoral events such as Procurex, CIPFA, COSLA and Solace conferences.</li><li>Segmentation of Scotland Excel Frameworks</li></ul>				

Environmental Impact and Climate Change				
Reference	SXL009-23/24			<div>Risk Matrix Position</div> 
Owner	JW			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
2	3	6		
Residual Risk Score				
Likelihood	Impact	Residual		
3	4	12		
Context				
<p>Members and stakeholders demand best value contracts that support their aspirations to achieve net zero carbon emissions and tackle climate change.</p> <p>Scotland Excel must demonstrate how their own operations are driving down emissions and reducing environmental impact.</p>				
Risk Statement				
<p>An ineffective environmental response from Scotland Excel may result in:</p> <ul style="list-style-type: none"><li>• Organisational activity having an adverse impact on the environment.</li><li>• Current and future frameworks and services having an adverse impact on the environment.</li><li>• Failure to maximise influence and impact on environmentally friendly public service delivery.</li><li>• Measurement and reporting of environmental performance that is not representative of true impact on the environment.</li><li>• Failure to deliver services to member organisations.</li></ul>				
Current Risk Controls				
<ul style="list-style-type: none"><li>• Review and ongoing adoption of environmentally aware operating practices within Scotland Excel.</li><li>• Ongoing review of Scotland Excel frameworks and their impact on the environment.<ul style="list-style-type: none"><li>○ Requirement for Environmental Policy, ISO certification or equivalent for access to certain frameworks.</li><li>○ Actions in relation to reducing carbon footprint scored in assessment for certain frameworks.</li><li>○ Information in relation to environmental practices and plans requested across all applicable frameworks.</li><li>○ Sustainability testing carried out as appropriate.</li></ul></li><li>• Launching of Next Zero Strategy Team.</li><li>• Exploration of options linked to accurate carbon measurement.</li><li>• Ongoing training of Scotland Excel staff on environmental impact and climate change issues.</li><li>• Segmentation of Scotland Excel Frameworks</li></ul>				

National Emergency Including Pandemic				
Reference	SXL0010-23/24			<div>Risk Matrix Position</div> 
Owner	JW			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
5	5	25		
Residual Risk Score				
Likelihood	Impact	Residual		
4	3	12		

Context

A National Emergency or Pandemic being declared by the Scottish Government and/or the UK Government will impact the day-to-day operations of Scotland Excel.

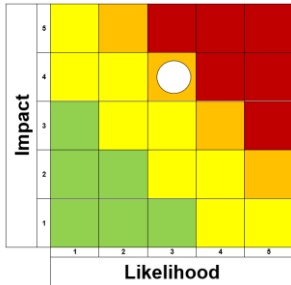

Risk Statement

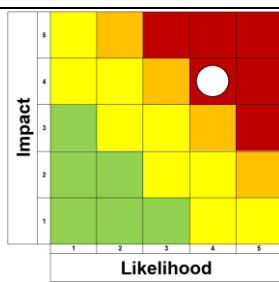
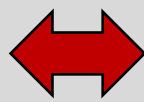
A National Emergency or Pandemic may result in:

- Impeded ability of Scotland Excel to deliver services to members and stakeholders.
- Reputational damage to Scotland Excel caused by failure to deliver services to and stakeholders.
- Negative impact on health and wellbeing of Scotland Excel employees.
- Failure to offer flexible working arrangements limiting organisational ability to adapt service delivery and operational processes following/during National Emergency or Pandemic.
- Failure to ensure supply chain resilience in case of National Emergency or Pandemic impacting the supply of goods and services through Scotland Excel frameworks impacting organisational reputation, member confidence and customer satisfaction levels.
- Impacts specific to social care/NHS – pressure on services.

Current Risk Controls

- Hybrid and ICT working arrangements are flexible allowing easy adaptability in case of National Emergency or Pandemic.
- ICT and Business Continuity Strategy and Plan in development.
- Employee support mechanisms (Occupational Health, Time to Talk, Mental Health First Aiders etc.) remain in place during flexible working scenarios.
- Access to a range of video communication software allows business meetings to take place online and ensures employees living alone or experiencing difficulties can be supported.
- Governance of the organisation can be maintained in line with governing documents.
- Framework nature of managed contracts ensure minimum dependence on single suppliers.
- Adaptability of organisational resources ensures flexibility in the allocation of resources to meet demand and changing priorities. E.g., PPE and Food during Covid pandemic.
- Review of framework contract terms and conditions every 2 years.
- Issuing quarterly Scotland Excel Supply Chain Intelligence Report.

Redesign of Scottish Public Services				
Reference	SXL0011-23/24			<div>Risk Matrix Position</div> 
Owner	HC			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
5	4	20		
Residual Risk Score				
Likelihood	Impact	Residual		
3	4	12		
Context				
Redesign of public services may adversely impact the ongoing operations, framework delivery and future service development plans of Scotland Excel.				
Risk Statement				
Redesign of Scottish Public Sector services may: <ul style="list-style-type: none"><li>Require Scotland Excel to adapt their current service offering to members.</li><li>Broaden the risk of under-utilisation of Scotland Excel frameworks and services.</li><li>Create conflict between national and local priorities complicating framework development.</li><li>Adversely impact the spend across a broad range of Scotland Excel frameworks.</li><li>Potentially impact the financial viability of Scotland Excel through recalculation of requisition requirements.</li><li>Adversely impact Scotland Excel's position as a centre of excellence for procurement.</li></ul>				
Current Risk Controls				
<ul style="list-style-type: none"><li>On-going liaison with key organisational stakeholders in relation to public service delivery.</li><li>Participation in key Scottish Government working groups relating to public service redesign.</li><li>Supplier and customer trust and utilisation of existing Scotland Excel frameworks.</li><li>Consultation with key stakeholders in relation to Parliamentary Process and responding to the Call for Views and co-design for the National Care Service (NCS).</li><li>Development of Scotland Excel Partnership Working Strategy.</li><li>Continued monitoring of implication of The Verity House Agreement on the delivery of public services.</li></ul>				

ICT and Cyber Security				
Reference	SXL0012-23/24			<div>Risk Matrix Position</div> 
Owner	SB			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
5	5	25		
Residual Risk Score				
Likelihood	Impact	Residual		
4	4	16		
Context				
<p>Scotland Excel is fully dependent on ICT to deliver its services to members. There has been an increase in both attempted and successful cyber-attacks across sectors which have been accelerated by socio-economic developments such as the introduction of hybrid working and conflict around the world. The growing threat of cyber-attacks to organisations requires preventative and mitigating cyber security measures to be implemented.</p>				
Risk Statement				
<p>Ineffective cyber security measures may result in:</p> <ul style="list-style-type: none"><li>• System or infrastructure failures impacting on the ability of the organisation to deliver services with resultant impacts on performance.</li><li>• Financial loss to Scotland Excel and its customers.</li><li>• Knock-on threat to the cyber security of member organisations and the public sector.</li><li>• Loss of control of confidential and commercially sensitive data impacting organisational reputation and member confidence</li><li>• Increased costs in relation to cyber security.</li></ul>				
Current Risk Controls				
<ul style="list-style-type: none"><li>• BitLocker encryption is enabled on all Scotland Excel computers.</li><li>• Conditional access policies are applied to limit access to Scotland Excel's cloud-based network via Renfrewshire Council's network, through which Scotland Excel's computers connect to the internet.</li><li>• Mobile Device Management (MDM) is carried out using MS Intune to support secure access and remote wiping of corporate data via personal/corporate mobiles.</li><li>• SPAM filtering is employed on Scotland Excel's MS Exchange server.</li><li>• Email authentication methods (SPF, DKIM) have been enabled to help prevent spam and spoofing.</li><li>• Regular manual back-ups taken of essential cloud-based data i.e., website, SQL databases.</li><li>• Regular cybersecurity training and simulated phishing attacks are carried out using the KnowBe4 Security Awareness Training platform.</li><li>• Cyber Security communications and guidance are regularly communicated to all Scotland Excel staff.</li><li>• Phish Alert add-in for Outlook is installed on all user devices to enable the quick and easy reporting of suspicious emails which can be analysed and deleted by IT to prevent future exposure.</li><li>• Automated back-ups in place for all Scotland Excel cloud-based Virtual Machines (servers)</li></ul>				