

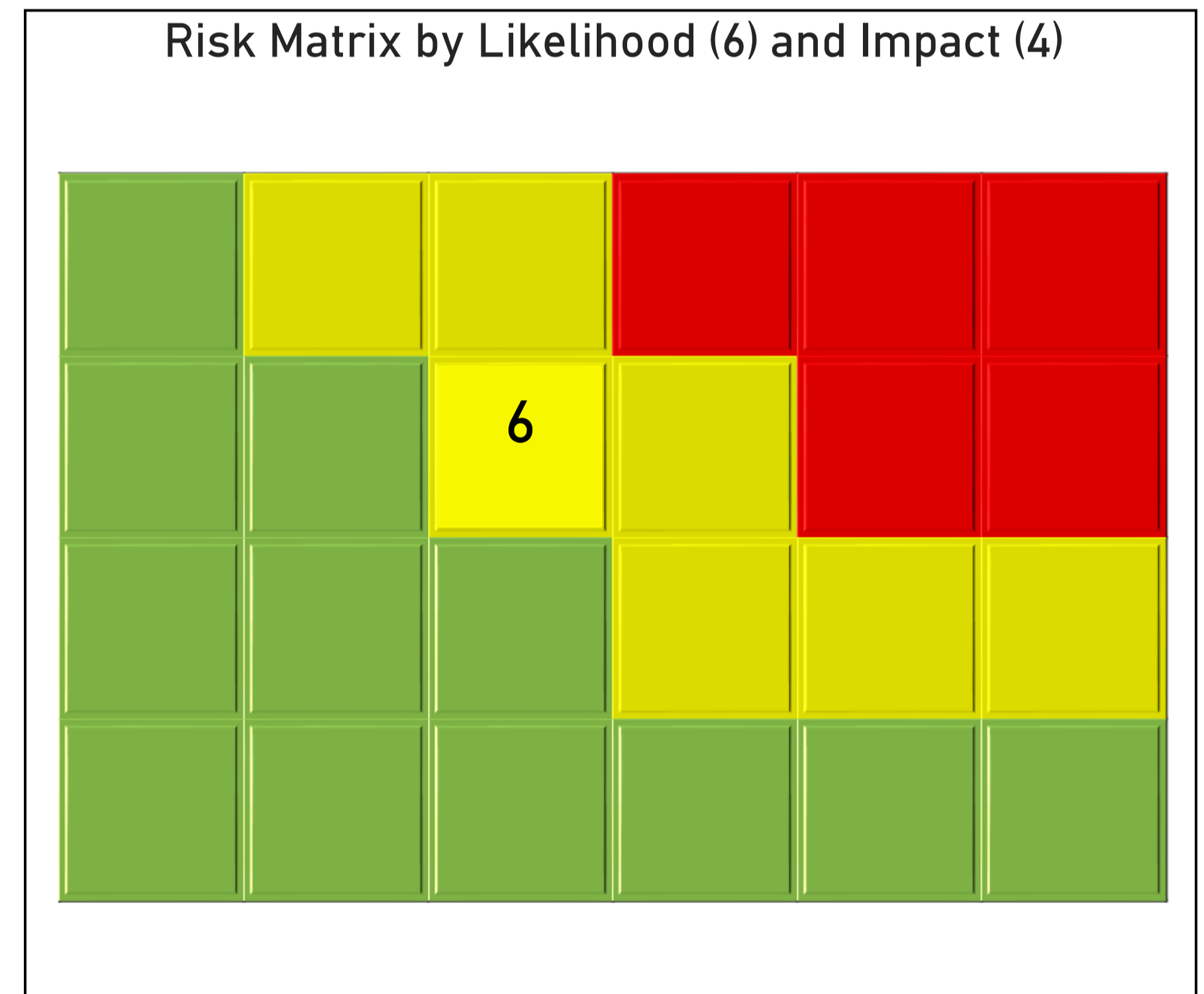


Commercial & Procurement Services Risk Register

CURRENT CLUSTER RISKS	CURRENT RISK SCORE
Climate Change and severe weather affect the costs and availability of goods and services	9
Non-Compliance with Procurement Regulations	9
Procurement Fraud	9
Scotland Excel - Membership does not deliver anticipated benefits	9
Shared Procurement Service Partner Withdrawal	9
Shared Service - Service Level Agreement - Delivery of KPI's	9

Number of Cluster Risks

6



FUNCTION	CLUSTER	RISK OWNER	RISK LEAD
Commissioning	Commercial & Procurement	Craig Innes	Melanie McKenzie

RISK TITLE	RISK DESCRIPTION	CONTROL ACTIONS	TARGET RISK SCORE	CURRENT RISK SCORE	CURRENT LIKELIHOOD	CURRENT IMPACT	TARGET COMPLETION DATE
Climate Change and severe weather affect the costs and availability of goods and services	<p>Failure to embed climate change procurement policy, processes and to consider climate risks in the design life of procurements.</p> <p>Production or supply chain disruptions impact critical services</p> <p>Increase in flooding, heavy rainfall, storms, higher temperatures, a rise in sea level and drought cause damage to supplier stock, result in delivery disruptions and cause depletion of resources, affecting the price of products and the availability of goods.</p>	<p>1. Climate Change/Circular Economy weighting has been incorporated into procurement documents, additional training and guidance is to be developed for Delegated Procurers and rolled out by 30.06.23</p> <p>2. Sustainable Procurement and Community Benefit Policy renewal to take place in 2023, following review of Joint Procurement Strategy - review current considerations within the strategy and the policy on Climate change to support mitigation of risk by 31.12.23</p>	6	9	3	3	31 December 2023

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Non-Compliance with Procurement Regulations	<p>1. Contract Management - Risk that Strategic & Critical contracts and associated supplier relationships are not managed effectively,, which can have a detrimental impact on the achievement of required outcomes to support commissioning intentions/delivery of LOIP outcomes/achievement of best value.</p> <p>2. Non-Compliance with Procurement Regulations: Governance Arrangements are not fully complied with by Delegated Procurers including seeking approval to go out to market, provision of Annual Procurement Work Plans and ensuring contracts are recorded on the Contract Register, which could lead to the Council being in breach of Procurement Legislation.</p>	<p>1. Implementation of effective contract management procedures (Supplier Relationship Management) across the organisation clearly stating the need for proper contract administration, relationship management, negotiation and review of contract performance by 30.06.23</p> <p>2. Development/Roll-out of CPSS website which will cut down on maintenance requirements for CPSS/Ensure information is more easily kept up to date, roll out by 31.07.23</p>	6	9	3	3	30 July 2023

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Procurement Fraud	Public procurement is vulnerable to fraud and corruption because of the level of expenditure, the volume of transactions, the complexity of the process and the number of stakeholders involved, these vulnerabilities can also make public procurement a target for Serious & Organised Crime.	<ol style="list-style-type: none"> Revised procurement guidance to be issued based upon horizon scanning, and incorporating best practice from sources such as Red Flags Public Procurement (Audit Scotland/Police Scotland) by 30.06.23 Delegated procurer training to be updated with procurement 	6	9	3	3	29 June 2023

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Scotland Excel - Membership does not deliver anticipated benefits	The ability of Scotland Excel to deliver against their objectives in relation to Financial Savings/Delivery of Community Benefits & Sustainable Procurement on behalf of the Shared Service Partner Authorities	<ul style="list-style-type: none"> •Working with member councils to understand lost opportunities/conduct gap analysis, new project has been established with a number of initiatives to look at delivery of savings (participation/dates to be agreed) •Continuing focus on added Core Value delivered for all member councils. •On-going development of projects offering new services and increasing benefits to stakeholders. •Identification of new opportunities to provide additional chargeable services based on customer demand. •Ongoing robust market testing in relation to existing FWA's and also of all new shared service propositions. •Ongoing robust business model is in place for all new services (cost to serve, funding/uptake forecasts). •Regular engagement with Chief Execs, Finance Directors, Corporate Procurement Leads and Elected Members demonstrating the value added by Scotland Excel 	6	9	3	3	29 June 2023

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Shared Procurement Service Partner Withdrawal	<p>Partner to the Shared Service decides to withdraw, which would have potential for impacts below:</p> <ul style="list-style-type: none"> •Potential impact on number of staff required •Employment Claims •Withdrawal Costs •Loss of experienced staff and expertise •Decrease in volume negotiating benefit to remaining councils 	<p>1. Improvement plan developed outlining any key areas for improvement and actions to implement with key milestones set against each, THC plan agreed and will be monitored at each Strategic Procurement Board meeting.</p> <p>Final actions near completion with Contract Owner training to be complete by 30.06.23, Signing of SLA to be revisited with Highland by 30.06.23</p>	3	9	3	3	29 June 2023

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Shared Service - Service Level Agreement - Delivery of KPI's	Risk that Commercial & Procurement Shared Service are unable to deliver against agreed KPI's within Service Level Agreement across the three partner Councils. Areas of Focus - Local Supplier Spend, Community Benefits & Fair Work and Climate Change.	<ol style="list-style-type: none"> 1. Supplier Development Plan and programme of events planned to support Community Wealth Building in each Council in conjunction with Economic Development, by 30.09.23 2. Review with Community Benefit Manager in Highland approach and develop a Communication programme and provide further support to DPA's by 30.06.23 3. Each Council is employing a Circular Economy Officer (recruitment underway), develop programme of work in conjunction with Economic Development to meet Climate Change targets in KPI's by 30.09.23 4. Implementation of pilot for System Licence - reporting on Community Benefits, Sustainable Procurement Outcomes to support reporting and identification of target areas, pilot now underway for period up until 31.03.24 5. Implementation of pilot for System Licence - reporting on Scope 3 Emissions to support reporting and identification of target areas by 30.06.23 	6	9	3	3	31 March 2024