

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. following discussion, add/amend any risks/risk management plans, to the register, which are identified at the meeting; and
- ii. review and approve the Risk Register at **Appendix A**.

1. Strategic Contribution

- 1.1 High Life Highland's (HLH) purpose is **Making Life Better**. The HLH Strategy for 2025-2030, contains five strategic objectives which support the delivery of this purpose, and this report supports all of the outcomes in the strategy.

1. **Delivery of affordable, accessible, and inclusive services across the region.**
2. **Maximise and grow our income to re-invest across our services.**
3. **Ensure a consistent high value of delivery across HLH services.**
4. **Commit to the net zero and sustainability agenda.**
5. **Efficient and effective service delivery through our people and processes.**

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 28 August 2025, 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 11 August 2025 meeting. Since this meeting, the following amendments have been made:

- Inclusion of a new risk, raised at the Finance and Audit Committee regarding the amalgamation of several UK wide Local Government Pension Schemes (LGPS), as this potentially could impact the HC LGPS – this is being reviewed by the HC, with details to follow. For the moment, this risk has been scored as Amber C:3, pending feedback from the HC Pension Fund Manager

- HLH16A The Strathpeffer Pavillion – Risk increased from B:2 to A:2 due to the deteriorating relational situation impacting on the operational situation for the site – Legal advice has been sought with the ability of the recovery plan pivoting to an exit plan if necessary

2.3 The risk register indicates both pre and post mitigation risk levels, along with the impact each risk may have on the five strategic objectives. Risks are automatically profiled with Red, Amber and Green status, based upon a calculated formula. The register also incorporates several 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 the Performance Board meeting, due on the 28 August 2025.

3. The Highland Council Risk and Resilience Group

3.1 HLH is represented on the Highland Council's (THC) Risk and Resilience Group so there is a formal way of notifying the Council of risks on the HLH risk register which might have an impact on the HC.

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 consider and 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. Risks and Risk Management Plans

5.1 There are six 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’.

- **HLH03A** – Risk associated with the possibility of HLH being requested to take on additional facilities operated by Management Committees
- **HLH16A** - Strathpeffer Pavillion – Unacceptable operating losses have become unsustainable
- **HLH24A** - Risk of operational budgets or Operational Management / funding agreements for LUF/Castle projects not being acceptable to HLH or the HC
- **HLH24B** – Risk that the handover of the castle from construction to the operational phase, could cause operational and or financial challenges with delays. Further risk of unacceptable operating arrangements being adopted to prevent the opening being delayed, due to local or wider political pressures.
- **HLH24C** – Risk that the proposed financial model alongside the mechanism for adjusting the Services Fee and Services Specification, for

the utilisation of funds/profit sharing is unacceptable due to VAT implications or charitable regulatory restrictions.

- **HLH28** – Risk relating to access to both male and female spaces and services such as toilets and changing rooms, for any self-identifying Trans individuals.

5.2 Allowing for the new risk HLH32, there are now seven risks rated as “amber”. All risks which score between 7 and 9, will automatically be rated as ‘amber’.

- **HLH02A** – Seasonal Recruitment and Retention
- **HLH10** – Overreaching / Over commitment
- **HLH11** – Insufficient succession planning
- **HLH24** - Castle and Levelling Up Fund construction works
- **HLH27** – Poor and or ineffective working relationships develop between the Council and HLH.
- **HLH32** – Safeguarding risks
- **HLH33** – **New Risk post F&A meeting** - Amalgamation of UK based LGPS possibly impacting the HC pension pot

5.3 There are 17 Risks rated as green - HLH01, HLH02, HLH03, HLH04, HLH04A, HLH06, HLH11A, HLH16, HLH18, HLH19, HLH20, HLH20A, HLH22, HLH23, HLH29, HLH30 and HLH31 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. **Significant managed risks within the reporting period and Horizon Scanning**

6.1 Whilst reporting an improved position with regards to the overall risk situation, there were several strategic challenges within the year, some of which remain live and ongoing:

- SDC review – Completed - November 2024;
- SDC transfer of services – Completed – December 2024 - Adult and youth services transferred back to the HC
- Review of the supporting operational contracts within the main SDC, such as grounds maintenance and cleaning.
- THC's decision for Tain and TRACC could still pose significant challenges for HLH and its customers, depending on the final decision as to what the sport, leisure and library offering will be. The public consultation finished on 4 August 25, and we await the outcome of what decisions will be taken once the data has been reviewed. HLH are aware of a local steering group that has been established, supported by local Members and the Community Council, and that they have proposed an additional option, at the recent public meeting. The HC are considering this along with all of the community consultation feedback.

- The Highland Investment Plan (HIP) continues to gather pace, with Dingwall and Thurso the main focus for HLH opportunities for investment, with additional investment planned for Tornagrain, Fortrose Academy, Inverness High School, Charleston Academy and Beaully Primary School all of which could have community access and operational benefits for HLH. We 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. This investment is critical to reducing the risk of day-to-day operational infrastructure failures.
- The Inverness Castle Experience remains an extremely complex project with several contracts yet to be closed out. More importantly, an opening date has yet to be approved with mid Nov 2025 being the current stance from the project team, and we await the final operational documentation and operating parameters, with regards to profit sharing etc, being closed out pending our financial and operating legal advice and discussions with the HC.
- The service is also planning to roll out a senior management level restructure which will bring challenges but also service collaboration opportunities both of which will need to be managed sensitively. This is anticipated to be completed by the end of FY25/26.

7. Year to date

- 7.1 Overall, the risk register has continued to be developed to reflect the changing challenges 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. Capital funding via the HIP and capital programme are expected with all indications that this will come. However, we await the paper going to full Council in Oct 25, for the actual details of what those spending plans will deliver and when. This investment is critical to support the growth of the charity.
- 7.5 In the current reporting period, the HC successfully completed a comprehensive Risk Management Audit. The action plan developed as a result of this audit is on track for completion by the end of December 2025. Revised policy and guidance documents are scheduled for presentation to the Finance and Audit Committee on 10 November 2025, for their review and input. These documents will then proceed to the Board on 8 December 2025, for consideration, potential amendments, and final approval. This process indicates a structured approach

to improving the organization's risk management framework and ensuring compliance with updated policies and procedures.

- 7.6 The development of the HLH online risk management database continues, with the corporate module's testing now complete. The feedback from this testing phase is being incorporated into the development of the operational register. The system is anticipated to be rolled out by the end of the current financial year (FY25/26). The goal is to create a more efficient and centralised system for identifying, tracking, and responding to risks, replacing more manual processes like spreadsheets.
- 7.7 Whilst staff recruitment and retention continued to be monitored and mitigated as best as possible, the impact of this risk within our more rural locations was successfully addressed this year through local teams advertising early, along with a number of HLH hosted job fairs, to raise the profile of the opportunities and benefits for working for HLH. 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.
- 7.8 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.
- 7.9 This has been evident throughout the recent restructure consultation period with constructive solutions and collaborative opportunities being suggested from the teams to allow the Charity to evolve and strengthen its senior level leadership team, whilst also identifying opportunities to support the lowest paid staff members. It is hoped that the new structure, will provide both capacity and renewed enthusiasm to drive the strategic objectives forward.

8. Next Steps

- 8.1 Throughout the coming reporting period, it is anticipated that the main risks facing the Charity will be focussed on:
- The roll out of the new management structure and any resultant internal operational reviews.
 - Incorporation of the Inverness Castle Experience, to embed it within the wider charity
 - Concluding the reviews of the operational service contracts, within the signed off SDC;
 - Pursuing our agreed budget plan to provide financial stability;
 - Ensuring that the charity maintains a sustainable footing with suitable reserves; and
 - Striving for continued business growth and product development and improvement.

9. Report Implications

- 9.1 **Resource Implications** – there are potential resource implications associated with the Inverness Castle Experience to ensure that sufficient staff are recruited to dovetail with the opening.
- 9.2 **Legal Implications** – there are potential future legal implications associated with the Inverness Castle Experience and the future agreed operating model.
- 9.3 **Risk Implications** – Given the complexity of the project, there is a possibility of future risks associated with the Inverness Castle Experience going live. 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. following discussion, add/amend any risks/risk management plans, to the register, which are identified at the meeting; and
- ii. review and approve the Risk Register at **Appendix A**.

Designation: Chief Executive

Date: 19 August 2025

Author: Simon Swanson, Head of Investment and Programme Management

August 25 - High Life Highland - Combined Charity and Trading Company Business Critical Risk Register

Strategic Objectives: 1 - Affordable, accessible, and inclusive services, 2 - Maximise and grow our income, 3 - consistent high value of delivery, 4 - net zero and sustainability agenda, 5 - Efficient and effective service delivery

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	Strategic Objective 1 at risk	Strategic Objective 2 at risk	Strategic Objective 3 at risk	Strategic Objective 4 at risk	Strategic Objective 5 at risk	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	High Level Risk Owner	Lead / Nominated risk owner/owners	Risk Management Plan in place Yes / No	Risk No
HLH01	No	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	Operations/Service Delivery	Yes	Yes	Yes	Yes	Yes	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	The recent paper to full council highlighted significant funding opportunities for the community leisure and learning estate. Specifically, the Highland Investment Plan and projects in Caithness, Dingwall and Inverness will all be undertaken over the coming years with HLH to feature prominently in those plans. As such, the situation has improved dramatically and we look forward to working with the HC and partner organisations through the delivery of the Dingwall and Thurso PODs and the investment to Inverness Leisure and the Queens Park running track. Furthermore, the Capital Programme will be refreshed in time with further opportunities for HLH growth plans to be incorporated	4 - (D) - Low	3 - Minor Impact	12.00	⬆️	Exec Team - SW	SMT - SS	No	HLH01
HLH02	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	Human resource - Capacity, Recruitment etc.	Yes	Yes	Yes	No	Yes	Recruitment and retention issues for permanent staff, 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 therefore, the risk likelihood has been reduced and the RMP held in abeyance. However, the ability to recruit for the Castle Vacancies will be monitored closely, with any issues flagged up and this risk amended accordingly.	4 - (D) - Low	3 - Minor Impact	12.00	⬆️	Exec Team - DW	All Directors	No	HLH02
HLH02A	No	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.	No	Yes	Yes	No	Yes	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	Early intervention and recruitment, along with service contingency plans enabled this risk to be overcome to allow both sites to be operational as planned.	3 - (C) - Significant	3 - Minor Impact	9.00	⬆️	Exec Team - SW	All Directors	No	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	Geopolitical, Environmental or Economic Shock	Yes	Yes	Yes	Yes	Yes	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	3 - Minor Impact	12.00	➡️	Board/SMT - SW	Executive team	No	HLH03
HLH03A	Yes	Risk associated with the possibility of requests for facilities/services to be taken on by HLH due to potential loss/drawdown of Management Committees (MCs) within facilities utilising HLH staff, leading to a lack of MC governance and leadership for HLH staff/services - Current facilities under discussion are - Merkinch Community Centre and the Spectrum Centre.	Poor Governance	Yes	Yes	Yes	Yes	Yes	Drawdown or collapse of management committees (MCs) where HLH staff provide services / could also relate to any potential breakdown in relationships with MCs - Risk to HLH should MCs collapse, or should MC/HLH relationships breakdown, leading to a lack of MC governance and or leadership, resulting in unacceptable exposure to risk for HLH. Possible side issue of sites requesting full operation by HLH	Possibility for: Unacceptable exposure to risk for HLH staff due to Poor governance, non compliance, poor PR, increase in customer and staff complaints, staff absence etc. Possibility of expectations that HLH will automatically take on facilities.	2 - (B) - High	2 - Major Impact	THC have formally requested that HLH to adopt Merkinch Community Centre in Inverness on an emergency interim arrangement. The HC hadn't anticipated this so early on in the ongoing process and their due diligence had not been completed and remains ongoing. HLH remain in close discussions with the HC to navigate through this delicate and difficult situation.	1 - (A) Very High	3 - Minor Impact	3.00	⬇️	Board/SMT - SW	Dir - JWM	Yes	HLH03A
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	Delivery Partner Risk	Yes	Yes	Yes	Yes	Yes	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	3 - Minor Impact	12.00	➡️	Board/SMT - SW	Executive team	No	HLH04
HLH04A	No	In Dec 2024, a motion was raised requesting a review to look into how the HC could be better served by a smaller number of new local authorities. Whilst the motion was not accepted, an amendment was accepted (by 5 votes) to strengthening the powers of existing local area committees. There is a risk that any proposed changes could impact on the current capital funding model but also the delivery of HLH services and even the reporting chain for them.	Delivery Partner Risk	Yes	Yes	Yes	No	Yes	As yet unknown but there could be a risk that the HLH delivery, reporting and possibly capital funding models may change to more reflect a local agenda, rather than a highland wide facilities strategic agenda	Disparity in service provision, leading to competing priorities with the available funding	2 - (B) - High	2 - Major Impact	Remain vigilant to possible changes and where possible help to inform or shape any future proposed changes to enable all communities to be best provided within the existing resources, to continue our purpose of 'Making Life Better'.	4 - (D) - Low	3 - Minor Impact	12.00	N/A	Board/SMT - SW	Executive team	No	HLH04A
HLH06	No	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	Financial	No	Yes	Yes	No	Yes	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. Q1 figures indicate a deficit to budget predictions. Whilst they are deemed recoverable, at this early on within the FY, the risk has been amended to reflect this current situation	3 - (C) - Significant	3 - Minor Impact	9.00	⬆️	SMT - SW	Executive team	No	HLH06
HLH10	No	Over reaching/over commitment There is a risk that in an attempt to deliver the new strategic objectives that we over reach or over commit, placing an unacceptable workload on our staff	Human resource - Capacity, Recruitment etc.	Yes	Yes	Yes	Yes	Yes	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. Close monitoring of workloads by all managers especially given the anticipated projects to be delivered in conjunction with the HC this FY	4 - (D) - Low	2 - Major Impact	8.00	➡️	Exec Team - SW	Executive team	No	HLH10
HLH11	No	Insufficient succession planning There is a risk that the charity does not provide suitable arrangements for succession planning	Human resource - Capacity, Recruitment etc.	Yes	Yes	Yes	Yes	Yes	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. New management structure working towards additional mitigation for preventing single points of failure.	4 - (D) - Low	2 - Major Impact	8.00	➡️	Exec Team - SW	Executive team	No	HLH11
HLH11A	No	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	Poor Delivery	Yes	Yes	Yes	Yes	Yes	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. Training officer post also in the process of being recruited to	4 - (D) - Low	3 - Minor Impact	12.00	⬆️	Exec Team - SW	Executive team	No	HLH11A
HLH16	No	There is a risk that NCVV and HFM 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/Service Delivery	Yes	Yes	Yes	No	Yes	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	Management will continue to monitor and build on the progress achieved in the last FY at the IBG site, taking the learning and applying to the HFM and NCVV. NCVV to move to a seasonal operating model to help achieve income targets and minimise any future losses. Close budget monitoring and reporting on financial position to be maintained. Risk reduced to reflect the new operating models but will be closely monitored and amended as necessary.	4 - (D) - Low	3 - Minor Impact	12.00	⬆️	TRADING COMP - SW	Dir - JW	No	HLH16
HLH16A	Yes	The Stratheffer Pavilion, operated by a MC, with support from HLH, has gradually become a financial burden for HLH, due to unacceptable financial losses experienced within FY24/25.	Financial	Yes	Yes	Yes	No	Yes	The site is operating at a financial loss with little, or no possibility of recovery plans yielding results.	Continuation of this becomes financially unsustainable - Facilities cease to trade and HLH withdraws from the site, leading to poor reputational damage to the charity and partner organisations/MCs	1 - (A) Very High	2 - Major Impact	A short life working group has been established to both look at an action plan for improving the situation whilst maintaining an eye on activating an exit strategy, should plans not expedite an immediate recovery. Mtgs have been held at the senior level, including the MC. Risk reduced as agreed at the previous F&A Cttee Mtg due to deteriorating relationship situation	1 - (A) Very High	2 - Major Impact	2.00	⬇️	TRADING COMP - SW	Dir - JWM	Yes	HLH16A
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	Yes	Yes	Yes	Yes	Yes	Lack of partnership approach of HLH	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	3 - Minor Impact	15.00	⬆️	Exec Team - SW	Executive team	No	HLH18

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HLH19	No	Ineffective governance of HLH by the Board There is a risk of ineffective governance of HLH by the HLH Board	Poor Governance	Yes	Yes	Yes	Yes	Yes	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	3 - Minor Impact	15.00	⬆️	Board / Exec Team - SW	Executive team	No	HLH19
HLH20	No	Major H&S or Environmental Regulation Breach	Health & Safety - Personnel and Public safety	Yes	Yes	Yes	Yes	Yes	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	3 - Minor Impact	12.00	⬆️	Exec Team - DW	Executive team	No	HLH20
HLH20A	No	Data Protection Breach Risk - Major ICT, protocols and procedures, inc the use of photographs, Data Protection, copyright or systems security breach Risk (inc ICT Acceptable Use and Security, police sharing guidance, FOIs and SACs)	Compliance/Regulatory	Yes	Yes	Yes	No	Yes	Failure to conform to regulatory requirements leading to a reportable material breach	Reputational damage and/or prosecution/fine.	3 - (C) - Significant	1 - Critical	Strategic policy created along with staff training and the creation of a data protection working group with all services represented. Governance provided by the Finance and Audit Committee with monthly reporting at the performance board	4 - (D) - Low	3 - Minor Impact	12.00	➡️	Exec Team - DW	Executive team	No	HLH20A
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/Service Delivery	Yes	Yes	Yes	Yes	Yes	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	3 - Minor Impact	15.00	⬆️	Exec Team - DW	Executive team	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/Service Delivery	No	Yes	No	No	No	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	Executive team	No	HLH23
HLH24	No	Castle and Levelling Up Fund - construction and project risks currently managed within the respective project risk registers. However, risk registers and RMPs incorporated for full governance as recommended by the recent HC Risk Audit - See additional tabs	Operations/Service Delivery	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Exec Team - SW	Dir - FH	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	Financial	Yes	Yes	Yes	Yes	Yes	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	1 - (A) Very High	1 - Critical	Operational agreements and budgets continue to be 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, - End game is to prevent the adoption of a management agreements which are not workable or which cost HLH / THC. Next steps • Continue to review the construction and fit-out schedule and adapt timescales if required. • The recruitment schedule has been developed and will be adapted to fit the handover schedule. • The year one revenue budget continues to be reviewed in line with staffing schedules. • The retail product lines have been identified and orders for products with a long lead in time have been placed. • A review of the security arrangements is being undertaken to ensure the most effective arrangements for building, staff and public safety and wellbeing. • Detailed planning is now underway for all areas of operation.	2 - (B) - High	1 - Critical	2.00	⬇️	Board / Exec Team - SW	Dir - FH	Yes	HLH24A
HLH24B	Yes	Risk that the handover of the castle from construction to operational causes operational and financial difficulties and associated delays.	Delivery Partner Risk	Yes	Yes	Yes	Yes	Yes	Unable to agree an acceptable and sustainable operating and funding agreement, including the mechanism for the utilisation of profits, for the overall operating model for the castle prior to hand over to HLH.	Business context: - risk of financial exposure, loss of reputation damaging PR with partner organisations	2 - (B) - High	1 - Critical	Close involvement by HLH CEO with regards to all future operating commitments for the Castle. Staffing commitment to be agreed by the executive team in liaison with Head Of ICE Due to the current ICE Director (FH) leaving upon completion of the castle project (circa Oct 25) The Dir of Culture & Learning will provide additional shadow cover for the remaining period to provide continuity and support during the transition to the operational model.	2 - (B) - High	2 - Major Impact	4.00	➡️	Board / Exec Team - SW	Dir - FH	Yes	HLH24B
HLH24C	Yes	Risk that the proposed financial model for the utilisation of funds/profit sharing is unacceptable / not legal	Compliance/Regulatory	Yes	Yes	Yes	Yes	Yes	Risk that the proposed financial model for the utilisation of funds/profit sharing is unacceptable due to VAT implications or charitable law / regulatory restrictions. Also linked in with the mechanism for adjusting the Services Fee and Services Specification	Business context: - risk of financial exposure, loss of reputation damaging PR with partner organisations	2 - (B) - High	1 - Critical	HLH has sought a legal standing on the proposals to allow them to be considered and where necessary amended to ensure full compliance and legality of all documentation and operating parameters. Paper to go to the HLH Board with an update in June.	2 - (B) - High	2 - Major Impact	4.00	➡️	Board / Exec Team - SW	Dir - FH	Yes	HLH24C
HLH27	No	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	Yes	Yes	Yes	Yes	Yes	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	3 - Minor Impact	8.00	➡️	Board / Exec Team - SW	All Directors	No	HLH27
HLH28	Yes	NEW RISK - to cover the situation relating to access to single sex spaces	Compliance/Regulatory	Yes	No	Yes	No	Yes	There could be situations where men, self-identifying as women, could potentially seek access to female toilets and changing rooms or services for both staff and public areas with the associated impacts on women's privacy, dignity and safety. The same could also be said with regards to women self identifying as men.	This could: • lead to an inconsistency of treatment • Ultimately it could lead to a prosecution if not handled correctly • Could place staff and customers, including young children, in difficult situations	2 - (B) - High	1 - Critical	Guidance is being sought via CLUK from the Scottish Government. This risk is under constant review to enable staff and customers to be briefed as further clarification and details come forward. The recent Supreme Court ruling on single sex spaces, such as toilets and changing rooms, is likely to have an impact on many public bodies including HLH and the HC. The law still gives protection from discrimination to transgender people, and everybody deserves to be treated with respect. While the Equality and Human Rights Commission has issued interim guidance, final guidance is not expected until June. As HLH is inextricably linked to the wider HC estate, we have agreed to take a joint approach with regards to any physical changes identified as necessary to our infrastructure, along with an aligned communications plan. Pending the further operational clarity, regarding the guidance, we have agreed to maintain the status quo and not take unilateral decisions on a facility-by-facility basis so, guidance to staff to not do anything yet is being prepared prior to being in a position to have guidance for them to act on. Beyond that, should sites or individuals have specific concerns or issues, they will be directed to either their line management or HR as necessary	2 - (B) - High	1 - Critical	2.00	⬇️	Board / Exec Team - SW	Executive team	Yes	HLH28
HLH29	No	NEW RISK - There is a risk to operational capability and service delivery in the event that large numbers of existing staff are recruited from within to fill Castle Experience posts.	Operations/Service Delivery	Yes	No	Yes	No	Yes	If large numbers of employees leave current posts for Castle Experience Posts then the void left behind will create operational and additional recruitment issues	Insufficient staff numbers to provide service delivery and safely operate HLH trading company facilities;	3 - (C) - Significant	2 - Major Impact	The loss of any staff member is an issue at all times. However, due to the possibility of recruitment of large numbers within a short space of time, the operational impact could have a knock on effect, should a large number of Inverness Castle Experience (ICE) posts be filled with existing staff. Therefore, there will need to be a careful examination of applications as they are received for the new posts to allow contingencies to be considered. Ultimately, the ICE vacancies need to be filled by the best person for the job and as such, staff should be support if applying for the vacancies and managers should start to prepare for any staff losses with contingency planning to avoid service disruption. Most likely impact would be felt within the catering side of the offering as we have only just managed to get sites on an acceptable operating margin with suitable and sufficient staff numbers in place.	4 - (D) - Low	3 - Minor Impact	12.00	➡️	TRADING COMP - SW	Executive team	No	HLH29

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	Strategic Objective 1 at risk	Strategic Objective 2 at risk	Strategic Objective 3 at risk	Strategic Objective 4 at risk	Strategic Objective 5 at risk	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	High Level Risk Owner	Lead / Nominated risk owner/owners	Risk Management Plan in place Yes / No	Risk No
HLH30	No	New risk - Possible breach of financial regulations	Financial	Yes	Yes	Yes	Yes	Yes	There is a possible risk that staff could fail to follow the correct financial regulations, processes and or procedures - to include the regulations governing gifts and hospitality	This could result in a breach of the financial regulations, or gifts and hospitality regulations leading to criminal investigations, court proceedings and or poor PR for HLH and the HC	3 - (C) - Significant	2 - Major Impact	All staff are trained and aware of the financial regulations governing HLH activities and they are also aware of the action that may be taken in accordance with these regulations.	4 - (D) - Low	3 - Minor Impact	12.00	N/A	Board / Exec Team - SW	Executive team	No	HLH30
HLH31	No	new risk – Risk that operational staff fail to follow or implement HLH Standard or emergency operating procedures	Operations/Service Delivery	Yes	Yes	Yes	Yes	Yes	There is a risk that staff fail to follow the correct procedures for the utilisation of the trigger matrix	This could lead to a failure in the reporting of a site being off line or out of commission or a serious incident failing to be recorded properly	2 - (B) - High	1 - Critical	Staff are briefed and trained on the utilisation and importance of the trigger matrix.	4 - (D) - Low	3 - Minor Impact	12.00	N/A	Board / Exec Team - SW	Executive team	No	HLH31
HLH32	No	Safeguarding risks - Possible breach of protection and safeguarding policies and procedures	Compliance/Regulatory	Yes	Yes	Yes	Yes	Yes	There is a risk of staff not adhering to the safeguarding policies and procedures	This could lead to a breach of the safeguarding policies which could ultimately put a child or vulnerable adult at risk	2 - (B) - High	1 - Critical	Staff who require the mandated safeguarding training as part of their role within HLH are trained accordingly, with refresher training planned in advance. Trg is being reviewed along with the reemphasis on the need to get the relevant staff trained.	4 - (D) - Low	2 - Major Impact	8.00	N/A	Board / Exec Team - SW	Executive team	No	HLH32

Annual Review Aug 25 - High Life Highland - Combined Charity and Trading Company Business Critical Risk Register

Strategic Objectives: 1 - Affordable, accessible, and inclusive services, 2 - Maximise and grow our income, 3 - consistent high value of delivery, 4 - net zero and sustainability agenda, 5 - Efficient and effective service delivery

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	Strategic Objective 1 at risk	Strategic Objective 2 at risk	Strategic Objective 3 at risk	Strategic Objective 4 at risk	Strategic Objective 5 at risk	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	High Level Risk Owner	Lead / Nominated risk owner/owners	Risk Management Plan in place Yes / No	Risk No
HLH01	No	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	Operations/Service Delivery	Yes	Yes	Yes	Yes	Yes	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	The recent paper to full council highlighted significant funding opportunities for the community leisure and learning estate. Specifically, the Highland Investment Plan and projects in Caithness, Dingwall and Inverness will all be undertaken over the coming years with HLH to feature prominently in those plans. As such, the situation has improved dramatically and we look forward to working with the HC and partner organisations through the delivery of the Dingwall and Thurso PODs and the investment to Inverness Leisure and the Queens Park running track. Furthermore, the Capital Programme will be refreshed in time with further opportunities for HLH growth plans to be incorporated	4 - (D) - Low	3 - Minor Impact	12.00	⬆️	Exec Team - SW	SMT - SS	No	HLH01
HLH02	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	Human resource - Capacity, Recruitment etc.	Yes	Yes	Yes	No	Yes	Recruitment and retention issues for permanent staff, 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 therefore, the risk likelihood has been reduced and the RMP held in abeyance. However, the ability to recruit for the Castle Vacancies will be monitored closely, with any issues flagged up and this risk amended accordingly.	4 - (D) - Low	3 - Minor Impact	12.00	⬆️	Exec Team - DW	All Directors	No	HLH02
HLH02A	No	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.	No	Yes	Yes	No	Yes	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	Early intervention and recruitment, along with service contingency plans enabled this risk to be overcome to allow both sites to be operational as planned.	3 - (C) - Significant	3 - Minor Impact	9.00	⬆️	Exec Team - SW	All Directors	No	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	Geopolitical, Environmental or Economic Shock	Yes	Yes	Yes	Yes	Yes	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 if phishing email tests and training processes now implemented to minimise the cyber threat.	4 - (D) - Low	3 - Minor Impact	12.00	➡️	Board/SMT - SW	Executive team	No	HLH03
HLH03A	Yes	Risk associated with the possibility of requests for facilities/services to be taken on by HLH due to potential loss/drawdown of Management Committees (MCs) within facilities utilising HLH staff, leading to a lack of MC governance and leadership for HLH staff/services - Current facilities under discussion are - Merkinch Community Centre and the Spectrum Centre.	Poor Governance	Yes	Yes	Yes	Yes	Yes	Drawdown or collapse of management committees (MCs) where HLH staff provide services / could also relate to any potential breakdown in relationships with MCs - Risk to HLH should MCs collapse, or should MC/HLH relationships breakdown, leading to a lack of MC governance and or leadership, resulting in unacceptable exposure to risk for HLH. Possible side issue of sites requesting full operation by HLH	Possibility for: Unacceptable exposure to risk for HLH staff due to Poor governance, non compliance, poor PR, increase in customer and staff complaints, staff absence etc. Possibility of expectations that HLH will automatically take on facilities.	2 - (B) - High	2 - Major Impact	THC have formally requested that HLH to adopt Merkinch Community Centre in Inverness on an emergency interim arrangement. The HC hadn't anticipated this so early on in the ongoing process and their due diligence had not been completed and remains ongoing. HLH remain in close discussions with the HC to navigate through this delicate and difficult situation.	1 - (A) Very High	3 - Minor Impact	3.00	⬇️	Board/SMT - SW	Dir - JWM	Yes	HLH03A
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	Delivery Partner Risk	Yes	Yes	Yes	Yes	Yes	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	3 - Minor Impact	12.00	➡️	Board/SMT - SW	Executive team	No	HLH04
HLH04A	No	In Dec 2024, a motion was raised requesting a review to look into how the HC could be better served by a smaller number of new local authorities. Whilst the motion was not accepted, an amendment was accepted (by 5 votes) to strengthening the powers of existing local area committees. There is a risk that any proposed changes could impact on the current capital funding model but also the delivery of HLH services and even the reporting chain for them.	Delivery Partner Risk	Yes	Yes	Yes	No	Yes	As yet unknown but there could be a risk that the HLH delivery, reporting and possibly capital funding models may change to more reflect a local agenda, rather than a highland wide facilities strategic agenda	Disparity in service provision, leading to competing priorities with the available funding	2 - (B) - High	2 - Major Impact	Remain vigilant to possible changes and where possible help to inform or shape any future proposed changes to enable all communities to be best provided within the existing resources, to continue our purpose of 'Making Life Better'.	4 - (D) - Low	3 - Minor Impact	12.00	N/A	Board/SMT - SW	Executive team	No	HLH04A
HLH06	No	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	Financial	No	Yes	Yes	No	Yes	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. Q1 figures indicate a deficit to budget predictions. Whilst they are deemed recoverable, at this early on within the FY, the risk has been amended to reflect this current situation	3 - (C) - Significant	3 - Minor Impact	9.00	⬆️	SMT - SW	Executive team	No	HLH06
HLH10	No	Over reaching/over commitment There is a risk that in an attempt to deliver the new strategic objectives that we over reach or over commit, placing an unacceptable workload on our staff	Human resource - Capacity, Recruitment etc.	Yes	Yes	Yes	Yes	Yes	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. Close monitoring of workloads by all managers especially given the anticipated projects to be delivered in conjunction with the HC this FY	4 - (D) - Low	2 - Major Impact	8.00	➡️	Exec Team - SW	Executive team	No	HLH10
HLH11	No	Insufficient succession planning There is a risk that the charity does not provide suitable arrangements for succession planning	Human resource - Capacity, Recruitment etc.	Yes	Yes	Yes	Yes	Yes	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. New management structure working towards additional mitigation for preventing single points of failure.	4 - (D) - Low	2 - Major Impact	8.00	➡️	Exec Team - SW	Executive team	No	HLH11
HLH11A	No	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	Poor Delivery	Yes	Yes	Yes	Yes	Yes	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. Training officer post also in the process of being recruited to	4 - (D) - Low	3 - Minor Impact	12.00	⬆️	Exec Team - SW	Executive team	No	HLH11A
HLH16	No	There is a risk that NCVC and HFM 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/Service Delivery	Yes	Yes	Yes	No	Yes	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	Management will continue to monitor and build on the progress achieved in the last FY at the IBG site, taking the learning and applying to the HFM and NCVC. NCVC to move to a seasonal operating model to help achieve income targets and minimise any future losses. Close budget monitoring and reporting on financial position to be maintained. Risk reduced to reflect the new operating models but will be closely monitored and amended as necessary.	4 - (D) - Low	3 - Minor Impact	12.00	⬆️	TRADING COMP - SW	Dir - JW	No	HLH16
HLH16A	Yes	The Stratheffer Pavilion, operated by a MC, with support from HLH, has gradually become a financial burden for HLH, due to unacceptable financial losses experienced within FY24/25.	Financial	Yes	Yes	Yes	No	Yes	The site is operating at a financial loss with little, or no possibility of recovery plans yielding results.	Continuation of this becomes financially unsustainable - Facilities cease to trade and HLH withdraws from the site, leading to poor reputational damage to the charity and partner organisations/MCs	1 - (A) Very High	2 - Major Impact	A short life working group has been established to both look at an action plan for improving the situation whilst maintaining an eye on activating an exit strategy, should plans not expedite an immediate recovery. Mtgs have been held at the senior level, including the MC. Risk reduced as agreed at the previous F&A Cttee Mtg due to deteriorating relationship situation	1 - (A) Very High	2 - Major Impact	2.00	⬇️	TRADING COMP - SW	Dir - JWM	Yes	HLH16A
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	Yes	Yes	Yes	Yes	Yes	Lack of partnership approach of HLH	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	3 - Minor Impact	15.00	⬆️	Exec Team - SW	Executive team	No	HLH18

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	Strategic Objective 1 at risk	Strategic Objective 2 at risk	Strategic Objective 3 at risk	Strategic Objective 4 at risk	Strategic Objective 5 at risk	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	High Level Risk Owner	Lead / Nominated risk owner/owners	Risk Management Plan in place Yes / No	Risk No
HLH19	No	Ineffective governance of HLH by the Board There is a risk of ineffective governance of HLH by the HLH Board	Poor Governance	Yes	Yes	Yes	Yes	Yes	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	3 - Minor Impact	15.00	⬆️	Board / Exec Team - SW	Executive team	No	HLH19
HLH20	No	Major H&S or Environmental Regulation Breach	Health & Safety - Personnel and Public safety	Yes	Yes	Yes	Yes	Yes	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	3 - Minor Impact	12.00	⬆️	Exec Team - DW	Executive team	No	HLH20
HLH20A	No	Data Protection Breach Risk - Major ICT, protocols and procedures, inc the use of photographs, Data Protection, copyright or systems security breach Risk (inc ICT Acceptable Use and Security, police sharing guidance, FOIs and SACs)	Compliance/Regulatory	Yes	Yes	Yes	No	Yes	Failure to conform to regulatory requirements leading to a reportable material breach	Reputational damage and/or prosecution/fine.	3 - (C) - Significant	1 - Critical	Strategic policy created along with staff training and the creation of a data protection working group with all services represented. Governance provided by the Finance and Audit Committee with monthly reporting at the performance board	4 - (D) - Low	3 - Minor Impact	12.00	➡️	Exec Team - DW	Executive team	No	HLH20A
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/Service Delivery	Yes	Yes	Yes	Yes	Yes	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	3 - Minor Impact	15.00	⬆️	Exec Team - DW	Executive team	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/Service Delivery	No	Yes	No	No	No	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	Executive team	No	HLH23
HLH24	No	Castle and Levelling Up Fund - construction and project risks currently managed within the respective project risk registers. However, risk registers and RMPs incorporated for full governance as recommended by the recent HC Risk Audit - See additional tabs	Operations/Service Delivery	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Exec Team - SW	Dir - FH	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	Financial	Yes	Yes	Yes	Yes	Yes	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	1 - (A) Very High	1 - Critical	Operational agreements and budgets continue to be 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, - End game is to prevent the adoption of a management agreements which are not workable or which cost HLH / THC. Next steps • Continue to review the construction and fit-out schedule and adapt timescales if required. • The recruitment schedule has been developed and will be adapted to fit the handover schedule. • The year one revenue budget continues to be reviewed in line with staffing schedules. • The retail product lines have been identified and orders for products with a long lead in time have been placed. • A review of the security arrangements is being undertaken to ensure the most effective arrangements for building, staff and public safety and wellbeing. • Detailed planning is now underway for all areas of operation.	2 - (B) - High	1 - Critical	2.00	⬇️	Board / Exec Team - SW	Dir - FH	Yes	HLH24A
HLH24B	Yes	Risk that the handover of the castle from construction to operational causes operational and financial difficulties and associated delays.	Delivery Partner Risk	Yes	Yes	Yes	Yes	Yes	Unable to agree an acceptable and sustainable operating and funding agreement, including the mechanism for the utilisation of profits, for the overall operating model for the castle prior to hand over to HLH.	Business context: - risk of financial exposure, loss of reputation damaging PR with partner organisations	2 - (B) - High	1 - Critical	Close involvement by HLH CEO with regards to all future operating commitments for the Castle. Staffing compliment to be agreed by the executive team in liaison with Head Of ICE Due to the current ICE Director (FH) leaving upon completion of the castle project (circa Oct 25) The Dir of Culture & Learning will provide additional shadow cover for the remaining period to provide continuity and support during the transition to the operational model.	2 - (B) - High	2 - Major Impact	4.00	➡️	Board / Exec Team - SW	Dir - FH	Yes	HLH24B
HLH24C	Yes	Risk that the proposed financial model for the utilisation of funds/profit sharing is unacceptable / not legal	Compliance/Regulatory	Yes	Yes	Yes	Yes	Yes	Risk that the proposed financial model for the utilisation of funds/profit sharing is unacceptable due to VAT implications or charitable law / regulatory restrictions. Also linked in with the mechanism for adjusting the Services Fee and Services Specification	Business context: - risk of financial exposure, loss of reputation damaging PR with partner organisations	2 - (B) - High	1 - Critical	HLH has sought a legal standing on the proposals to allow them to be considered and where necessary amended to ensure full compliance and legality of all documentation and operating parameters. Paper to go to the HLH Board with an update in June.	2 - (B) - High	2 - Major Impact	4.00	➡️	Board / Exec Team - SW	Dir - FH	Yes	HLH24C
HLH27	No	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	Yes	Yes	Yes	Yes	Yes	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	3 - Minor Impact	8.00	➡️	Board / Exec Team - SW	All Directors	No	HLH27
HLH28	Yes	NEW RISK - to cover the situation relating to access to single sex spaces	Compliance/Regulatory	Yes	No	Yes	No	Yes	There could be situations where men, self-identifying as women, could potentially seek access to female toilets and changing rooms or services for both staff and public areas with the associated impacts on women's privacy, dignity and safety. The same could also be said with regards to women self identifying as men.	This could: • lead to an inconsistency of treatment • Ultimately it could lead to a prosecution if not handled correctly • Could place staff and customers, including young children, in difficult situations	2 - (B) - High	1 - Critical	Guidance is being sought via CLUK from the Scottish Government. This risk is under constant review to enable staff and customers to be briefed as further clarification and details come forward. The recent Supreme Court ruling on single sex spaces, such as toilets and changing rooms, is likely to have an impact on many public bodies including HLH and the HC. The law still gives protection from discrimination to transgender people, and everybody deserves to be treated with respect. While the Equality and Human Rights Commission has issued interim guidance, final guidance is not expected until June. As HLH is inextricably linked to the wider HC estate, we have agreed to take a joint approach with regards to any physical changes identified as necessary to our infrastructure, along with an aligned communications plan. Pending the further operational clarity, regarding the guidance, we have agreed to maintain the status quo and not take unilateral decisions on a facility-by-facility basis so, guidance to staff to not do anything yet is being prepared prior to being in a position to have guidance for them to act on. Beyond that, should sites or individuals have specific concerns or issues, they will be directed to either their line management or HR as necessary	2 - (B) - High	1 - Critical	2.00	⬇️	Board / Exec Team - SW	Executive team	Yes	HLH28
HLH29	No	NEW RISK - There is a risk to operational capability and service delivery in the event that large numbers of existing staff are recruited from within to fill Castle Experience posts.	Operations/Service Delivery	Yes	No	Yes	No	Yes	If large numbers of employees leave current posts for Castle Experience Posts then the void left behind will create operational and additional recruitment issues	Insufficient staff numbers to provide service delivery and safely operate HLH trading company facilities;	3 - (C) - Significant	2 - Major Impact	The loss of any staff member is an issue at all times. However, due to the possibility of recruitment of large numbers within a short space of time, the operational impact could have a knock on effect, should a large number of Inverness Castle Experience (ICE) posts be filled with existing staff. Therefore, there will need to be a careful examination of applications as they are received for the new posts to allow contingencies to be considered. Ultimately, the ICE vacancies need to be filled by the best person for the job and as such, staff should be support if applying for the vacancies and managers should start to prepare for any staff losses with contingency planning to avoid service disruption. Most likely impact would be felt within the catering side of the offering as we have only just managed to get sites on an acceptable operating margin with suitable and sufficient staff numbers in place.	4 - (D) - Low	3 - Minor Impact	12.00	➡️	TRADING COMP - SW	Executive team	No	HLH29

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	Strategic Objective 1 at risk	Strategic Objective 2 at risk	Strategic Objective 3 at risk	Strategic Objective 4 at risk	Strategic Objective 5 at risk	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	High Level Risk Owner	Lead / Nominated risk owner/owners	Risk Management Plan in place Yes / No	Risk No
HLH30	No	New risk - Possible breach of financial regulations	Financial	Yes	Yes	Yes	Yes	Yes	There is a possible risk that staff could fail to follow the correct financial regulations, processes and or procedures - to include the regulations governing gifts and hospitality	This could result in a breach of the financial regulations, or gifts and hospitality regulations leading to criminal investigations, court proceedings and or poor PR for HLH and the HC	3 - (C) - Significant	2 - Major Impact	All staff are trained and aware of the financial regulations governing HLH activities and they are also aware of the action that may be taken in accordance with these regulations.	4 - (D) - Low	3 - Minor Impact	12.00	N/A	Board / Exec Team - SW	Executive team	No	HLH30
HLH31	No	new risk – Risk that operational staff fail to follow or implement HLH Standard or emergency operating procedures	Operations/Service Delivery	Yes	Yes	Yes	Yes	Yes	There is a risk that staff fail to follow the correct procedures for the utilisation of the trigger matrix	This could lead to a failure in the reporting of a site being off line or out of commission or a serious incident failing to be recorded properly	2 - (B) - High	1 - Critical	Staff are briefed and trained on the utilisation and importance of the trigger matrix.	4 - (D) - Low	3 - Minor Impact	12.00	N/A	Board / Exec Team - SW	Executive team	No	HLH31
HLH32	No	Safeguarding risks - Possible breach of protection and safeguarding policies and procedures	Compliance/Regulatory	Yes	Yes	Yes	Yes	Yes	There is a risk of staff not adhering to the safeguarding polices and procedures	This could lead to a breach of the safeguarding policies which could ultimately put a child or vulnerable adult at risk	2 - (B) - High	1 - Critical	Staff who require the mandated safeguarding training as part of their role within HLH are trained accordingly, with refresher training planned in advance. Trg is being reviewed along with the reemphasis on the need to get the relevant staff trained.	4 - (D) - Low	2 - Major Impact	8.00	N/A	Board / Exec Team - SW	Executive team	No	HLH32

Inverness Castle Risk Register
Risk Register

No.	Risk	Risk Category	Short description of the Risk	Full Description	Consequences	Mitigations	Post-Mitigated Impact	Post-mitigated Likelihood	Post-mitigated Raw Total Score	Risk Change Since Last Review	Proximity	Risk Owner/Role
1	IC-001 - Impact of the claim for extension of time	Rising Costs	Main contractor has sought extension of time	An extension of time has been granted to Bancon with a claim for Loss and Expenses for the 11 weeks.	Project cannot be completed within budget	Monitor contractor's performance and seek additional funding	4 - Significant impact	3 - High	12.00	➡	5 - Imminent: next month	Principal Project Manager
4	IC-004 - Shortages in labour supply	Supply Chain Issues and Delays	Disruption in construction	Negative impact on availability of sub contractors	Cost overrun and project delays	Monitor contractor's performance	4 - Significant impact	1 - Low	4.00	➡	3 - Approaching: next 6 months	Principal Project Manager
6	IC-006 - Public dissatisfaction with the length of the work programme	Reputational Risk	Negative PR	Negative publicity associated with the length of the contract	Lack of public and stakeholder support	Undertake extensive stakeholder engagement throughout the construction period	3 - Medium impact	2 - Medium	6.00	⬆	3 - Approaching: next 6 months	Project Director
7	IC-007 - Fire during the renovation works	Premises & Estate Management	Premises destroyed or damaged	New or existing facilities are lost or damaged by fire	Project may be delayed	Ensure close liaison with PS and SMS to ensure effective security arrangements	5 - Major impact	1 - Low	5.00	➡	5 - Imminent: next month	Principal Project Manager
9	IC-009 - Inclement weather during construction	Premises & Estate Management	Delays in programme	Bad weather prohibits the contractor from completing planned works on schedule	Cost overrun and project delays	Work with contractor to schedule other work in the event of inclement weather	2 - Low impact	1 - Low	2.00	⬇	3 - Approaching: next 6 months	Principal Project Manager
10	IC-010 - The fit-out contract over runs	Poor Delivery	Workhaus are held up by Bancon	The fit out contract is not complete by May 2025	Access to the castle for on site staff training and venue preparation is delayed	Produce a new work programme for Bancon and Workhaus to overlap	4 - Significant impact	1 - Low	4.00	➡	3 - Approaching: next 6 months	Project Director
11	IC-011 - Bancon and Workhaus are unable to work in overlap	Poor Delivery	Claim and counter claim culture emerges	Working in the same area causes damage and claims and counter claims	Project is delayed	Develop a programme of work where only one contractor is in an area at one time	5 - Major impact	2 - Medium	10.00	➡	3 - Approaching: next 6 months	Project Director
12	IC-012 - Increased set up costs, due to delays	Poor Delivery	Delay in opening increases set up costs	Later than planned opening reduces income	Cost overrun on revenue budget in first year	Change recruitment schedule of new team and adjust marketing plan	3 - Medium impact	2 - Medium	6.00	➡	3 - Approaching: next 6 months	Project Director
13	IC-013 - Set up costs can not be met	Poor Governance	Income in year 1 does not cover the set up costs	Later than planned opening reduces income achieved	Cost overrun in revenue budget in first year	Change recruitment schedule of new team and adjust marketing plan	3 - Medium impact	2 - Medium	6.00	➡	3 - Approaching: next 6 months	Project Director
14	IC-014 - Failure to recruit sufficient numbers and quality of staff for the new attraction	Operations	Staff shortages	Staff shortages in key operational areas	Inability to present a world class visitor experience	Begin recruitment process in sufficient time in advance of opening	4 - Significant impact	2 - Medium	8.00	➡	3 - Approaching: next 6 months	Project Director
15	IC-015 - Poor stakeholder and public response to the completed project	Reputational Risk	Negative visitor response	Business case projections are not achieved	Long term viability of the facility may be jeopardised	Undertake stakeholder engagement to assess visitor expectation	3 - Medium impact	1 - Low	3.00	➡	2 - Distant: next 12 months	Project Director
16	IC-016 - Visitor numbers are not achieved	Poor Delivery	Overestimated visitor numbers	Business case projections are not achieved	Long term viability of the facility may be jeopardised	Apply conservative projections for the year one operating budget	3 - Medium impact	1 - Low	3.00	➡	2 - Distant: next 12 months	Project Director
17	IC-017 - Revenue performance is poorer than projected	Poor Delivery	Overestimated visitor numbers	Business case projections are not achieved	Long term viability of the facility may be jeopardised	Apply conservative projections for the year one operating budget	3 - Medium impact	1 - Low	3.00	➡	2 - Distant: next 12 months	Project Director
18	IC-018 - Impact of legislative change in tourism	Poor Delivery	Reduced market size	Changing legislation and policy impacts negatively on visitor numbers	Business model and financial sustainability impacted	Monitor legislative changes and consider the impact on the business model	3 - Medium impact	2 - Medium	6.00	➡	2 - Distant: next 12 months	Project Director
19	IC-019 - Vandalism and anti-social behaviours during the fit out works	Premises & Estate Management	Premises destroyed or damaged	Facilities and equipment are destroyed or damaged by vandalism and anti social behaviours	Project may be delayed	Arrange 24 hour security during build and fit out works.	4 - Significant impact	1 - Low	4.00	⬇	5 - Imminent: next month	Project Director

APPENDIX C - Inverness Castle Project - Risk Management Plans

Risk No:	Risk Score:	Owned By:
IC-001	8	Principal Project Manager
Description		
Impact of the claim for extension of time.		
Controls Already in Place		
The contract architect has evaluated the claim and granted an eleven-week extension.		
Effectiveness of these Controls		
A new programme has been agreed with the fit-out contractor which will enable a mid-2025 opening as long as each contractor meets their programme deadlines.		
New Actions Required		Who is responsible
<ul style="list-style-type: none"> i) Examine the remaining works and, where possible, simplify the details to speed the contract up. ii) Ensure members of the Design Team and Project Manager are on site at least three days per week to answer any queries from the contractor, to speed up communication and to ensure trades on site are not having to wait for answers. iii) Monitor progress on a weekly basis to try and ensure the new dates are met and report to the SRO on a regular basis. 		JK / AM

Inverness Castle Project - Risk Management Plan

Risk No:	Risk Score:	Owned By:
IC-014	8	Project Director
Description		
Failure to recruit sufficient numbers and quality of staff for the new attraction.		
Controls Already in Place		
The roles and salary grades within the staffing structure have been market tested with operators and consultants in the visitor attraction, food and beverage and retaining sectors. Early indications are that the roles and grades are attractive, and that the recruitment process will compete effectively in securing the right individuals with relevant experience and skill sets.		
Effectiveness of these Controls		
At present the Association of Scottish Visitor Attractions (ASVA) indicate that the grades and roles should be sufficient to attract a high-quality response.		
New Actions Required		Who is responsible
<ul style="list-style-type: none"> i) Review the roles and grades with the Head of Inverness Castle Experience. ii) Revise any roles and grades based on his advice. iii) Re-test any changes to the structure with sector operators. iv) Ask ASVA to review the proposed roles and grades. v) Determine a recruitment schedule for each role. vi) Identify the most effective channels to advertise the posts. vii) Develop the recruitment and selection process. viii) Ensure sufficient time to undertake the recruitment process. ix) Devise the training programme for the new Inverness Castle Experience Team. x) Implement the recruitment schedule and training programme to match the construction and fit-out programme. 		FH

APPENDIX A - Bught and Northern Meeting Park Risk Register

APPENDIX B

No.	Risk	Risk Category	Short description of the Risk	Full Description	Consequences	Mitigations	Post-Mitigated Impact	Post-mitigated Likelihood	Post-mitigated Raw Total Score	Arrow	Proximity	Risk Owner/Role
4	NMP004; BP004 - Project costs run over budget	Rising Costs	Rising construction costs	Insufficient funds to cover tender or internal design fees	Cost overrun and project delays	Ensure appropriate contingencies and monitor contractor and design team fees (against agreed outputs)	4 - Significant impact	2 - Medium	8.00	➡	5 - Imminent: next month	Principal Project Manager
5	NMP005; BP005 - Revenue budget requires additional Council subsidy	Rising Costs	Revenue estimates not met	Actual expenditure exceeds actual income	Long term viability of the facility may be jeopardised	Apply conservative projections for the year one operating budget	3 - Medium impact	1 - Low	3.00	⬅	5 - Imminent: next month	Project Director
10	NMP010; BP010 - Visitors numbers are not achieved	Poor Delivery	Overestimated visitor numbers	Business case projections are not achieved	Long term viability of the facility may be jeopardised	Apply conservative projections for the year one operating budget	3 - Medium impact	1 - Low	3.00	➡	5 - Imminent: next month	Project Director
12	NMP012; BP012 - Revenue performance is poorer than projected	Poor Delivery	Overestimated visitor numbers	Business case projections are not achieved	Long term viability of the facility may be jeopardised	Apply conservative projections for the year one operating budget	4 - Significant impact	1 - Low	4.00	➡	5 - Imminent: next month	Project Director
14	NMP014; BP014 - Fire during the renovation works	Premises & Estate Management	Premises destroyed or damaged	New or existing facilities are lost or damaged by fire	Project may be delayed	Ensure close liaison with PS and SRFS to ensure effective security arrangements. Additional security patrols outwith working hours and over Christmas holidays.	5 - Major impact	1 - Low	5.00	➡	5 - Imminent: next month	Principal Project Manager

Risk No:	Risk Score:	Owned By:
NMP004 and BP004	8	Project Team
Description		
Project costs run over budget.		
Controls Already in Place		
Apply appropriate contingencies and monitor contractor and design team fees against agreed outputs.		
Effectiveness of these Controls		
At present the project is within budget.		
New Actions Required		Who is Responsible?
<ul style="list-style-type: none"> i) Monitor expenditure within the contracts. ii) Ensure fees remain in line with the budget available. iii) Restrict all other spend to the available budget. iv) Source and secure additional public and private sector funding to add v) Report any negative variations to budget to the LUF Programme 		Principal Project Manager

Risk No:	Risk Score:	Owned By:	Last review date:
HL03A	3 A:3	Trading Company	28-Jul-25
Risk Description:			
Risk associated with the possibility of requests for facilities/services to be taken on by HLH due to potential loss/drawdown of Management Committees (MCs) within facilities utilising HLH staff, leading to a lack of MC governance and leadership for HLH staff/services - Current facilities under discussion are - Merkinch Community Centre and the Spectrum Centre.			
Background			
<ul style="list-style-type: none"> Drawdown or collapse of management committees (MCs) where HLH staff provide services / could also relate to any potential breakdown in relationships with MCs - Risk to HLH should MCs collapse, or should MC/HLH relationships breakdown, leading to a lack of MC governance and or leadership, resulting in unacceptable exposure to risk for HLH. Possible side issue of sites requesting full operation by HLH 			
Summary of operational position			
THC have formally requested that HLH to adopt Merkinch Community Centre in Inverness on an emergency interim arrangement. The HC hadn't anticipated this so early on in the ongoing process and their due diligence had not been completed and remains ongoing. HLH remain in close discussions with the HC to navigate through this delicate and difficult situation.			
Action	Who is responsible	Next Review	Update
	HLH Chief Executive	Next F&A Committee	HLH are still working through this evolving situation specifically re the governance and potential PR risk to both organisations

Risk No:	Risk Score:	Owned By:	Last review date:
HLH16A	2 A:2	Executive	13-Aug-25
Risk Description:			
The Strathpeffer Pavillion, operated by a Management Committee, with support from HLH, has gradually become a financial burden for HLH, due to unacceptable financial losses experienced within FY24/25.			
Summary of operational position			
The previously highlighted short life working group continues to meet regularly to work through the action planning process to improve the situation at the location. This has included bringing in specific sector expertise to improve bookings and understand sector needs in the Highlands. The relationship between HLH and SPCT Board remains challenging and difficult, and there remains difficulties in moving forward discussions around the Management Agreement review. HLH has sought legal advice on this matter. It should be noted there remains the option to modify the above action plan to become an exit strategy, should plans not expedite sufficient demonstrable recovery or should the recovery plans/proposals not be acceptable to the SPCT Board. Mtgs have been held at the senior level of HLH and work is progressing well internally with the support of all HLH services. Risk increased from B:2 to A:2			
Action	Who is responsible	Next Review	Update
	HLH Chief Executive	F&A Committee	Regular mtgs of the working group established to ensure that the action plan delivers either a financial turnaround, or an exit strategy within FY25/26

Risk No:	Risk Score:	Owned By:	Last review date:
HLH24A	2 B:1	Trading Company	28-Jul-25
Risk Description:			
Risk of operational budgets or Operational Management / funding agreements for LUF/Castle projects not being acceptable to HLH or the HC			
Background <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			
<p>•Continue to review the construction and fit-out schedule and adapt timescales if required.</p> <p>•The recruitment schedule has been developed and will be adapted to fit the handover schedule.</p> <p>•The year one revenue budget continues to be reviewed in line with staffing schedules.</p> <p>•The retail product lines have been identified and orders for products with a long lead in time have been placed.</p> <p>•A review of the security arrangements is being undertaken to ensure the most effective arrangements for building, staff and public safety and wellbeing.</p> <p>Detailed planning is now underway for all areas of operation.</p>			
Action	Who is responsible	Next Review	Update
	HLH Chief Executive	Next F&A Committee	Continued focus and urgency being applied to bring matters to a suitable conclusion due to the urgent need dictated by the soon to be completed facilities at Bught Park.

Risk No:	Risk Score:	Owned By:	Last review date:
HLH24B	4 B:2	Board/Trading Company - TBC	28-Jul-25
Risk Description:			
<p>NEW RISK - Risk that the handover of the castle from construction to the operational phase, could cause operational and or financial challenges with possible delays. Further risk of unacceptable operating arrangements being adopted to prevent the opening being delayed, due to local or wider political pressures.</p>			
<p>Background</p> <ul style="list-style-type: none"> • As planned, the CEO of HLH, is increasing his involvement with this project to provide oversight and governance prior to any proposal going to the HLH Board • Financial and operational and business modelling being carried out by the Dir of Castle and Events • A 'Head of Castle' has been appointed to take up post in the New year. This post will be pivotal in helping establish the staffing quota, operating requirements and help shape and drive forward the operating business model for the castle. • The discussions regarding the post handover operational arrangements, specifically the financial mechanism and agreements for the utilisation/distribution of the profits, for both the HC and HLH, are complex and still ongoing. • All parties will need to agree an acceptable and sustainable operating and funding model, well in advance of the hand over to HLH, so that the HLH Board and Trading company can consider and review all proposals. • All future maintenance arrangements are still under discussion and are likely to be taken care of through the utilisation of an 'Operation and Maintenance Bond', (extended Surety Bond) following the completion of the construction phase. Full details and costs to follow. • Additional office accommodation has been secured with a lease put in place in Bridge Street, directly to HLH but fully funded by the castle income and outwith the property agreement. • HLH has also been requested to take a lease out on the castle itself as this will be administered under a separate SLA. However, full details have yet to be provide to allow the HLH Board to consider this approach as a Licence to Occupy may be more appropriate. • As with all castle matters, HLH will seek a legal opinion prior to handover or sign off. <p>Due to the current ICE Director (FH) leaving upon completion of the castle project (circa Oct 25) , HLH has apponited Dir Culture and Learning to shadow th eproject for the remaining period to provide continuity and support during the transition to the operational model.</p>			
Summary of operational position			
<p>Operational agreements and budgets currently being scoped out by the Director of Castle and Events with input from the operational and corporate teams. The situation is complex, hence the increased risk at this early stage, due to a number of unknowns. End game is to prevent the adoption of any agreements which are not workable or sustainable.</p>			
Action	Who is responsible	Next Review	Update
	HLH Chief Executive	Next F&A Committee	Discussions ongoing

Risk No:	Risk Score:	Owned By:	Last review date:
HLH24C	4 B:2	Board/Trading Company - TBC	28-Jul-25
Risk Description:			
NEW RISK - Risk that the proposed financial model alongside the mechanism for adjusting the Services Fee and Services Specification, for the utilisation of funds/profit sharing is unacceptable due to VAT implications or charitable regulatory restrictions.			
Background			
<ul style="list-style-type: none"> • To date the proposed methodology for the utilisation of profit generated from the Castle Experience project was that it would be split between the HC and HLH 50:50. • Legal advice recently sought from Burness Paull, has highlighted that the proposal, as tabled, may not be legally acceptable under Charity Law, an indeed unacceptable to OSCR. • Additionally, there are loan charges to take into consideration prior to any profit split • Update paper to go to the June 25 Board mtg 			
Summary of operational position			
Operational agreements and budgets currently being scoped out by the Director of Castle and Events with input from the operational and corporate teams. The situation is complex, hence the increased risk at this early stage, due to a number of unknowns. End game is to prevent the adoption of any agreements which are not workable or sustainable.			
Action	Who is responsible	Next Review	Update
	HLH Chief Executive	Next F&A Committee	Discussions ongoing

Risk No:	Risk Score:	Owned By:	Last review date:
HLH28	2 B:1	Board/Trading Company - Exec Team	28-Jul-25
Risk Description:			
NEW RISK - to cover the situation relating to access single sex spaces			
<p>Background:</p> <p>The recent Supreme Court ruling on single sex spaces, such as toilets and changing rooms, is likely to have an impact on many public bodies including HLH and the HC. The law still gives protection from discrimination to transgender people, and everybody deserves to be treated with respect.</p> <p>While the Equality and Human Rights Commission has issued interim guidance, final guidance is not expected until Summer 2025</p>			
Summary of operational position			
<p>As HLH is inextricably linked to the wider HC estate, we have agreed to take a joint approach with regards to any physical changes identified as necessary to our infrastructure, along with an aligned communications plan.</p> <p>Pending the further operational clarity, regarding the guidance, we have agreed to maintain the status quo and not take unilateral decisions on a facility-by-facility basis so, guidance to staff to not do anything yet is being prepared prior to being in a position to have guidance for them to act on.</p> <p>Beyond that, should sites or individuals have specific concerns or issues, they will be directed to either their line management or HR as necessary, and the risk has been amended to Red B:1.</p>			
Action	Who is responsible	Next Review	Update
Maintain Constant monitoring on guidance updates	Executive team	Next F&A Committee	Discussions ongoing with the HC whilst we await updates from the SG

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

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
HLH06B	Loss of charitable status by virtue of HLH not being deemed to be an 'Arms Length' Organisation - 10 Feb 25 - Original proposal was to remove this risk at the F&A Cttee - However, F&A Cttee requested that the risk was retained due to OSCR question relating to the charity having its own bank account - review and retain for now - Risk subsequently proposed to be removed in May 25 and new risk HLH06C created regarding the sperate bank account discussons with OSCR	12 May 2025
HLH06C	New Risk - Possible OSCR compliance issue linked to OSCR question regarding the clarification of the need for HLH to have its own separate bank account - ongoing discussion with OSCR.	11 August 2025
HLH 07	Failure to implement THC ICT Transformation Project leading to system failures and lack of corporate competitiveness	May 24 - F&A Cttee
HLH07A	Implementation of new financial IT system by the HC	Feb 25 - 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
HLH09	SDC negotiations develop and or conclude, leading to unacceptable operational and organisational changes to the Service Delivery obligations of the Charity	10 Feb 25 - SDC review completed
HLH09A	Transfer of CLD back into the HC, there is a short term risk that operational Service Delivery obligations of the Charity during the transfer, period could be affected leading to reputational risks	16 Dec 24 post the sucessful transfer of CLD back to the HC
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
HLH15	Uncertainty of cost of living crisis	12 May 2025
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

June 25 - High Life Highland - Combined Charity and Trading Company Business Critical Risk Register																					
Strategic Objectives: 1 - Affordable, accessible, and inclusive services, 2 - Maximise and grow our income, 3 - consistent high value of delivery, 4 - net zero and sustainability agenda, 5 - Efficient and effective service delivery																					
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	Strategic Objective 1 at risk	Strategic Objective 2 at risk	Strategic Objective 3 at risk	Strategic Objective 4 at risk	Strategic Objective 5 at risk	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	High Level Risk Owner	Lead / Nominated risk owner/owners	Risk Management Plan in place Yes / No	Risk No
HLH02A	No	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.	No	Yes	Yes	No	Yes	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	Early intervention and recruitment, along with service contingency plans enabled this risk to be overcome to allow both sites to be operational as planned.	3 - (C) - Significant	3 - Minor Impact	9.00	⬆️	Exec Team - SW	All Directors	No	HLH02A
HLH03A	No	Risk associated with the possibility of requests for facilities/services to be taken on by HLH due to potential loss/drawdown of Management Committees (MCs) within facilities utilising HLH staff, leading to a lack of MC governance and leadership for HLH staff/services - Current facilities under discussion are - Merkinch Community Centre and the Spectrum Centre.	Poor Governance	Yes	Yes	Yes	Yes	Yes	Requested at the HSECC Nov 24 - Drawdown or collapse of management committees (MCs) where HLH staff provide services / could also relate to any potential breakdown in relationships with MCs - Risk to HLH should MCs collapse, or should MC/HLH relationships breakdown, leading to a lack of MC governance and or leadership, resulting in unacceptable exposure to risk for HLH. Possible side issue of sites requesting full operation by HLH	Possibility for: Unacceptable exposure to risk for HLH staff due to Poor governance, non compliance, poor PR, increase in customer and staff complaints, staff absence etc. Possibility of expectations that HLH will automatically take on facilities.	2 - (B) - High	2 - Major Impact	Mitigations currently in place: • Early reporting of issues within both the HLH and HC reporting structures. • HLH staff to be briefed on operational parameters and requested to flag up any operational issues immediately. • Close discussions with the HC at a senior level to consider what emergency measurers may need to be put in place including the freezing of any assets / funds to ensure ongoing financial support for operations and prevent any possibility of financial impropriety . • Ideally, the facility should be handed back to the HC and if appropriate, then the HC should enter into discussions with HLH to consider any continuance of operations or possible closure. • Full governance audit of any proposal to be carried out prior to agreeing to take on any new facility, including the need for these to be incorporated within the existing property agreement for utilities and maintenance. ·Due diligence complete on transfer of Merkinch CC, waiting on THC decision	3 - (C) - Significant	3 - Minor Impact	9.00	⬆️	Board/SMT - SW	Dir - JWM	No	HLH03A
HLH10	No	Over reaching/over commitment There is a risk that in an attempt to deliver the new strategic objectives that we over reach or over commit, placing an unacceptable workload on our staff	Human resource - Capacity, Recruitment etc.	Yes	Yes	Yes	Yes	Yes	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. Close monitoring of workloads by all managers especially given the anticipated projects to be delivered in conjunction with the HC this FY	4 - (D) - Low	2 - Major Impact	8.00	➡️	Exec Team - SW	Executive team	No	HLH10
HLH11	No	Insufficient succession planning There is a risk that the charity does not provide suitable arrangements for succession planning	Human resource - Capacity, Recruitment etc.	Yes	Yes	Yes	Yes	Yes	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	➡️	Exec Team - SW	Executive team	No	HLH11
HLH24	N/A	Castle and Levelling Up Fund - construction and project risks currently managed within the respective project risk registers. However, risk registers and RMPs incorporated for full governance as recommended by the recent HC Risk Audit - See additional tabs	Operations/Service Delivery	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Exec Team - SW	Dir - FH	N/A	HLH24
HLH27	No	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	Yes	Yes	Yes	Yes	Yes	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	3 - Minor Impact	8.00	➡️	Board / Exec Team - SW	All Directors	No	HLH27
HLH16A	Yes	The Strathpeffer Pavillion, operated by a MC, with support from HLH, has gradually become a financial burden for HLH, due to unacceptable financial losses experienced within FY24/25.	Financial	Yes	Yes	Yes	No	Yes	The site is operating at a financial loss with little, or no possibility of recovery plans yielding results.	Continuation of this becomes financially unsustainable - Facilities cease to trade and HLH withdraws from the site, leading to poor reputational damage to the charity and partner organisations/MCs	1 - (A) Very High	2 - Major Impact	A short life working group has been established to both look at an action plan for improving the situation whilst maintaining an eye on activating an exit strategy, should plans not expedite an immediate recovery. Mtgs have been held at the senior level, including the MC, and work has progressed well to date to permit the risk likelihood to be reduced.	3 - (C) - Significant	2 - Major Impact	6.00	⬆️	TRADING COMP - SW	Dir - JWM	Yes	HLH16A
HLH24A	Yes	Risk of operational budgets or Operational Management / funding agreements for LUF/Castle projects not being acceptable to HLH or the HC	Financial	Yes	Yes	Yes	Yes	Yes	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	1 - (A) Very High	1 - Critical	Operational agreements and budgets continue to be 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 continued high risk at this 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. Next steps •Continue to review the construction and fit-out schedule and adapt timescales if required. •The bulk of the recruitment of the ICE team will commence in May, with starting dates in July. The recruitment schedule has been confirmed, and all processes are in train. •The year one revenue budget continues to be reviewed in line with staffing schedules. •The retail product lines have been identified and orders for products with a long lead in time have been placed. •A review of the security arrangements is	2 - (B) - High	1 - Critical	2.00	⬇️	Board / Exec Team - SW	Dir - FH	Yes	HLH24A
HLH24B	Yes	Risk that the handover of the castle from construction to operational causes operational and financial difficulties and associated delays.	Delivery Partner Risk	Yes	Yes	Yes	Yes	Yes	Unable to agree an acceptable and sustainable operating and funding agreement, including the mechanism for the utilisation of profits, for the overall operating model for the castle prior to hand over to HLH.	Business context: - risk of financial exposure, loss of reputation damaging PR with partner organisations	2 - (B) - High	1 - Critical	Close involvement by HLH CEO with regards to all future operating commitments for the Castle. Staffing compliment to be agreed by the executive team in liaison with Head Of ICE Due to the current ICE Director (FH) leaving upon completion of the castle project (circa Oct 25) , a HLH Director will provide additional shadow cover for the remaining period to provide continuity and support during the transition to the operational model.	2 - (B) - High	2 - Major Impact	4.00	➡️	Board / Exec Team - SW	Dir - FH	Yes	HLH24B

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HLH24C	Yes	Risk that the proposed financial model for the utilisation of funds/profit sharing is unacceptable / not legal	Compliance/ Regulatory	Yes	Yes	Yes	Yes	Yes	Risk that the proposed financial model for the utilisation of funds/profit sharing is unacceptable due to VAT implications or charitable law / regulatory restrictions. Also linked in with the mechanism for adjusting the Services Fee and Services Specification	Business context: - risk of financial exposure, loss of reputation damaging PR with partner organisations	2 - (B) - High	1 - Critical	HLH has sought a legal standing on the proposals to allow them to be considered and where necessary amended to ensure full compliance and legality of all documentation and operating parameters. Paper to go to the HLH Board with an update in June.	2 - (B) - High	2 - Major Impact	4.00	➡	Board / Exec Team - SW	Dir - FH	Yes	HLH24C
HLH28	Yes	NEW RISK - to cover the situation relating to access to single sex spaces	Compliance/ Regulatory	Yes	No	Yes	No	Yes	There could be situations where men, self-identifying as women, could potentially seek access to female toilets and changing rooms or services for both staff and public areas with the associated impacts on women's privacy, dignity and safety. The same could also be said with regards to women self identifying as men.	This could: • lead to an inconsistency of treatment • Ultimately it could lead to a prosecution if not handled correctly • Could place staff and customers, including young children, in difficult situations	2 - (B) - High	1 - Critical	Guidance is being sought via CLUK from the Scottish Government. This risk is under constant review to enable staff and customers to be briefed as further clarification and details come forward. The recent Supreme Court ruling on single sex spaces, such as toilets and changing rooms, is likely to have an impact on many public bodies including HLH and the HC. The law still gives protection from discrimination to transgender people, and everybody deserves to be treated with respect. While the Equality and Human Rights Commission has issued interim guidance, final guidance is not expected until June. As HLH is inextricably linked to the wider HC estate, we have agreed to take a joint approach with regards to any physical changes identified as necessary to our infrastructure, along with an aligned communications plan. Pending the further operational clarity, regarding the guidance, we have agreed to maintain the status quo and not take unilateral decisions on a facility-by-facility basis so, guidance to staff to not do anything yet is being prepared prior to being in a position to have guidance for them to act on. Beyond that, should sites or individuals have specific concerns or issues, they will be directed to either their line management or HR as necessary	2 - (B) - High	1 - Critical	2.00	⬇	Board / Exec Team - SW	Executive team	Yes	HLH28
HLH01	No	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	Operations/Service Delivery	Yes	Yes	Yes	Yes	Yes	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	The recent paper to full council highlighted significant funding opportunities for the community leisure and learning estate. Specifically, the Highland Investment Plan and projects in Caithness, Dingwall and Inverness will all be undertaken over the coming years with HLH to feature prominently in those plans. As such, the situation has improved dramatically and we look forward to working with the HC and partner organisations through the delivery of the Dingwall and Thurso PODs and the investment to Inverness Leisure and the Queens Park running track. Furthermore, the Capital Programme will be refreshed in time with further opportunities for HLH growth plans to be incorporated	4 - (D) - Low	3 - Minor Impact	12.00	⬆	Exec Team - SW	SMT - SS	No	HLH01
HLH02	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	Human resource - Capacity, Recruitment etc.	Yes	Yes	Yes	No	Yes	Recruitment and retention issues for permanent staff, 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 therefore, the risk likelihood has been reduced and the RMP held in abeyance. However, the ability to recruit for the Castle Vacancies will be monitored closely, with any issues flagged up and this risk amended accordingly.	4 - (D) - Low	3 - Minor Impact	12.00	⬆	Exec Team - DW	All Directors	No	HLH02
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	Geopolitical, Environmental or Economic Shock	Yes	Yes	Yes	Yes	Yes	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	3 - Minor Impact	12.00	➡	Board/SMT - SW	Executive team	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	Delivery Partner Risk	Yes	Yes	Yes	Yes	Yes	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	3 - Minor Impact	12.00	➡	Board/SMT - SW	Executive team	No	HLH04
HLH04A	No	In Dec 2024, a motion was raised requesting a review to look into how the HC could be better served by a smaller number of new local authorities. Whilst the motion was not accepted, an amendment was accepted (by 5 votes) to strengthening the powers of existing local area committees. There is a risk that any proposed changes could impact on the current capital funding model but also the delivery of HLH services and even the reporting chain for them.	Delivery Partner Risk	Yes	Yes	Yes	No	Yes	As yet unknown but there could be a risk that the HLH delivery, reporting and possibly capital funding models may change to more reflect a local agenda, rather than a highland wide facilities strategic agenda	Disparity in service provision, leading to competing priorities with the available funding	2 - (B) - High	2 - Major Impact	Remain vigilant to possible changes and where possible help to inform or shape any future proposed changes to enable all communities to be best provided within the existing resources, to continue our purpose of 'Making Life Better'.	4 - (D) - Low	3 - Minor Impact	12.00	N/A	Board/SMT - SW	Executive team	No	HLH04A

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HLH06	No	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	Financial	No	Yes	Yes	No	Yes	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. Risk now reduced due to the accurate financial data available from the new HC financial system and commencement of the new FY - Risk to be closely monitored.	4 - (D) - Low	3 - Minor Impact	12.00	⬆️	SMT - SW	Executive team	No	HLH06
HLH06C	No	New Risk - Possible OSCR compliance issue linked to OSCR question regarding the clarification of the need for HLH to have its own separate bank account - ongoing discussion with OSCR.	Compliance/Regulatory	Yes	Yes	Yes	No	Yes	A recent questionnaire with OSCR raised the issues of HLH banking with the HC, rather than having its own bank account.	Should OSCR insist on this requirement there could be financial cost implications regarding this.	1 - (A) Very High	1 - Critical	Main issue relates to the requirement or not of having an HLH individual bank account. Discussions have taken place with OSCR and a verbal update will be provided at the meeting along with a report detailing the pros and cons of HLH having its own bank account	5 - (E) - Very Low	3 - Minor Impact	15.00	⬆️	Board/SMT - SW	SMT - NJ	No	HLH06B
HLH11A	No	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	Poor Delivery	Yes	Yes	Yes	Yes	Yes	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	3 - Minor Impact	12.00	⬆️	Exec Team - SW	Executive team	No	HLH11A
HLH16	No	There is a risk that NCVC and HFM 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/Service Delivery	Yes	Yes	Yes	No	Yes	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	Management will continue to monitor and build on the progress achieved in the last FY at the IBG site, taking the learning and applying to the HFM and NCVC. NCVC to move to a seasonal operating model to help achieve income targets and minimise any future losses. Close budget monitoring and reporting on financial position to be maintained. Risk reduced to reflect the new operating models but will be closely monitored and amended as necessary.	4 - (D) - Low	3 - Minor Impact	12.00	⬆️	TRADING COMP - SW	Dir - JW	No	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	Yes	Yes	Yes	Yes	Yes	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	3 - Minor Impact	15.00	⬆️	Exec Team - SW	Executive team	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	Yes	Yes	Yes	Yes	Yes	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	3 - Minor Impact	15.00	⬆️	Board / Exec Team - SW	Executive team	No	HLH19
HLH20	No	Major H&S or Environmental Regulation Breach	Health & Safety - Personnel and Public safety	Yes	Yes	Yes	Yes	Yes	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	3 - Minor Impact	12.00	⬆️	Exec Team - DW	Executive team	No	HLH20
HLH20A	No	Data Protection Breach Risk	Compliance/Regulatory	Yes	Yes	Yes	No	Yes	Failure to conform to regulatory requirements leading to a reportable material breach	Reputational damage and/or prosecution/fine.	3 - (C) - Significant	1 - Critical	Strategic policy created along with staff training and the creation of a data protection working group with all services represented. Governance provided by the Finance and Audit Committee with monthly reporting at the performance board	4 - (D) - Low	3 - Minor Impact	12.00	➡️	Exec Team - DW	Executive team	No	HLH20A
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/Service Delivery	Yes	Yes	Yes	Yes	Yes	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	3 - Minor Impact	15.00	⬆️	Exec Team - DW	Executive team	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/Service Delivery	No	Yes	No	No	No	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	Executive team	No	HLH23
HLH29	No	NEW RISK - There is a risk to operational capability and service delivery in the event that large numbers of existing staff are recruited from within to fill Castle Experience posts.	Operations/Service Delivery	Yes	No	Yes	No	Yes	If large numbers of employees leave current posts for Castle Experience Posts then the void left behind will create operational and additional recruitment issues	Insufficient staff numbers to provide service delivery and safely operate HLH trading company facilities;	3 - (C) - Significant	2 - Major Impact	The loss of any staff member is an issue at all times. However, due to the possibility of recruitment of large numbers within a short space of time, the operational impact could have a knock on effect, should a large number of Inverness Castle Experience (ICE) posts be filled with existing staff. Therefore, there will need to be a careful examination of applications as they are received for the new posts to allow contingencies to be considered. Ultimately, the ICE vacancies need to be filled by the best person for the job and as such, staff should be support if applying for the vacancies and managers should start to prepare for any staff losses with contingency planning to avoid service disruption. Most likely impact would be felt within the catering side of the offering as we have only just managed to get sites on an acceptable operating margin with suitable and sufficient staff numbers in place.	4 - (D) - Low	3 - Minor Impact	12.00	➡️	TRADING COMP - SW	Executive team	No	HLH29

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HLH02A	No	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.	No	Yes	Yes	No	Yes	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	Early intervention and recruitment, along with service contingency plans enabled this risk to be overcome to allow both sites to be operational as planned.	3 - (C) - Significant	3 - Minor Impact	9.00	⬆️	Exec Team - SW	All Directors	No	HLH02A
HLH03A	No	Risk associated with the possibility of requests for facilities/services to be taken on by HLH due to potential loss/drawdown of Management Committees (MCs) within facilities utilising HLH staff, leading to a lack of MC governance and leadership for HLH staff/services - Current facilities under discussion are - Merkinch Community Centre and the Spectrum Centre.	Poor Governance	Yes	Yes	Yes	Yes	Yes	Requested at the HSECC Nov 24 - Drawdown or collapse of management committees (MCs) where HLH staff provide services / could also relate to any potential breakdown in relationships with MCs - Risk to HLH should MCs collapse, or should MC/HLH relationships breakdown, leading to a lack of MC governance and or leadership, resulting in unacceptable exposure to risk for HLH. Possible side issue of sites requesting full operation by HLH	Possibility for: Unacceptable exposure to risk for HLH staff due to Poor governance, non compliance, poor PR, increase in customer and staff complaints, staff absence etc. Possibility of expectations that HLH will automatically take on facilities.	2 - (B) - High	2 - Major Impact	Mitigations currently in place: • Early reporting of issues within both the HLH and HC reporting structures. • HLH staff to be briefed on operational parameters and requested to flag up any operational issues immediately. • Close discussions with the HC at a senior level to consider what emergency measures may need to be put in place including the freezing of any assets / funds to ensure ongoing financial support for operations and prevent any possibility of financial impropriety . • Ideally, the facility should be handed back to the HC and if appropriate, then the HC should enter into discussions with HLH to consider any continuance of operations or possible closure. • Full governance audit of any proposal to be carried out prior to agreeing to take on any new facility, including the need for these to be incorporated within the existing property agreement for utilities and maintenance. ·Due diligence complete on transfer of Merkinch CC, waiting on THC decision	3 - (C) - Significant	3 - Minor Impact	9.00	⬆️	Board/SMT - SW	Dir - JWM	No	HLH03A
HLH10	No	Over reaching/over commitment There is a risk that in an attempt to deliver the new strategic objectives that we over reach or over commit, placing an unacceptable workload on our staff	Human resource - Capacity, Recruitment etc.	Yes	Yes	Yes	Yes	Yes	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. Close monitoring of workloads by all managers especially given the anticipated projects to be delivered in conjunction with the HC this FY	4 - (D) - Low	2 - Major Impact	8.00	➡️	Exec Team - SW	Executive team	No	HLH10
HLH11	No	Insufficient succession planning There is a risk that the charity does not provide suitable arrangements for succession planning	Human resource - Capacity, Recruitment etc.	Yes	Yes	Yes	Yes	Yes	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	➡️	Exec Team - SW	Executive team	No	HLH11
HLH24	N/A	Castle and Levelling Up Fund - construction and project risks currently managed within the respective project risk registers. However, risk registers and RMPs incorporated for full governance as recommended by the recent HC Risk Audit - See additional tabs	Operations/Service Delivery	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Exec Team - SW	Dir - FH	N/A	HLH24
HLH27	No	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	Yes	Yes	Yes	Yes	Yes	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	3 - Minor Impact	8.00	➡️	Board / Exec Team - SW	All Directors	No	HLH27
HLH16A	Yes	The Strathpeffer Pavilion, operated by a MC, with support from HLH, has gradually become a financial burden for HLH, due to unacceptable financial losses experienced within FY24/25.	Financial	Yes	Yes	Yes	No	Yes	The site is operating at a financial loss with little, or no possibility of recovery plans yielding results.	Continuation of this becomes financially unsustainable - Facilities cease to trade and HLH withdraws from the site, leading to poor reputational damage to the charity and partner organisations/MCs	1 - (A) Very High	2 - Major Impact	A short life working group has been established to both look at an action plan for improving the situation whilst maintaining an eye on activating an exit strategy, should plans not expedite an immediate recovery. Mtgs have been held at the senior level, including the MC, and work has progressed well to date to permit the risk likelihood to be reduced.	3 - (C) - Significant	2 - Major Impact	6.00	⬆️	TRADING COMP - SW	Dir - JWM	Yes	HLH16A
HLH24A	Yes	Risk of operational budgets or Operational Management / funding agreements for LUF/Castle projects not being acceptable to HLH or the HC	Financial	Yes	Yes	Yes	Yes	Yes	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	1 - (A) Very High	1 - Critical	Operational agreements and budgets continue to be 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 continued high risk at this 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. Next steps •Continue to review the construction and fit-out schedule and adapt timescales if required. •The bulk of the recruitment of the ICE team will commence in May, with starting dates in July. The recruitment schedule has been confirmed, and all processes are in train. •The year one revenue budget continues to be reviewed in line with staffing schedules. •The retail product lines have been identified and orders for products with a long lead in time have been placed. •A review of the security arrangements is	2 - (B) - High	1 - Critical	2.00	⬇️	Board / Exec Team - SW	Dir - FH	Yes	HLH24A
HLH24B	Yes	Risk that the handover of the castle from construction to operational causes operational and financial difficulties and associated delays.	Delivery Partner Risk	Yes	Yes	Yes	Yes	Yes	Unable to agree an acceptable and sustainable operating and funding agreement, including the mechanism for the utilisation of profits, for the overall operating model for the castle prior to hand over to HLH.	Business context: - risk of financial exposure, loss of reputation damaging PR with partner organisations	2 - (B) - High	1 - Critical	Close involvement by HLH CEO with regards to all future operating commitments for the Castle. Staffing compliant to be agreed by the executive team in liaison with Head Of ICE	2 - (B) - High	2 - Major Impact	4.00	➡️	Board / Exec Team - SW	Dir - FH	Yes	HLH24B

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	Strategic Objective 1 at risk	Strategic Objective 2 at risk	Strategic Objective 3 at risk	Strategic Objective 4 at risk	Strategic Objective 5 at risk	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	High Level Risk Owner	Lead / Nominated risk owner/owners	Risk Management Plan in place Yes / No	Risk No
HLH24C	Yes	Risk that the proposed financial model for the utilisation of funds/profit sharing is unacceptable / not legal	Compliance/Regulatory	Yes	Yes	Yes	Yes	Yes	Risk that the proposed financial model for the utilisation of funds/profit sharing is unacceptable due to VAT implications or charitable law / regulatory restrictions. Also linked in with the mechanism for adjusting the Services Fee and Services Specification	Business context: - risk of financial exposure, loss of reputation damaging PR with partner organisations	2 - (B) - High	1 - Critical	HLH has sought a legal standing on the proposals to allow them to be considered and where necessary amended to ensure full compliance and legality of all documentation and operating parameters.	2 - (B) - High	2 - Major Impact	4.00	➡	Board / Exec Team - SW	Dir - FH	Yes	HLH24C
HLH28	Yes	NEW RISK - to cover the situation relating to access to single sex spaces	Compliance/Regulatory	Yes	No	Yes	No	Yes	There could be situations where men, self-identifying as women, could potentially seek access to female toilets and changing rooms or services for both staff and public areas with the associated impacts on women's privacy, dignity and safety. The same could also be said with regards to women self identifying as men.	This could: <ul style="list-style-type: none"> • lead to an inconsistency of treatment • Ultimately it could lead to a prosecution if not handled correctly • Could place staff and customers, including young children, in difficult situations 	2 - (B) - High	1 - Critical	Guidance is being sought via CLUK from the Scottish Government. This risk is under constant review to enable staff and customers to be briefed as further clarification and details come forward. The recent Supreme Court ruling on single sex spaces, such as toilets and changing rooms, is likely to have an impact on many public bodies including HLH and the HC. The law still gives protection from discrimination to transgender people, and everybody deserves to be treated with respect. While the Equality and Human Rights Commission has issued interim guidance, final guidance is not expected until June. As HLH is inextricably linked to the wider HC estate, we have agreed to take a joint approach with regards to any physical changes identified as necessary to our infrastructure, along with an aligned communications plan. Pending the further operational clarity, regarding the guidance, we have agreed to maintain the status quo and not take unilateral decisions on a facility-by-facility basis so, guidance to staff to not do anything yet is being prepared prior to being in a position to have guidance for them to act on. Beyond that, should sites or individuals have specific concerns or issues, they will be directed to either their line management or HR as necessary	2 - (B) - High	1 - Critical	2.00	⬇	Board / Exec Team - SW	Executive team	Yes	HLH28
HLH01	No	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	Operations/Service Delivery	Yes	Yes	Yes	Yes	Yes	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	The recent paper to full council highlighted significant funding opportunities for the community leisure and learning estate. Specifically, the Highland Investment Plan and projects in Caithness, Dingwall and Inverness will all be undertaken over the coming years with HLH to feature prominently in those plans. As such, the situation has improved dramatically and we look forward to working with the HC and partner organisations through the delivery of the Dingwall and Thurso PODs and the investment to Inverness Leisure and the Queens Park running track. Furthermore, the Capital Programme will be refreshed in time with further opportunities for HLH growth plans to be incorporated	4 - (D) - Low	3 - Minor Impact	12.00	⬆	Exec Team - SW	SMT - SS	No	HLH01
HLH02	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	Human resource - Capacity, Recruitment etc.	Yes	Yes	Yes	No	Yes	Recruitment and retention issues for permanent staff, 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 therefore, the risk likelihood has been reduced and the RMP held in abeyance. However, the ability to recruit for the Castle Vacancies will be monitored closely, with any issues flagged up and this risk amended accordingly.	4 - (D) - Low	3 - Minor Impact	12.00	⬆	Exec Team - DW	All Directors	No	HLH02
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	Geopolitical, Environmental or Economic Shock	Yes	Yes	Yes	Yes	Yes	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	3 - Minor Impact	12.00	➡	Board/SMT - SW	Executive team	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	Delivery Partner Risk	Yes	Yes	Yes	Yes	Yes	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	3 - Minor Impact	12.00	➡	Board/SMT - SW	Executive team	No	HLH04
HLH04A	No	In Dec 2024, a motion was raised requesting a review to look into how the HC could be better served by a smaller number of new local authorities. Whilst the motion was not accepted, an amendment was accepted (by 5 votes) to strengthening the powers of existing local area committees. There is a risk that any proposed changes could impact on the current capital funding model but also the delivery of HLH services and even the reporting chain for them.	Delivery Partner Risk	Yes	Yes	Yes	No	Yes	As yet unknown but there could be a risk that the HLH delivery, reporting and possibly capital funding models may change to more reflect a local agenda, rather than a highland wide facilities strategic agenda	Disparity in service provision, leading to competing priorities with the available funding	2 - (B) - High	2 - Major Impact	Remain vigilant to possible changes and where possible help to inform or shape any future proposed changes to enable all communities to be best provided within the existing resources, to continue our purpose of 'Making Life Better'.	4 - (D) - Low	3 - Minor Impact	12.00	N/A	Board/SMT - SW	Executive team	No	HLH04A

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	Strategic Objective 1 at risk	Strategic Objective 2 at risk	Strategic Objective 3 at risk	Strategic Objective 4 at risk	Strategic Objective 5 at risk	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	High Level Risk Owner	Lead / Nominated risk owner/owners	Risk Management Plan in place Yes / No	Risk No
HLH06	No	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	Financial	No	Yes	Yes	No	Yes	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. Risk now reduced due to the accurate financial data available from the new HC financial system and commencement of the new FY - Risk to be closely monitored.	4 - (D) - Low	3 - Minor Impact	12.00	⬆️	SMT - SW	Executive team	No	HLH06
HLH06C	No	New Risk - Possible OSCR compliance issue linked to OSCR question regarding the clarification of the need for HLH to have its own separate bank account - ongoing discussion with OSCR.	Compliance/Regulatory	Yes	Yes	Yes	No	Yes	A recent questionnaire with OSCR raised the issues of HLH banking with the HC, rather than having its own bank account.	Should OSCR insist on this requirement their could be financial cost implications regarding this.	1 - (A) Very High	1 - Critical	Main issue relates to the requirement or not of having an HLH individual bank account. Discussions have taken place with OSCR and a verbal update will be provided at the meeting along with a report detailing the pros and cons of HLH having its own bank account	5 - (E) - Very Low	3 - Minor Impact	15.00	⬆️	Board/SMT - SW	SMT - NJ	No	HLH06B
HLH11A	No	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	Poor Delivery	Yes	Yes	Yes	Yes	Yes	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	3 - Minor Impact	12.00	⬆️	Exec Team - SW	Executive team	No	HLH11A
HLH16	No	There is a risk that NCVC and HFM 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/Service Delivery	Yes	Yes	Yes	No	Yes	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	Management will continue to monitor and build on the progress achieved in the last FY at the IBG site, taking the learning and applying to the HFM and NCVC. NCVC to move to a seasonal operating model to help achieve income targets and minimise any future losses. Close budget monitoring and reporting on financial position to be maintained. Risk reduced to reflect the new operating models but will be closely monitored and amended as necessary.	4 - (D) - Low	3 - Minor Impact	12.00	⬆️	TRADING COMP - SW	Dir - JW	No	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	Yes	Yes	Yes	Yes	Yes	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	3 - Minor Impact	15.00	⬆️	Exec Team - SW	Executive team	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	Yes	Yes	Yes	Yes	Yes	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	3 - Minor Impact	15.00	⬆️	Board / Exec Team - SW	Executive team	No	HLH19
HLH20	No	Major H&S or Environmental Regulation Breach	Health & Safety - Personnel and Public safety	Yes	Yes	Yes	Yes	Yes	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	3 - Minor Impact	12.00	⬆️	Exec Team - DW	Executive team	No	HLH20
HLH20A	No	Data Protection Breach Risk	Compliance/Regulatory	Yes	Yes	Yes	No	Yes	Failure to conform to regulatory requirements leading to a reportable material breach	Reputational damage and/or prosecution/fine.	3 - (C) - Significant	1 - Critical	Strategic policy created along with staff training and the creation of a data protection working group with all services represented. Governance provided by the Finance and Audit Committee with monthly reporting at the performance board	4 - (D) - Low	3 - Minor Impact	12.00	➡️	Exec Team - DW	Executive team	No	HLH20A
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/Service Delivery	Yes	Yes	Yes	Yes	Yes	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	3 - Minor Impact	15.00	⬆️	Exec Team - DW	Executive team	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/Service Delivery	No	Yes	No	No	No	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	Executive team	No	HLH23
HLH29	No	NEW RISK - There is a risk to operational capability and service delivery in the event that large numbers of existing staff are recruited from within to fill Castle Experience posts.	Operations/Service Delivery	Yes	No	Yes	No	Yes	If large numbers of employees leave current posts for Castle Experience Posts then the void left behind will create operational and additional recruitment issues	Insufficient staff numbers to provide service delivery and safely operate HLH trading company facilities;	3 - (C) - Significant	2 - Major Impact	The loss of any staff member is an issue at all times. However, due to the possibility of recruitment of large numbers within a short space of time, the operational impact could have a knock on effect, should a large number of Inverness Castle Experience (ICE) posts be filled with existing staff. Therefore, there will need to be a careful examination of applications as they are received for the new posts to allow contingencies to be considered. Ultimately, the ICE vacancies need to be filled by the best person for the job and as such, staff should be support if applying for the vacancies and managers should start to prepare for any staff losses with contingency planning to avoid service disruption. Most likely impact would be felt within the catering side of the offering as we have only just managed to get sites on an acceptable operating margin with suitable and sufficient staff numbers in place.	4 - (D) - Low	3 - Minor Impact	12.00	➡️	TRADING COMP - SW	Executive team	No	HLH29

Feb 25 - 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 HC 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 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 recently been raised as a potential site for investment within the strategic area review being undertaken by the HC	1 - (A) Very High	2 - Major Impact	2.00	➡	SMT - SW	Yes	HLH01
HLH02	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	Human resource - Capacity, Recruitment etc.	Recruitment and retention issues for permanent staff, 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 therefore, the risk likelihood has been reduced and the RMP held in abeyance. However, the ability to recruit for the Castle Vacancies will be monitored closely, with any issues flagged up and this risk amended accordingly.	4 - (D) - Low	2 - Major Impact	8.00	⬆	SMT - DW	No	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, and HLH is exploring investment opportunities with the HC which 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. Interviews are planned for on 20th Jan for BNVC, with a contingency in place to open as planned on 1st March, Ferrycroft and Broch all in hand too. The HFM site have confirmed that they have commenced their seasonal recruitment phase, including a recruitment day, to enable staff to be in place prior to the season commencing in Apr 25.	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 if 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
HLH03A	Yes	New risk associated with the possibility of requests for facilities/services to be taken on by HLH due to potential loss/drawdown of Management Committees (MCs) within facilities utilising HLH staff, leading to a lack of MC governance and leadership for HLH staff/services - Current facilities under discussion are - Merkinch Community Centre and the Spectrum Centre.	Poor Governance	New Risk - Requested at the HSECC Nov 24 - Drawdown or collapse of management committees (MCs) where HLH staff provide services / could also relate to any potential breakdown in relationships with MCs - Risk to HLH should MCs collapse, or should MC/HLH relationships breakdown, leading to a lack of MC governance and or leadership, resulting in unacceptable exposure to risk for HLH.	Possibility for: Unacceptable exposure to risk for HLH staff due to Poor governance, non compliance, poor PR, increase in customer and staff complaints, staff absence etc. Possibility of expectations that HLH will automatically take on facilities.	2 - (B) - High	2 - Major Impact	Mitigations currently in place: • Early reporting of issues within both the HLH and HC reporting structures. • HLH staff to be briefed on operational parameters and requested to flag up any operational issues immediately. • Close discussions with the HC at a senior level to consider what emergency measures may need to be put in place including the freezing of any assets / funds to ensure ongoing financial support for operations and prevent any possibility of financial impropriety . • Ideally, the facility should be handed back to the HC and if appropriate, then the HC should enter into discussions with HLH to consider any continuance of operations or possible closure.	3 - (C) - Significant	2 - Major Impact	6.00	➡	Board/SMT - SW	Yes	HLH03A
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
HLH04A	No	NEW RISK - In Dec 2024, a motion was raised requesting a review to look into how the HC could be better served by a smaller number of new local authorities. Whilst the motion was not accepted, an amendment was accepted (by 5 votes) to strengthening the powers of existing local area committees. There is a risk that any proposed changes could impact on the current capital funding model but also the delivery of HLH services and even the reporting chain for them.	Geopolitical, Environmental or Economic Shock	As yet unknown but there could be a risk that the HLH delivery, reporting and possibly capital funding models may change to more reflect a local agenda, rather than a highland wide facilities strategic agenda	Disparity in service provision, leading to competing priorities with the available funding	2 - (B) - High	2 - Major Impact	Remain vigilant to possible changes and where possible help to inform or shape any future proposed changes to enable all communities to be best provided within the existing resources, to continue our purpose of 'Making Life Better'.	4 - (D) - Low	2 - Major Impact	8.00	N/A	Board/SMT - SW	No	HLH04A
HLH06	Yes	Non achievement of income and expenditure targets There is a risk that extremely tight savings targets along with challenging income targets, that targets may 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	➡	SMT - SW	Yes	HLH06
HLH06B	No	Loss of charitable status by virtue of HLH not being deemed to be an 'Arms Length' Organisation - 10 Feb 25 - Original proposal was to remove this risk at the F&A Cttee - However, F&A Cttee requested that the risk was retained due to OSCR question relating to the charity having its own bank account - review and retain for now - possible removal pending ongoing discussion outcome with OSCR, and end of FY outcome providing HLH retain all reserves.	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	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	5 - (E) - Very Low	2 - Major Impact	10.00	⬆	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	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 deliver the new strategic objectives 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
HLH11A	No	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	➡	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	4 - (D) - Low	3 - Minor Impact	12.00	⬆	Board/SMT - SW	No	HLH15
HLH16	Yes	Post F&A Cttee Mtg Amendment - 11 Nov 24 - NCVG and HFM Catering sites - HLH Catering sites – financial recovery does not materialise. There is a risk that NCVG and HFM 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. Initial HLH internal Q1 and Q2 figures from the Head of Finance do indicate an improving situation, and year end projections are showing an in profit situation by 2k for the IBG site. However, NCVG and HFM indications were lower than anticipated for Q1, 2 and 3 and as	2 - (B) - High	2 - Major Impact	4.00	➡	TRADING COMP - SW	Yes	HLH16
HLH16A	Yes	NEW RISK - The Strathpeffer Pavillion, operated by a MC, with support from HLH, has gradually become a financial burden for HLH, due to unacceptable financial losses experienced within FY24/25.	Operations	The site is operating at a financial loss with little, or no possibility of recovery plans yielding results.	Continuation of this becomes financially unsustainable - Facilities cease to trade and HLH withdraws from the site, leading to poor reputational damage to	1 - (A) Very High	2 - Major Impact	A short life working group has been established to both look at an action plan for improving the situation whilst maintaining an eye on activating an exit strategy, should plans not expedite an immediate recovery or should they not be acceptable to the MC. Mtgs have been held at the senior level, including	2 - (B) - High	2 - Major Impact	4.00	➡	SMT - JWM	Yes	HLH16A
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
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	➡	SMT - DW	No	HLH20
HLH20A	No	Data Protection Breach Risk	Compliance	Failure to conform to regulatory requirements leading to a reportable material breach	Reputational damage and/or prosecution/fine.	3 - (C) - Significant	1 - Critical	Strategic policy created along with staff training and the creation of a data protection working group with all services represented. Governance provided by the Finance and Audit Committee with monthly reporting at the performance board	4 - (D) - Low	2 - Major Impact	8.00	0.00	SMT - SW	No	HLH20A
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	1 - (A) Very High	1 - Critical	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	2 - (B) - High	1 - Critical	2.00	⬇	Board/SMT - SW	Yes	HLH24A
HLH24B	Yes	NEW RISK - Risk that the handover of the castle from construction to operational causes operational and financial difficulties and associated delays.	Operations	Unable to agree an acceptable and sustainable operating and funding agreement, including the mechanism for	Business context: - risk of financial exposure, loss of reputation damaging PR with partner organisations	2 - (B) - High	1 - Critical	Close involvement by HLH CEO with regards to all future operating commitments for the Castle. Staffing compliment to be agreed by the executive team in liaison with the newly appointed Head Of Castle.	2 - (B) - High	2 - Major Impact	4.00	➡	Board/SMT - SW	Yes	HLH24B

High Life Highland - Combined Charity and Trading Company Business Critical Risk Register - Aug 24 Annual review

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
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
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
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	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 OSCOR 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	4 - (D) - Low	2 - Major Impact	8.00	9.00	↓	Board/SMT - SW	No	HLH06B
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 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
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

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
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	2 - (B) - High	2 - Major Impact	4.00	4.00	➡	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	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
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
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
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
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
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.	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.	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