

**Historic Scotland  
Risk Register and Records**

**June 2006**

<b>Responsible Area</b>	<b>Business Area</b>	<b>Risk Description</b>	<b>Current Status</b>	<b>Previous Status</b>
<b>Short Term Risks</b>				
Human Resources		1. Failure of Pay Negotiations	High	High
Finance Group		2. Inability to recruit / retain key staff - ISU	Extreme	Extreme
Finance Group		3. Lack of business continuity planning – key IT systems	Extreme	Extreme
Inspectorate		4. Poor access to training resources to allow culture change, business improvement and succession planning (eg management and customer services training).	Extreme	Extreme
Inspectorate		5. Poor definition and assessment of stakeholder relationship leading to a lack of understanding, lack of support and poor working relationships.	High	Extreme
TCRE		6. Absence or loss of stakeholders or partners.	Extreme	Extreme
Inspectorate		7. Poor quality information system for controlling statutory casework handling.	Extreme	Extreme
PIC		8. Lack of / poor disaster planning/continuity - PIC	High	High

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**HISTORIC SCOTLAND BOARD MEETING 25-27 JUNE: ORKNEY**

Inspectorate	9. Lack of resources to shift towards “upstream” engagement in statutory casework and statutory protection processes.	High	Extreme
Inspectorate	10. Poor quality internal management information systems leading to poor management control and ability to respond to performance/resource issues.	Extreme	Extreme
Policy	11. Failure to meet obligations as SEA/EIA Consultation Authority	High	High
<b>Long Term Risks</b>			
Chief Executive	12. Loss of reputation	High	High
PIC	13. Damage to historic environment (deterioration, weather, vandalism etc)	Moderate	Moderate
PIC	14. Reduced visitor numbers due to external factors (eg unforeseen event (9/11), strength of sterling, competitor’s marketing etc)	Moderate	Moderate

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### HISTORIC SCOTLAND BOARD MEETING 25-27 JUNE: ORKNEY

<b>Risk</b>	<b>Owner</b>	<b>Item #</b>
Failed Pay Negotiations	HR Policy Manager	1. HR
<b>Cause</b>	<b>Controls</b>	
<ul style="list-style-type: none"> <li>Insufficient funding to support an appropriate settlement</li> <li>Militant Trade Union</li> <li>Limited bargaining scope</li> <li>Inadequate planning</li> <li>Poor negotiation skills</li> </ul>	<ul style="list-style-type: none"> <li>Robust paybill model – not yet in place</li> <li>Clear bargaining position supported by Senior Management Team – not yet in place</li> <li>Proper planning and preparation, including pay remit clearance from SE Admin and Finance</li> <li>Experienced negotiating team</li> <li>Good relationship with Trade Union representatives</li> </ul>	
<b>Assessment</b>	<b>Further Actions</b>	
<ul style="list-style-type: none"> <li>Current negotiation teams is experienced</li> <li>Early and informed preparation is underway</li> <li>SE have not agreed for 2005/6 yet</li> </ul>	<ul style="list-style-type: none"> <li>Maintain close links with SE Main and other Agencies/Departments pay negotiations/strategies</li> <li>Brief and consult SMT on HS negotiating remit.</li> </ul>	
<b>Reporting Mechanism</b>		
SMT will be kept informed of progress		

Consequence Assessment				
Insignificant	Minor	Moderate	Major	Catastrophic
			✓	

Likelihood Assessment				
Rare	Unlikely	Possible	Likely	Almost Certain
		✓		

Overall Risk Rating			
Low	Moderate	High	Extreme
		✓	

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**HISTORIC SCOTLAND BOARD MEETING 25-27 JUNE: ORKNEY**

**Risk**  
 Inability to recruit / retain key staff - specialist skills reside in one or two staff increasing the impact if a staff member leaves.

**Owner**  
 Head of IT  
 The overall ownership of this risk reside with the Director of HR but the management of it in so far as it can control it must sit within IT.

**Item #**  
 2. Finance / ISU

**Cause**  
 Market conditions  
 Lack of resources places high demands on staff  
 Lack of proper development

**Controls**  
 We do pay an IT allowance  
 Internal promotion is considered first.

**Assessment**  
 Need for more formal planning in ISU to assess the resource requirements and also control work levels.

**Further Actions**  
 Conduct a review of ISU  
 Look at appropriate staffing levels  
 Formalise planning process  
 Introduce rules of operation to prevent ISU staff being diverted onto other work.

**Reporting Mechanism**  
 SMT paper on way forward for ISU and IT skills. Finmag to examine results of assessment and report back to SMT.

Consequence Assessment				
Insignificant	Minor	Moderate	Major	Catastrophic
			x	

Likelihood Assessment				
Rare	Unlikely	Possible	Likely	Almost Certain
			x	

Overall Risk Rating			
Low	Moderate	High	Extreme
			x

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**HISTORIC SCOTLAND BOARD MEETING 25-27 JUNE: ORKNEY**

<b>Risk</b>
Lack of Business Continuity Planning – IT systems

<b>Owner</b>
John Barber

<b>Item #</b>
3. Finance / ISU

<b>Cause</b>
<ul style="list-style-type: none"> <li>• Lack of plans</li> <li>• Plans inappropriate / inadequate</li> </ul>

<b>Controls</b>
There are contingency plans in place but they are of variable quality.

<b>Assessment</b>
Good in places. Significant room for improvement.

<b>Further Actions</b>
Need to identify relevant systems Formal requirement for identified systems to have continuity plans and be tested. ISU to inspect continuity plans

<b>Reporting Mechanism</b>
SMT paper on way forward for ISU and IT skills. Finmag to examine results of assessment and report back to SMT.

<b>Consequence Assessment</b>				
Insignificant	Minor	Moderate	Major	Catastrophic
			x	

<b>Likelihood Assessment</b>				
Rare	Unlikely	Possible	Likely	Almost Certain
			x	

<b>Overall Risk Rating</b>			
Low	Moderate	High	Extreme
			x

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**HISTORIC SCOTLAND BOARD MEETING 25-27 JUNE: ORKNEY**

<b>Risk</b>
Poor access to training resources to allow culture change, business improvement and succession planning (eg management and customer services training).

<b>Owner</b>
Head of Strategy

<b>Item #</b>
4. Inspectorate

<b>Cause</b>
<ul style="list-style-type: none"> <li>Poor definition and investment</li> </ul>

<b>Controls</b>
<ul style="list-style-type: none"> <li>none</li> </ul>

<b>Assessment</b>

<b>Further Actions</b>
Identification and implementation of long-term management training programme across all Inspectorate staff

<b>Reporting Mechanism</b>
To Inspectorate Management Team

<b>Consequence Assessment</b>				
Insignificant	Minor	Moderate	Major	Catastrophic
			*	

<b>Likelihood Assessment</b>				
Rare	Unlikely	Possible	Likely	
			*	

<b>Overall Risk Rating</b>			
Low	Moderate	High	Extreme
			*

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**HISTORIC SCOTLAND BOARD MEETING 25-27 JUNE: ORKNEY**

<b>Risk</b>
Poor definition and assessment of stakeholder relationship leading to a lack of understanding, lack of support and poor working relationships.

<b>Owner</b>
Chief Inspector

<b>Item #</b>
5. Inspectorate

<b>Cause</b>
<ul style="list-style-type: none"> <li>Poor relationship definition and curation</li> </ul>

<b>Controls</b>
<ul style="list-style-type: none"> <li>Definition, prioritisation and monitoring by team leaders.</li> <li>Monitoring of adverse comments.</li> </ul>

<b>Assessment</b>

<b>Further Actions</b>
Training for team leaders and integration of monitoring into team leaders' forward job descriptions.

<b>Reporting Mechanism</b>
Management team meetings and 1:1s

<b>Consequence Assessment</b>				
<b>Insignificant</b>	<b>Minor</b>	<b>Moderate</b>	<b>Major</b>	<b>Catastrophic</b>
			*	

<b>Likelihood Assessment</b>				
<b>Rare</b>	<b>Unlikely</b>	<b>Possible</b>	<b>Likely</b>	<b>Almost Certain</b>
			*	

<b>Overall Risk Rating</b>			
<b>Low</b>	<b>Moderate</b>	<b>High</b>	<b>Extreme</b>
		*	

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**HISTORIC SCOTLAND BOARD MEETING 25-27 JUNE: ORKNEY**

<b>Risk</b>
Absence or loss of networking stakeholders or partners, and succession planning.

<b>Owner</b>
TCRE Group Director

<b>Item #</b>
6. TCRE

<b>Cause</b>
Retiral of Group Director Resourcing issues (staff time) leading to low profile of TCRE staff in outside world.

<b>Controls</b>
<ul style="list-style-type: none"> <li>• Development and raise profile of senior staff with key stakeholders and partners.</li> <li>• Encourage Group philosophy to be outward looking, enabling and providing support.</li> <li>• Continue to develop and refresh formal networking groups.</li> <li>• Ensure staff stability an operational structure.</li> </ul> <p>Ingval has responsibilities for stakeholders with Sheenagh and Malcolm – you may need to make this more explicit here.</p>

<b>Assessment</b>
Significant risk, but manageable

<b>Further Actions</b>
Identify future key staff for development

<b>Reporting Mechanism</b>
Group Meeting How do you report this to SMT?

<b>Consequence Assessment</b>				
Insignificant	Minor	Moderate	Major	Catastrophic
			*	

<b>Likelihood Assessment</b>				
Rare	Unlikely	Possible	Likely	Almost Certain
			*	

<b>Overall Risk Rating</b>			
Low	Moderate	High	Extreme
			*

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**HISTORIC SCOTLAND BOARD MEETING 25-27 JUNE: ORKNEY**

<b>Risk</b>
Poor quality information system for controlling statutory casework handling.

<b>Owner</b>
Director of Casework

<b>Item #</b>
7. Inspectorate

<b>Cause</b>

<b>Controls</b>
<ul style="list-style-type: none"> <li>• New system in place</li> </ul>

<b>Assessment</b>

<b>Further Actions</b>
Scope develop and implement new computer-based system

<b>Reporting Mechanism</b>
To senior management team

<b>Consequence Assessment</b>				
Insignificant	Minor	Moderate	Major	Catastrophic
			*	

<b>Likelihood Assessment</b>				
Rare	Unlikely	Possible	Likely	
			*	

<b>Overall Risk Rating</b>			
Low	Moderate	High	Extreme
			*

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### HISTORIC SCOTLAND BOARD MEETING 25-27 JUNE: ORKNEY

Risk
Lack of major incident planning - PIC.

Owner
PIC Regional Architect - Gregor Stark

Item #
8. PIC

Cause
<ul style="list-style-type: none"> <li>Natural or other disaster on site leading to loss of fabric or dangerous situation.</li> </ul>

Controls
<ul style="list-style-type: none"> <li>Disaster preparedness process being established.</li> <li>Regional call-out processes in place.</li> </ul>

Assessment
<ul style="list-style-type: none"> <li>We are currently exposed in this area more than others and, whilst the risk will ultimately be moderate to low, our current exposure deems it as currently 'High'.</li> </ul>

Further Actions
<ul style="list-style-type: none"> <li>Continue with current disaster preparedness plan</li> <li>Develop strong links from Regional call-out procedures to national PIC coverage.</li> <li>Link PIC work to overall agency call-out planning (yet to be finalised).</li> </ul>

Reporting Mechanism
<ul style="list-style-type: none"> <li>Through Regions to PICMG and, ultimately SMT.</li> </ul>

Consequence Assessment				
Insignificant	Minor	Moderate	Major	Catastrophic
		x		

Likelihood Assessment				
Rare	Unlikely	Possible	Likely	Almost Certain
			x	

Overall Risk Rating			
Low	Moderate	High	Extreme
		x	

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**HISTORIC SCOTLAND BOARD MEETING 25-27 JUNE: ORKNEY**

<b>Risk</b>
Lack of resources to shift towards “upstream” engagement in statutory casework and statutory protection processes.

<b>Owner</b>
Chief Inspector

<b>Item #</b>
9. Inspectorate

<b>Cause</b>
<ul style="list-style-type: none"> <li>Inflexibility in current structures and resources.</li> </ul>

<b>Controls</b>
<ul style="list-style-type: none"> <li>Not identified</li> </ul>

<b>Assessment</b>

<b>Further Actions</b>
Discussion with Chief Executive and Director of Finance

<b>Reporting Mechanism</b>
1:1 with Chief Executive and SMT

<b>Consequence Assessment</b>				
Insignificant	Minor	Moderate	Major	Catastrophic
			*	

<b>Likelihood Assessment</b>				
Rare	Unlikely	Possible	Likely	
			*	

<b>Overall Risk Rating</b>			
Low	Moderate	High	Extreme
		*	

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**HISTORIC SCOTLAND BOARD MEETING 25-27 JUNE: ORKNEY**

<b>Risk</b>
Poor quality information system for controlling statutory casework handling.

<b>Owner</b>
Director of Casework

<b>Item #</b>
10. Inspectorate

<b>Cause</b>

<b>Controls</b>
<ul style="list-style-type: none"> <li>• New system in place</li> </ul>

<b>Assessment</b>

<b>Further Actions</b>
Scope develop and implement new computer-based system

<b>Reporting Mechanism</b>
To senior management team

<b>Consequence Assessment</b>				
Insignificant	Minor	Moderate	Major	Catastrophic
			*	

<b>Likelihood Assessment</b>				
Rare	Unlikely	Possible	Likely	
			*	

<b>Overall Risk Rating</b>			
Low	Moderate	High	Extreme
			*

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**HISTORIC SCOTLAND BOARD MEETING 25-27 JUNE: ORKNEY**

<b>Risk</b>
Failure to meet obligations as SEA/EIA Consultation Authority

<b>Owner</b>
Head of Development Assessment

<b>Item #</b>
11. Policy

<b>Cause</b>
<ul style="list-style-type: none"> <li>• Rising demand in a rapidly developing/changing area</li> <li>• Lack of staff resources</li> <li>• Poor staff understanding/training to keep abreast of the subject area</li> <li>• Complexity of cases received</li> </ul>

<b>Controls</b>
<ul style="list-style-type: none"> <li>• Effective caseload statistics and analysis</li> <li>• Prioritising work</li> <li>• Keeping staff resources under review</li> <li>• Continuous on the job staff training to meet rapidly changing circumstances</li> <li>• Mentoring/sharing and learning from experience</li> <li>• Effective line management</li> <li>• Standardise procedures where feasible and appropriate</li> <li>• Agreed procedures for engaging with Inspectorate (SEA)</li> </ul>

<b>Assessment</b>
Some weaknesses

<b>Further Actions</b>
<ul style="list-style-type: none"> <li>• Improve casework statistics and analysis</li> <li>• Formalise internal reporting mechanisms</li> <li>• Strengthen HS policy in areas of marine, coastal and historic landscape policy</li> </ul>

<b>Reporting Mechanism</b>
<ul style="list-style-type: none"> <li>• Monthly staff meetings to review work load/flow and any new initiatives</li> <li>• Formal 6 monthly Report to Director of Policy on EIA and SEA work undertaken together with early briefing on key issues as they arise throughout the year.</li> </ul>

<b>Consequence Assessment</b>				
Insignificant	Minor	Moderate	Major	Catastrophic
			x	

<b>Likelihood Assessment</b>				
Rare	Unlikely	Possible	Likely	
		x		

<b>Overall Risk Rating</b>			
Low	Moderate	High	Extreme
		x	

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### HISTORIC SCOTLAND BOARD MEETING 25-27 JUNE: ORKNEY

Risk	Owner	Item #
Loss of reputation	Chief Executive	12. CEG
Cause	Controls	
<ul style="list-style-type: none"><li>• Targeted media campaign</li><li>• Failure to engage effectively with stakeholders.</li><li>• Decisions by the Inspectorate.</li><li>• Decisions to award/not award grant funding.</li><li>• Targeted campaigns by pressure/interest groups or individuals.</li></ul>	<ul style="list-style-type: none"><li>• C&amp;M attends Policy Group and Inspectorate management meetings to identify potential risks.</li><li>• Head of C&amp;M (HC&amp;M) sits on the Senior Management Team</li><li>• Stakeholder Management Group chaired by HC&amp;M.</li><li>• Programme of awareness raising at a local level through exhibitions and local history bodies.</li><li>• Web – major platform for the agency to counter misinformation.</li><li>• Regular contact between C&amp;M and members of agency staff involved in the decision-making process.</li></ul>	
Assessment	Further Actions	
<ul style="list-style-type: none"><li>• Most actions and decisions made by the agency have the potential to damage reputation.</li><li>• Head of C&amp;M attends SMT, but not HSB. This is a potential weak spot, which could result in failure to identify risk.</li><li>• C&amp;M has a number of separate mechanisms in place to identify and deal with potential risk to reputation. These mechanisms work in support of each other to minimise risk.</li></ul>	<ul style="list-style-type: none"><li>• Open and transparent communication</li><li>• A high degree of public involvement</li><li>• Proportionate and consistent decision-making</li><li>• Ensuring that communication is integrated into policy-making and working to improve involvement of the public in policy-making.</li><li>• Recognising the role of communications in building trust and managing the risks to reputation, and making links between communications and overall strategic aim.</li><li>• Working towards increased openness and transparency in communicating with the public.</li></ul>	

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**HISTORIC SCOTLAND BOARD MEETING 25-27 JUNE: ORKNEY**

**Reporting Mechanism**  
 Members of the Communications team attend meeting of the Policy Group and Inspectorate management groups to identify potential areas of risk. Any potential risk is brought to the attention of SMT, either by HC&M at meetings of the SMT or immediately if the matter is urgent.

Consequence Assessment				
Insignificant	Minor	Moderate	Major	Catastrophic
			x	

Likelihood Assessment				
Rare	Unlikely	Possible	Likely	Almost Certain
			x	

Overall Risk Rating			
Low	Moderate	High	Extreme
		x	

## HSB 14/06

### HISTORIC SCOTLAND BOARD MEETING 25-27 JUNE: ORKNEY

Risk
Damage to historic environment

Owner
Sarah Morris

Item #
13. PIC

Cause
<ul style="list-style-type: none"> <li>• Deterioration;</li> <li>• Weather;</li> <li>• Vandalism</li> </ul>

Controls
<ul style="list-style-type: none"> <li>• Condition surveys</li> <li>• Inspections / annual audit</li> <li>• Monument Manager can identify issues</li> <li>• Security at specific sites</li> <li>• Professional training of staff</li> </ul>

Assessment
<ul style="list-style-type: none"> <li>• Some weaknesses although controls and responses are fully appropriate and benchmarked. For this reason, the risk is assessed as Moderate.</li> </ul>

Further Actions

Reporting Mechanism
<ul style="list-style-type: none"> <li>• The monuments are, by their very nature, under constant threat of deterioration. The measures in place ensure we have up-to-date records of condition, and this is actively monitored. This information is reported through district, regional and branch teams up to PIC Management Group and the Board. The Annual Monument Audit builds on the Condition Survey information and checks the monuments' condition. "Exception reporting" will be in place for SMT/Board, and an annual overall assessment will be made to PICMG.</li> </ul>

Consequence Assessment				
Insignificant	Minor	Moderate	Major	Catastrophic
		x		

Likelihood Assessment				
Rare	Unlikely	Possible	Likely	Almost Certain
			x	

Overall Risk Rating			
Low	Moderate	High	Extreme
	x		

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**HISTORIC SCOTLAND BOARD MEETING 25-27 JUNE: ORKNEY**

<b>Risk</b> Reduced visitor numbers due to external factors (eg unforeseen event (9/11), strength of sterling, competitors' marketing etc.)	<b>Owner</b> Fiona Docherty	<b>Item #</b> 14. PIC
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<b>Cause</b> <ul style="list-style-type: none"> <li>World events eg 9/11</li> <li>Competition</li> <li>Exchange rate</li> <li>Price of oil/travel</li> <li>VisitScotland's commitment to destination marketing</li> </ul>	<b>Controls</b> <ul style="list-style-type: none"> <li>Weekly and monthly trading reports (including visitor numbers);</li> <li>Informal benchmarking against competitors;</li> <li>Regular contact/Scenario planning with VisitScotland;</li> <li>Marketing campaigns; and a review of business activity to spread risk.</li> </ul>
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<b>Assessment</b> <ul style="list-style-type: none"> <li>Some weaknesses, although controls and monitoring which are in place are appropriate and increasingly benchmarked. Risk rating assessed as Moderate.</li> </ul>	<b>Further Actions</b> <ul style="list-style-type: none"> <li>Improve competitive benchmarking;</li> <li>Improve staff focus on analysis of trends</li> <li>Review pricing/admissions strategies</li> <li>Look to appoint further commercial skills.</li> </ul>
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**Reporting Mechanism**

- Through individual business units to Group management teams. Reported quarterly to PIC Management Group and to Board on a regular basis. The income and trading reports are circulated monthly and are reviewed at PICMG. The Board receives, at all its meetings, a finance paper at which income and trading are reported explicitly.

Consequence Assessment					Likelihood Assessment					Overall Risk Rating			
Insignificant	Minor	Moderate	Major	Catastrophic	Rare	Unlikely	Possible	Likely	Almost Certain	Low	Moderate	High	Extreme
		X						X			X		

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**HISTORIC SCOTLAND BOARD MEETING 25-27 JUNE: ORKNEY**

Consequence Definitions		Financial	Effort		Reputation		
		Cost	Time Management Effort	Customers	Ministerial/ Govt.	Media	Health and Safety
5	Catastrophic	Requires significant additional funding (£5m on top of current funding)	An incident with potential to threaten viability of Historic Scotland	Catastrophic effect on customer relationships and loss of key contracts.	Serious long term disruption to ministerial confidence	Extensive negative national media coverage	Staff or public fatalities
4	Major	Requires additional funding beyond normal arrangements (£1m on top of current funding)	A critical event which with proper management can be endured	Serious impact on customer relationships and definite loss on contracts. High level of resource to remedy	Significant disruption to ministerial confidence	Short term national negative media coverage	Injury or ill health resulting in permanent disability
3	Moderate	Manageable through normal funding arrangements but requires diversion of funds up to £0.5m of other activities	A critical event which can be managed under normal circumstances	Substantial impact on customer relationships and definite loss of business	Disruption to ministerial confidence in short to medium term	Extended negative local/industry media coverage	Injury or ill health resulting in more than 5 days absence
2	Minor	Manageable through normal funding arrangements through diversion of £200k.	An event, the consequences of which can be absorbed but management effort is required to minimise the impact	Some impact on customer relationships and possible loss of business	Disruption to ministerial confidence in short term with minor impact	Series of articles in local/industry press	Injury or ill health resulting in more than 1 but less than 5 days absence
1	Insignificant	Negligible impact on funding. £50k required.	An event, the impact of which can be absorbed through normal activity	Negligible impact on customer relationships	Negligible impact on ministerial confidence	Letters to local/industry press	No significant time lost

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#### Likelihood definitions

The number of times within a specified period which a risk may occur either as a consequence of business operations or through failure of operating systems, policies or procedures.

	Rating	Description	Occurrence
5	Almost certain	Event is expected occur in most circumstances	Multiple / 12 months
4	Likely	Event will probably occur in most circumstances	Once / 12 months
3	Possible	Event should occur at some time	Once / 13 months – 3 years
2	Unlikely	Event could occur at some time	Once / 3 – 10 years
1	Rare	Event may occur under exceptional circumstances	Once / > 10 years

**HISTORIC SCOTLAND BOARD MEETING 25-27 JUNE: ORKNEY**

**Risk Prioritisation**

The combination of consequence and likelihood rating provides a mechanism to prioritise each risk.

Catastrophic					
Major					
Moderate					
Minor					
Insignificant					
	Rare	Unlikely	Possible	Likely	Almost Certain

	Immediate action required
	Action required
	Management responsibility and monitoring
	No immediate action required