



Tay Road Bridge

TAY ROAD BRIDGE JOINT BOARD

RISK MANAGEMENT STRATEGIC PLAN

AND STRATEGIC RISK REGISTER

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Contents

| Section | Page |
|--|-------------|
| 1. Introduction | 3 |
| 2. Policy Statement | 4 |
| 3. Risk Management Strategy | 5 |
| 4. Roles and Responsibilities | 7 |
| 5. Risk Management | 8 |
| Appendix A – Risk Register (Updated) | 10 |
| Appendix B – Risk Management Action Plan | 13 |

1. INTRODUCTION

A working definition of Risk Management would be

"A management discipline through which concerted and co-ordinated action is taken to identify, evaluate and control current and potential causes of loss which could threaten the Board's ability to deliver an efficient and effective service."

Skilled Risk Management offers the Tay Road Bridge Joint Board the prospect of both tangible and intangible benefits, three examples of each are shown below:

Tangible

- Reduced financial loss
- Fewer injuries to staff/public
- Preserved assets
(bridge/buildings/vehicles/
equipment)

Intangible

- Better Public Image
- Orderly consideration of risk

Intelligent application of Risk Management concepts should serve to reduce the "fear of the unknown". In this way the discipline should be viewed as a catalyst to service delivery rather than viewed as a reason why certain activities cannot be undertaken.

To achieve this vision requires a disciplined approach to risk which percolates through all levels of the Organisation and its numerous operations. In turn, tiers of management require to absorb and apply Risk Management concepts in their every day thinking and actions and in many ways this "cultural change" is the primary objective of this first Risk Management Strategy Plan.

Whilst this objective could have previously been viewed as desirable, the heightened profile of Corporate Governance in Local Government and the increasing external focus by bodies such as Transport Scotland and Audit Scotland on the issue of Organisational Risk Management increasingly demands attainment of the core objective.

2. POLICY STATEMENT

2.1 The Tay Road Bridge Joint Board is committed to the management of risk in order to:-

- Minimise loss, damage or injury to Board employees or members of the public
- Protect Board assets and property
- Preserve and enhance the management and operation of the Tay Road Bridge
- Maintain effective stewardship of public funds
- Promote a favourable corporate image

The efficient management of risk forms part of the Board's overall business objectives. To achieve this, standards and principles will be developed and maintained. This process will involve identification and evaluation of risks to create practical and cost effective means of loss control and avoidance.

Risk management is recognised as a continuous process, demanding awareness and action from employees at every level, to reduce the possibility and impact of injury and loss.

3. RISK MANAGEMENT STRATEGY

The strategy aims to provide a framework for building a sustainable structure that recognisably supports Risk Management across all areas of Board activity and allows for monitoring and reporting on the effectiveness of that management.

Whilst acknowledging the majority of risks are relatively low-level in terms of severity there are in addition significant Strategic or Corporate risks that must also be managed.

3.1 Status

Risk Management should be as much a part of the duties of all employees as are the control of budgets and the deployment of staff and equipment.

It should also be an element of the consultation process prior to altering existing service delivery and/or implementing new initiatives.

If the Board is to satisfy its external scrutiny obligations it will be required to demonstrate that Risk Management is carried out in this systematic and structured manner and be subject to monitoring.

3.2 Management Arrangements

Risk Management needs to be fully integrated with normal management processes. The Bridge Manager is primarily responsible for the management of risk. The Treasurer is required to produce and/or maintain:

- A Risk Register
- A Risk Management Action Plan to address unacceptable risk exposures which have been detailed in the Risk Register
- Monitoring reports as appropriate

3.3 Risk Management Forums

It is acknowledged there can be high level areas of risk which would benefit from a Risk Management forum.

It is proposed where such a need is identified, the forum will be chaired by the Bridge Manager.

3.4 Accountability

Accountability for performance must be an integral part of the Risk Management process. Progress ought to be monitored and the following routine reporting pattern will operate:

The Bridge Manager will report to the Board summarising Risk Management performance and updating the Risk Register on an annual basis.

3.5 Monitoring and Review

Full implementation of this strategy will take time and effort. Similarly, adherence to its requirements on an ongoing basis will require a resource commitment.

In mitigation it should be remembered that significant elements of the strategy are, already being performed.

The implementation and operation of the strategy will be kept under review to ensure both that it is operating effectively and that there are no aspects taking up disproportionate effort.

3.6 **Management Information**

Many aspects of the strategy will be driven by the quality of information available over loss profiles. Risk Management Information is provided under a Service Level Agreement with Dundee City Council.

4. ROLES AND RESPONSIBILITIES

4.1 **Board Members**

Board Members are responsible for making the strategic decisions affecting the management and operation of the Tay Road Bridge. They are responsible for understanding the strategic risks the Board has to face and be aware of how they are managed.

Board Members main tasks are to:

- Approve the risk management Strategic Plan
- Monitor the reporting of risk management activity
- Approve the annual report on Risk Management performance.

4.2 **Board Officers**

The Bridge Manager is responsible for ensuring risks the Board face are adequately managed. To enable the Bridge Manager to fulfil this responsibility he will liaise with the following Board Officers on the various elements listed below:-

| | |
|------------------------|---|
| Clerk to the Board | Legal, Contractual and Personnel related Risk |
| Engineer to the Board | Engineering Risk |
| Treasurer to the Board | Financial Risk |

The Bridge Manager's key tasks will be to:

- Implement the risk management strategic plan.
- Review the Risk Register annually in conjunction with the Clerk, Engineer, Treasurer and Dundee City Council's Risk Manager.

5. Risk Management

5.1 Risk Identification Process

A number of techniques have been used to construct the Board's Risk Register.

The Risk Register identifies strategic and significant operational risks. In addition, an assessment of risk probability coupled with a risk severity analysis is included within the register.

5.2 Risk Prioritisation and Control

Risks identified are prioritised in the following manner:

- a Risk score determined through multiplication of probability and severity scores as follows:-

| Score | Probability | Severity |
|-------|-------------|---------------|
| 1 | Rare | Insignificant |
| 2 | Unlikely | Minor |
| 3 | Possible | Moderate |
| 4 | Likely | Major |
| 5 | Certain | Catastrophic |

The Matrix produced using the above scores is shown below:-

Probability

| | | | | |
|---|----|----|----|----|
| 5 | 10 | 15 | 20 | 25 |
| 4 | 8 | 12 | 16 | 20 |
| 3 | 6 | 9 | 12 | 15 |
| 2 | 4 | 6 | 8 | 10 |
| 1 | 2 | 3 | 4 | 5 |

Severity

b Risks are then prioritised using the "Traffic Light System" as indicated below:

| Risk Score | Status | Control | Review Timescale |
|------------|--------|----------------------------|-----------------------------|
| 1 to 8 | Green | Risk adequately controlled | No specific action required |
| 9 to 16 | Amber | Risk partially controlled | Within 24 months |
| 17 to 25 | Red | Further control required | Within 12 months |

The potential to control risks will be addressed continuously through the upkeep of the Risk Register. Most risks are capable of being managed - by controlling the probability or severity of the risk or both. Very few risks require to be avoided completely.

It is anticipated that many risks will be realigned through this process. It is unrealistic to conceive that at any given time all risks will be "Green" but it will be possible to critically analyse risks with a view to improving their "score".

5.3 Monitoring Arrangements

To avoid stagnation of the Risk register process the following monitoring arrangements are in place.

- risk register to be reviewed annually or at the time of any organisational/legislative changes

5.4 Current Risk Status

The following Risk Status graph has been prepared using the information taken from the Strategic Risk Register in Appendix A. The numbers shown identify the risk stated in the Register.

| | | | | |
|---|------|-------------|--|--|
| 4 | 7 | | | |
| | 6 | | | |
| | 1,5, | 2,3, 8,9 | | |
| | | 10 | | |
| | | | | |

APPENDIX A

Strategic Risk Register

| No | Risk Description | Probability (P) | Severity (S) | Inherent Risk (P) x (S) | Existing Controls | Residual Risk | Further Action Required | Responsible Officer | Priority |
|--------------------------------|---|--------------------|-----------------|-------------------------------|---|------------------|--|--|----------|
| Risk Category: External | | | | | | | | | |
| 1 | Change of Government with revised policies/strategies | 2 | 4 | 8 | N/A | 2x4 =8 | None | Clerk Treasurer | Green |
| 2 | Legislative changes e.g. Health & Safety , Environmental, Procurement etc | 3 | 4 | 12 | Maintain awareness of changes to legislation and amend policies and procedures timeously | 3x3 = 9 | Review and update Policies and Procedures on regular basis | Clerk Bridge Manager Engineer | Amber |
| 3 | Effects of changes to Economy – budget limitations etc | 3 | 4 | 12 | Financial planning, monitoring and control systems – Maintain regular and early communication with Transport Scotland for funding requirements. | 3x3 = 9 | None | Bridge Manager Treasurer | Amber |

| No | Risk Description | Probability (P) | Severity (S) | Inherent Risk (P) x (S) | Existing Controls | Residual Risk | Further Action Required | Responsible Officer | Priority |
|-----------------------------------|---|-----------------|--------------|-------------------------|---|---------------|--|-----------------------------|----------|
| Risk Category: Operational | | | | | | | | | |
| 4 | Loss of structure/ operational capacity through ship impact/terrorism | 3 | 5 | 15 | Dundee Port Authority Controls. Insurance Provision of pier protection system at Navigation Spans Security of asset through CCTV and 24 hour site attendance | 1x5 = 5 | None | Bridge Manager Engineer | Green |
| 5 | Loss of structure/ operational capacity through effects of Dundee City Waterfront Development works | 3 | 5 | 15 | Major infrastructure Works in waterfront now complete- Left on Risk register as development plots still to be developed Asset Protection Agreement with DCC | 1x2 = 2 | Ongoing review of design and traffic management proposals throughout works | Bridge Manager Engineer | Green |
| 6 | Loss of operational capability through loss of bridge/buildings | 2 | 5 | 10 | Frequent inspection/maintenance of assets | 2x4 = 8 | None | Bridge Manager Engineer | Green |
| 7 | Losses through poor governance | 3 | 5 | 15 | Scheme of Delegation / Anti Fraud and Corruption Policy etc in place. Undertake Internal and External Audit | 2x5 = 10 | Continue to review and apply Governance Policies and Audits | Bridge Manager Treasurer | Amber |

| | | | | | | | | | |
|---|---|---|---|----|---|------------|--|-----------------------------|-------|
| 8 | Failure to deliver projects to time and/or cost | 3 | 4 | 12 | Major schemes submitted to Board for approval. Early communication with Transport Scotland required to ensure funding requests are adequately noticed. | 3x3 = 9 | Adopt robust project management procedures including Business Case preparation for schemes in excess of £50,000. | Bridge Manager Engineer | Amber |
| 9 | Lack of financial resources:- | 3 | 4 | 12 | Maintain regular and early communication with Transport Scotland for funding requirements. Submission of applications for Grant in Aid to include robust estimates as back up. Monitor and control expenditure against agreed budgets | 3x3 = 9 | None | Bridge Manager Treasurer | Amber |

| | | | | | | | | | |
|----|--|---|---|---|--|-----------|--|---|-------|
| 10 | Lack of staff resources:- Pandemic Industrial Action Recruitment problems | 3 | 3 | 9 | <p>Business Continuity plans</p> <p>Liaison/Consultation with Staff and Trade Unions on matters affecting staff</p> <p>Monitor/manage staff absences</p> <p>Monitor retiral dates and plan recruitment accordingly</p> <p>Service level agreement for Resilience Support secured in 2020 with Tayside Contracts to provide support if staff absent.</p> <p>Staffing structure changed in 2021 to provide enhanced in-house resilience.</p> | 3x2 =6 | <p>Review BC plans on regular basis</p> <p>Develop Staff Planning Strategy</p> | <p>Bridge Manager</p> <p>Roads Maintenance Partnership Manager at Tayside Contracts</p> | Green |
|----|--|---|---|---|--|-----------|--|---|-------|

APPENDIX B
Risk Management Action Plan 2023-24

| Subject | Task | Responsibility | Timescale | Update |
|----------------|---|-----------------------|------------------|---------------|
| Strategic | Maintain Risk Management Planning process | Bridge Manager | Annually | Ongoing |
| Operational | Review Risk Register | Bridge Manager | Annually | Ongoing |
| Operational | Test Business Continuity Plans | Bridge Manager | Annually | Ongoing |