NORTH AYRSHIRE COUNCIL

30 May 2023

Audit and Scrutiny Committee

Title:	**Strategic Risk Register 2023/24**
Purpose:	To inform the Committee of the Council's agreed Strategic Risk Register for 2023/24.
Recommendation:	That Committee notes the Strategic Risk Register.

1. Executive Summary

1.1 The Strategic Risk Register has been reviewed and updated for 2023/24.

1.2 Seven of the eight previous risks remain on the Strategic Risk Register at their existing risk scores and titles – Financial Environment, Inequalities, Cyber Security, Transformation, Climate Change, Financial Sustainability of the Health and Social Care Partnership, and Community Capacity Building & Empowerment.

1.3 A previous risk relating to the Operating Environment of the Council post-COVID has been removed from the register. This risk had previously been included to take account of the challenges of recovery and the uncertain operating environment. These risks are captured fully within other specific risks within the register which will lead to improved management of those risk mitigation actions.

1.4 A new strategic risk has been added relating to the implementation of the National Care Service, and the potential impact on the Council's resources.

1.5 The Strategic Risk Register was approved by Cabinet on 21 March 2023.

2. Background

2.1 North Ayrshire Council is committed to ensuring that it is proactive in identifying and managing the risks impacting on the authority. The Council recognises that a certain amount of risk is inevitable if the organisation is to achieve its objectives.

2.2 The aim of risk management is to reduce the likelihood and/or impact of risk by identifying and controlling risks to the Council. If risk is to be managed appropriately, and Services are aware of these risks, risk management can contribute positively towards the organisation's decision-making processes, making the Council more innovative and effective in its approach to service delivery.

2.3 The most significant risks are identified through the Council's Strategic Risk Register (SRR), recognising the challenges facing the Council and demonstrating the arrangements in place to manage these risks.

2.4 The Strategic Risk Register has been reviewed and updated for 2023/24 and is attached at Appendix 1 to this report. For each of the risks detailed within the register a number of components are identified:

- Risk proximity factors.
- Risk score.
- Potential effect on the Council's priorities.
- Internal controls currently in place.
- Assessment of controls, and
- Additional actions identified.

2.5 To assist in the assessment of each risk, the Council's agreed risk matrix was used to ensure consistency. This is used to assess the likelihood of occurrence (on a scale from 1 to 5) and the significance of the impact of the risk should it occur (on a scale from 1 to 5). The risk score is the product of likelihood multiplied by impact. Only those risks rated as high or very high (10 or above) will feature on the SRR to ensure a focus on managing the most significant risks.

2.6 Seven risks remain on the Strategic Risk Register at their existing risk scores – Financial Environment, Inequalities, Cyber Security, Financial Sustainability of the Health and Social Care Partnership, Transformation, Climate Change and Community Capacity Building and Empowerment.

2.7 An additional risk has been captured within the Strategic Risk Register around the implementation of the National Care Service. The risk reflects that this is one of the most significant reorganisations for local government since 1996, and there is uncertainty over the scope of the National Care Service which could result in tight timescales and significant resource pressures for implementation.

2.8 The risk included in the 2022/23 strategic risk register around the Operating Environment as the Council recovered from COVID-19 has now been removed. This reflected a number of challenging emerging risks at the time including recovery, living with COVID, inflationary impacts, cost of living, and supply chain/construction inflation. Risks which remain relevant for 2023/24 are still included within the register but captured within the specific risks relevant to these challenges, primarily Financial Environment.

2.9 <u>Very High Risks</u>

- **Financial Environment** – this risk reflects the ongoing financial challenge faced by the Council (risk score 20).
- **Inequalities** – this highlights the socio-economic inequalities faced in North Ayrshire (risk score 20).
- **National Care Service** – this risk reflects the challenges and uncertainty the Council faces with a major reorganisation of one of its most significant and important functions (risk score 20).

<u>High Risks</u>

- **Cyber Security** – this reflects the ongoing risk from external cyber-attack which is being faced by all organisations (risk score 16).
- **Transformation** – this reflects the wider risks associated with delivering the current Transformation Programme and developing a pipeline of future initiatives (risk score 16).
- **Climate Change** – this risk has been on the Strategic Risk Register following the declaration by the Council of a Climate Change Emergency during 2019 (risk score 16).
- **Financial Sustainability of the Health and Social Care Partnership** – this reflects the ongoing financial challenges faced by the Partnership and the risk these present to the Council (risk score 12).
- **Community Capacity Building and Empowerment** – this highlights the challenges associated with community empowerment (risk score 12).

2.10 Council Services have identified high level strategic actions within their planning for 2023/24 to help the Council mitigate against its strategic risks. These actions are detailed in summary format in the Risk Management Action Plans following each Risk within Appendix 1. These actions will assist with performance monitoring and reporting on the strategic risks.

2.11 The Council's Internal Audit Plan 2023/24 was approved at the Audit and Scrutiny Committee on 28 March 2023 and is risk-based with clear links in place between the audit plan and key risks the Council faces.

3.   Proposals

3.1 Committee is requested to note the Strategic Risk Register 2023/24.

4.   Implications/Socio-economic Duty

Financial

4.1 The Council continues to have a robust long- and medium-term financial planning framework. Key strands include development of key transformation themes and the establishment of an Investment Fund that will generate future savings alongside delivery of a number of key Council priorities.

Human Resources

4.2 None.

Legal

4.3 None.

Equality/Socio-economic

4.4 The risk to the Council is that North Ayrshire residents, and in particular certain groups, will experience increasing levels of poverty and its effects. Current control

measures fall into two categories - measures to address the root causes of socio-economic inequalities - income through employment or benefits – and mitigation measures to minimise the impacts of poverty.

Climate Change and Carbon

4.5   The Council has declared a climate change emergency and has in place an Environmental Sustainability and Climate Change Strategy. Significant work to help mitigate the risk of flooding is included within the Capital Plan. The Council is undertaking an ambitious renewable energy programme.

Key Priorities

4.6   A successful risk management framework helps to underpin the delivery of the Council's strategic priorities in the Council Plan 2019-2024.

Community Wealth Building

4.7   None.

5.   Consultation

5.1   The Strategic Risk Register has been reviewed and updated in consultation with the Executive Leadership Team and the Corporate Risk Management Group and approved by Cabinet.

<div align="right">
Mark Boyd
Head of Service (Finance)
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For further information please contact **Laura Miller, Senior Manager (Audit, Fraud, Safety and Risk),** on **01294-324524**.
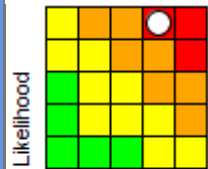
Background Papers
None.

Appendix 1 - Strategic Risk Report 2023/24

Risk Code	SRR2324_R01		Risk Title	Financial Environment		Latest Note Date	25-Jan-2023
Risk Owner			Mark Boyd				

Risk Proximity Factors	Consequences / Impact	Existing Risk Control Measures	Likelihood	Impact
The risk is that the level of funding from Scottish Government to local government will require the Council to take increasingly difficult and challenging decisions, potentially operating with increased levels of risk to ensure service delivery and investment in assets align with available resources. The 2023/24 local government settlement represents an increase of 0.33% in core grant funding, this has to continue to be looked at within the context of financial pressures facing the council including pay, significant inflationary, contractual and demographic pressures over the short, medium and long term. Additional challenges are being faced where Scottish Government is ringfencing increasing areas of the budget settlement, and this is further exacerbated by the inclusion of some elements of the 2023/24 budget being conditional on certain criteria being met. The Budget gap for 2023/24 sits at £10.3m. The gap for 24/25 is estimated at £17m. The continuation of single year settlements makes effective medium and long term financial planning challenging. It is recommended that following the settlement and within the wider financial pressure context, the risk score remains unchanged at this time. Any consideration to change this will only occur following a sustained period of annual growth in core revenue funding, however, this will also have to be considered within the context of inflation and the resultant cost pressures. The Council is exposed to financial risk as a result of underlying cost pressures within the IJB; more detail on this is set out at risk SRR03.	Funding not keeping pace with demand and inflationary cost pressures means that there will be a reduction in some service areas potentially resulting in higher risks for service users. The future delivery of balanced budgets will become increasingly challenging.	Robust monitoring of the Council's revenue and capital budgets is in place as well as regular reporting of financial performance of the IJB to Cabinet and Audit and Scrutiny. To assist financial planning The Long Term Financial Outlook (LTFO) to 2030/31 was approved at Council on 16 December 2020 - this is the cornerstone of the Council's financial planning in the medium to long term. The Council approved a balanced budget for 2022/23 on 2 March 2022. A range of additional finance pressures have been identified including additional national insurance contributions, energy cost inflation, contractual commitments as well as significant construction inflation coming through the capital programme. To help mitigate the impact of cost pressures in 2022/23 the Cabinet report dated 7 June 2022 included the earmarking of funds:- • Contribution to the Loans Fund to support the 10 year Capital Investment Programme and address rising cost pressures, £2.569m; • Provision for contractual electricity and gas price increases for 2022/23 to reflect current market inflationary levels, £1.066m; • Provision for additional non-contractual inflationary pressures (e.g. food costs, fuel, etc.), £0.822m Further, due to the creation of IJB unearmarked reserves, an acceleration of early repayment of IJB debt owed to the Council will be actioned during 2022/23, therefore releasing resources to help address the £10.3m Budget gap for 2023/24. Finally, the Budget for 2023/24 was approved at Council on 1st March 2023. The budget included savings of £5m, a 5% increase in council tax and use of reserves totalling £3.5m. The indicative gap for 24/25 is over £17m with use of reserves planned at £5m. This will continue to present significant challenges to the Council.	4	5

Status	Risk Score	Heat Map		Change in Score	Approach
Stable	20			No change	Treat

Strategic Risk Action Plan			Date Updated	25-Jan-2023
Analysis of Effectiveness of Controls	**Further Action Required**	**Target Date for Completion**	**Officers Responsible**	**Current Status: RAG**
Regular financial monitoring of Revenue and Capital Budgets	**25 January 2023:** Bi-monthly monitoring	31-Mar-2024	Mark Boyd	🟢
Deliver balanced Budget for 2023/24 and outline Medium Term Financial Plan	**1 March 2023:** 23/24 Budget approved 1 March 2023	01-Mar-2023	Mark Boyd	🟢
Maintain Financial Governance Arrangements for IJB	**25 January 2023:** Bi-monthly monitoring.	31-Mar-2024	Mark Boyd	🟢
Progress dialogue via COSLA with Scottish Government on a range of areas including fair funding, multi-year settlements, reduction in levels of ring-fenced resources, true costs of SG policy areas, financial flexibilities and a New Deal partnership with SG and local Govt	**25 January 2023:** Regular engagement through Directors of finance group	31-Mar-2024	Mark Boyd	🟢
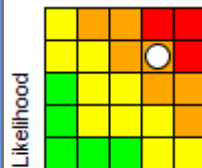
Risk Code	SRR2324_R02	Risk Title	Inequalities	Latest Note Date	25-Jan-2023
Risk Owner		Audrey Sutton/Caroline Cameron			

Risk Proximity Factors	Consequences / Impact	Existing Risk Control Measures	Likelihood	Impact
North Ayrshire residents, and in particular certain excluded groups, will experience increasing levels of poverty and its effects, as a result both of the economic situation and Covid-19. Health inequality is closely linked to poverty, employment and people's earliest experiences as children, and will increase. The population of North Ayrshire is projected to fall over the next 10 years but there will also be a larger proportion of the population considered dependent (not economically active).	The impact on specific risk groups is greatest for our children, young people and families, unemployed people and those in in-work poverty and people exposed to the risks of drug and alcohol addiction. Demand for HSCP and Council Services will increase. As reductions in resources increase, early intervention and prevention activities are at risk, thus increasing the potential for an increase in costly crisis interventions. The local economy will be impacted by reduced spending power by economically inactive residents.	The HSCP re-affirmed its commitment to Tackling Inequalities by continuing to consider it a key priority with the Partnership's Strategic Plan. Through the HSCP strategic plan, the Partnership sets out actions to tackle inequality through its Partnership Pledge and across its strategic priorities. Tackling inequalities is addressed across HSCP service areas. An example of actions to help address local inequalities include: Establishing the Money Matters service in 9 GP practices and 7 local schools in the more deprived areas of North Ayrshire. This will improve accessibility of the service to those who would benefit most. Increase the number of employability mentors in Justice Services, to support those with experience of the justice service into meaningful employment or training opportunities and to help divert away from criminal behaviours. Working closely with Housing colleagues to ensure formerly looked after young people can access a positive and stable housing destination. In our Drug and Alcohol Services, we are implementing actions to reduce the number of local drug and alcohol related harms and deaths. This includes implementing the national MAT (Medicated Assisted Treatment) standards and increasing the number of ABIs (Alcohol Brief Interventions) delivered across North Ayrshire. Through the Caring for Ayrshire programme, we have set out a phased approach to improve local primary care premises (GP Practices and Health Centres). This will improve overall professional capacity within GP practices for Multi-Disciplinary Teams, ensuring the right support is available for local people with health concerns.	5	4

Status	Risk Score	Heat Map		Change in Score	Approach
Stable	20	Impact / Likelihood		No Change	Treat

Strategic Risk Action Plan				Date Updated	25-Jan-2023
Analysis of Effectiveness of Controls		**Further Action Required**	**Target Date for Completion**	**Officers Responsible**	**Current Status: RAG**
The Communities and Education Directorate considers reducing inequalities to be at the heart of its work.

The Directorate leads the Community Planning Partnership for the Council and the CPP has recently developed a new Local Outcomes Improvement Plan, the purpose of which is reducing inequalities. The themes are Wellbeing, Work and World. Locality Planning priorities and CIF funded initiatives are also focused on a range of inequalities, including poverty, age-related inequalities and digital inequalities.

The Directorate also leads the work of the Child Poverty and Cost of Living Board, chaired by the Council Leader. The four strategic themes of the Board to date have been:

- No Wrong Door – access to services
- Employability
- Food
- Islands

Progress has been made with partners through a series on mini-enquiries, ensuring that lived experience influences developments and actions.

The commitment to reducing inequalities is also reflected in the Communities and Education Directorate plans:

- the Educational Service Improvement Plan
- Connected Communities strategic plans and
- Facilities Management plans.

Examples of actions to reduce inequalities:

- Deployment of Scottish Attainment Challenge funding to reduce the poverty related attainment gap in schools
- Use of the Pupil Equity Fund to ensure equity of pupil experience in schools, at the discretion of head teachers
- Cost of the School Day actions to reduce, for example, the cost of school uniforms and clothing, food and outings
- Support for care experienced young people, both in schools and through youth services
- The Fairer Food Network, with 14 community larders which support the needs of individual communities
- A network of warm spaces and events to mitigate energy use and social isolation
- Work to support "New Scots," in schools, with families and in community settings through language support and capacity building, including women's groups
- LGBT support groups for young people and those over 18
- Mentoring support for young people in secondary schools through a partnership with MCR Pathways
- Participation strategies for children young people and adults to ensure our strategies and investment are informed by as wide a range of view as possible. | | **25 January 2023:**

Each of these strategies, taken together, and further developed and implemented, should make a significant contribution to inequalities.

Actions are being progressed and remain within the Target date for completion. | 31-Mar-2024 | Audrey Sutton; Caroline Cameron | 🟢 |

Risk Code	SRR2324_R03	Risk Title	Financial Sustainability of the Health and Social Care Partnership	Latest Note Date	23-Jan-2023
Risk Owner		Caroline Cameron			

Risk Proximity Factors	Consequences / Impact	Existing Risk Control Measures	Likelihood	Impact
Uncertainty of future funding against growing demand and demographic pressures.

Resources have not kept pace with the demand for and cost of social care services. The budget settlement for 23-24 is extremely challenging with a gap of around £7.5m across the IJB.

There remains uncertainty around Covid-related costs with no additional funding for these beyond the end of 22-23.

In earlier years, the HSCP did not manage to contain spend within the delegated budget, but surpluses were achieved in 20-21 and 21-22. Current projections are that the Partnership will also achieve a small surplus in 22-23.

Outstanding debt to the Council is currently £2.321m but it is planned to clear the debt by the end of the 22-23 financial year.

Current Scottish Government proposals to introduce a National Care Service (NCS) by 2026 will significantly impact on the IJB.

Significant inflationary pressures across employee pay and contractual costs will increase the financial challenges for the Partnership.

Low-volume high-cost care packages continue to present a financial challenge to the Partnership. | Funding levels could result in savings being made that are not in alignment with the strategic plan. This could impact on the future demand levels e.g. reduction in early intervention and prevention means that future demand is increased.

Funding levels increase the requirement to transform services at scale and pace.

The impact of the National Care Service will become clearer as legislation is progressed. | The IJB actively monitors the financial position with regular detailed reporting. Directors of Finance of the Council and Health Board have oversight and regular updates are provided to the Council's Cabinet.

There is an integrated approach to managing the totality of NHS and Council resources delegated to the IJB. The Medium Term Financial Outlook will be refreshed for 2023-26 and presented to the IJB in March 2023. Previous financial settlements have seen both partners meet the Scottish Government settlement conditions with any additional resources passed to the IJB.

The IJB had uncommitted financial reserves of £7.248m at the beginning of April 2022, which equated to around 2.6% of the budget. This is towards the lower end of the good practice target of 2%-4%.

Significant funding has been provided to IJBs for the Covid-19 response, supported by regular financial returns to the Scottish Government. Costs were fully funded in 20/21, 21/22 and 22/23.

The Partnership has a Transformation Board overseeing the programme of service re-design. | 3 | 4 |

Status		Risk Score	Heat Map		Change in Score	Approach
					Remain at 12	Tolerate
Stable		12				

Strategic Risk Action Plan			Date Updated	23-Jan-2023
Analysis of Effectiveness of Controls	**Further Action Required**	**Target Date for Completion**	**Officers Responsible**	**Current Status: RAG**
Budget Monitoring - Regular budget monitoring reports to IJB are effective.	**23 January 2023:** No additional actions planned at this time but will keep under review	31-Mar-2024	Caroline Cameron; Paul Doak	
Corrective Action – Transformation Board is effective	**23 January 2023:** No additional actions planned at this time but will keep under review.	31-Mar-2024	Caroline Cameron; Paul Doak	

Risk Code	SRR2324_R04	Risk Title	Cyber Security	Latest Note Date	19-Jan-2023
Risk Owner		Fiona Walker			

Risk Proximity Factors	Consequences / Impact	Existing Risk Control Measures	Likelihood	Impact
The potential compromise of business operations or a data breach orchestrated via either digital channels or the IT infrastructure. This can include targeting of the user base. Risk derives from both Council operations and those of its supply chain.

The increasing importance of delivering services through digital channels and maximising efficiency through effective and secure use of technology. This includes a growing adoption of cloud-based computing resources which extend processing capabilities, and associated risks, beyond the Council's network.

The response to the Covid-19 pandemic resulted in the remote and mobile working by staff as effectively being the normal working practice. This is likely to continue as a hybrid approach becomes the new normal. Such a distributed work force increases the complexity of protecting against cyber and data protection risks. | Failure by Services to adopt and comply with strategies, policies and procedures may result in a failure to adequately ensure the desired levels of cyber-security required to maintain and protect council systems and data.

There may be a significant impact on the authority through the release of personal and/or sensitive information resulting in a loss of public confidence and significant financial loss incurred through fines and service disruption.

A successful cyber-attack (malicious external or internal action) on the Council's IT environments could also result in significant service disruption, loss of income streams and possible data loss/exposure.

Impacts of a cyber-attack could include economic (i.e. inability to collect online payments), societal disruption (i.e. loss of diaries and client appointments), and reputational damage (i.e. loss of public confidence in digital services). | It is recognised that it is not possible for any organisation to expect to be completely protected against continually evolving cyber threats. A threat actor with sufficient motivation, resource and capability will be able to compromise the most secure system.

The Council takes a sociotechnical approach to reducing risk by continually developing protective measures through technical, organisational and people-focused controls.

Technical controls are implemented in areas such as network defences, secure configuration of systems, user authentication, malware protection, and vulnerability management. These are based on best practice and independently tested on an annual basis to confirm their effectiveness in accordance with compliance schemes.

The Council maintains a comprehensive set of policies, standards, guidelines, metrics and reporting mechanisms as part of its information security governance structure. A comprehensive training and awareness programme is delivered to nurture a cyber-aware workforce and culture. | 4 | 4 |

Status	Risk Score	Heat Map		Change in Score	Approach
Stable	16			No change	Treat

Strategic Risk Action Plan			Date Updated	19-Jan-2023
Analysis of Effectiveness of Controls	**Further Action Required**	**Target Date for Completion**	**Officers Responsible**	**Current Status: RAG**
Incident Detection and Response – Recent cyber-attacks on public sector organisations highlight the need for robust incident detection and response procedures and technologies. The current response procedures been shown to be effective based on incidents experienced so far, however detection capabilities will need to be reviewed and improved.	**19 January 2023:** In progress – A joint procurement of a Managed Security Operation Centre (SOC) service with other local authorities is being taken forward by the Digital Office. The procurement was expected to be completed December 2022 however the Digital Office recruitment of a new chief information security officer (CISO) has delayed this.	31-Mar-2024	Fiona Walker	🟢
	19 January 2023: In progress – Work is ongoing to implement a security information and event management (SIEM) solution to allow log collection and detection by a SOC. A proof of concept (POC) is planned with a potential SOC provider to advance the SIEM implementation. Procurement of a SOC will also help to complete this action.	31-Mar-2024	Fiona Walker	🟢
	19 January 2023: In progress – The investigation of potential options and quotes is still underway with Aon. The risk assessment is complete and will now be used in discussions to establish whether it is possible to broker for quotes.	31-Mar-2024	Fiona Walker	🟢
Training and Awareness – The pandemic has impacted on the cyber training programme with the long-term cancellation of all classroom-based training. However, a new online course was launched to compensate for this.	**19 January 2023:** In progress – Face to face training has resumed with sessions being organised to tackle the backlog caused by the pandemic. Phishing simulations have also been restarted and will continue to be ran to test the effectiveness of training and raise awareness.	Ongoing	Fiona Walker	🟢

Risk Code	SRR2324_R05	Risk Title	Transformation	Latest Note Date	25-Jan-2023
Risk Owner	Mark Boyd				

Risk Proximity Factors	Consequences / Impact	Existing Risk Control Measures	Likelihood	Impact
There is an overarching risk that transformation and change management activities, which are core to the future delivery models and long-term financial sustainability of both the Council and Health and Social Care Partnership, fail to deliver.	Failure to deliver transformational change will impact on the Council's financial sustainability, effectiveness of service delivery and delivery of the outcomes set out in the Council Plan 2019-24 and the Local Outcome Improvement Plan (LOIP).

Failure to deliver the HSCP Transformation programmes across the Partnership, involving North Ayrshire Council (NAC) and NHS Ayrshire & Arran (NHSAA) services may lead to the identified outcomes not being delivered; resulting in financial instability, reduced performance, deteriorating patient outcomes, and reputational damage within North Ayrshire Health and Social Care Partnership (NAHSCP).

Failure to embed cultural transformation activities may lead to difficulties in building future workforce capacity and in ensuring we have an engaged, skilled and knowledgeable workforce to meet service demand. | The transformation programme aligns to the Council Plan and is monitored via the Transformation Board.

Workstreams have been developed across Transport and Travel, Accessing our Council, Land and Property and Sustainability.

HSCP have an established Transformation Board to closely monitor progress with plans, regular updates on programme to the IJB and regular meetings with the Chief Executive and S95 Officer to review progress and mitigation plans. IJB approved budget and Strategic Plan for 2022-23 which align with financial plans with transformational strategic change ambitions.

Cultural transformation activities continue to evolve to support the Council's transformation and improve effectiveness and capability. This includes sharing learning and skills, engagement, design experiments and a whole systems approach to transformation and change.

Our workforce planning approach utilises a variety of tools and techniques, such as career development, succession planning, vacancy management, redeployment and early release schemes to ensure our workforce requirements for the future, in terms of skills and capabilities, are planned. Each Head of Service has a workforce plan, and these are monitored six-monthly with continued HR support and guidance to ensure service review and redesign of the workforce is on track. | 4 | 4 |

Status	Risk Score	Heat Map		Change in Score	Approach
Stable	16	Likelihood / Impact		No change	Treat

Strategic Risk Action Plan			Date Updated	25-Jan-2023
Analysis of Effectiveness of Controls	**Further Action Required**	**Target Date for Completion**	**Officers Responsible**	**Current Status: RAG**
Existing project level governance and controls remain effective and are constantly reviewed.	**25 January 2023:** Progress on Transformation projects continues to be governed and monitored via the Transformation Board which is chaired by the Chief Executive. Meeting at the end of March will consider the next phase of projects required for delivery to address the significant financial challenges in 2024/25	Quarterly	Mark Boyd / Chief Executive and Executive Directors	🟢

Risk Code	SRR2324_R06	Risk Title	Climate Change	Latest Note Date	24-Jan-2023
Risk Owner	David Hammond				

Risk Proximity Factors	Consequences / Impact	Existing Risk Control Measures	Likelihood	Impact
Climate change is expected to continue and worsen in the future if no action is taken, with increases to mean global temperatures, sea level rises and the increasing frequency and severity of weather events such as floods, heatwaves, droughts and storms.

More frequent and intense heavy rainfall events increase the risk of soil erosion and flooding.

Rises in mean sea level increases risks of coastal erosion, flooding, saltwater intrusion and soil salinisation (risk to agricultural land and freshwater habitats).

Severe weather is already affecting public services across Scotland, with operational, reputational, financial and legal consequences.

There is also an ongoing impact of severe winter weather including snowfall and freezing temperatures which impact service delivery and the integrity of our roads open space and buildings infrastructure. This shift in weather patterns caused by climate change is also affecting biodiversity across Scotland. | Increased frequency of severe weather conditions and flooding events may lead to more instances of damage to Council infrastructure and property, interruptions to service delivery and increased demands on services, often with little notice.

Risk to life, transport disruption and pollution to the local environment, as well as impact adversely on the local economy if businesses are unable to operate.

Council requirement to provide immediate response and manage the adverse effects of more frequent and severe weather emergency situations, including support to local communities and businesses.

The Council is required to comply with the 'Public Bodies Climate Change Duties' under the Climate Change (Scotland) Act 2009. These duties require the Council to assess the risks, threats and opportunities associated with climate change and identify actions to increase resilience to climate change. | North Ayrshire Council declared a Climate Emergency in June 2019, committing to act on climate change and reduce carbon emissions. In January 2020 the Council approved the target to become net-zero carbon by 2030, for both Council estate emissions and area-wide emissions.

The third iteration of the Environmental Sustainability & Climate Change Strategy was approved by Cabinet in May 2021, providing a road map to achieve the net zero carbon emissions by 2030 target.

Climate Change Adaptation has been included as a workstream within the new strategy, utilising Adaptation Scotland's Capability Framework to ensure North Ayrshire takes a strong, proactive approach to adapting to climate change. Officers are participating in the Sustainable Scotland Network's 'Adaptation Scotland Benchmarking Group' to learn and share best practice with other local authorities.

The Flood Risk Management Strategy has been developed into a 6-year plan which began in 2016. A second plan, which will follow on, is in development.

In addition, actions to mitigate Climate Change risk are held within strategies such as the Core Paths Plan, Outdoor Access Strategy, Local Biodiversity Action Plan, and Weather and Winter Emergencies Plan. Asset management plans are in place which are regularly reviewed for our Roads, Fleet, Housing, Property and Open Spaces.

Furthermore, through the Ayrshire Civil Contingencies Team there are emergency planning arrangements in place in the event of severe weather and flooding conditions causing major disruption and damage to the area or to individual communities within it. | 4 | 4 |

Status	Risk Score	Heat Map		Change in Score	Approach
Stable	16			No change	Treat

Strategic Risk Action Plan		Date Updated	24-Jan-2023

Analysis of Effectiveness of Controls	Further Action Required	Target Date for Completion	Officers Responsible	Current Status: RAG
Reducing Carbon Emissions: North Ayrshire Council declared a Climate Emergency in June 2019, committing to act on climate change and reduce carbon emissions. In January 2020 the Council approved the target to become net-zero carbon by 2030, for both Council estate emissions and area-wide emissions. The Council has taken action against climate change since our first Carbon Management Plan in 2006/07, by working to reduce emissions associated with Council services, and using the baseline year of 2005/06 from which to measure progress. Since the baseline year of 2005/06, Council estate emissions have reduced by 67.8%, from 67,719 tonnes of carbon dioxide equivalent (tCO2e) to 21,794 tCO2e (a reduction of 1,052 tCO2e from the previous year). Area-wide emissions are published by BEIS two years in arrears. Total emissions have reduced across North Ayrshire by 49%, from 1,437 kilotonnes of carbon dioxide (ktCO2) in 2005 to 730 ktCO2 in 2020. To ensure North Ayrshire Council can develop a leading, cross-sector and community led approach we established a Climate Change Steering Group (CCSG) in 2021. The CCSG is chaired by the Cabinet Member for Economy and Climate Change and brings together young people, local businesses and community organisations from across North Ayrshire. Existing controls remain effective and are under review as our response to climate change develops and we progress towards achieving net zero by the 2030 target.	**24 January 2023:** Continuing the Implementation of the 3rd Environmental Sustainability & Climate Change Strategy, which Includes a Roadmap with actions towards achieving the target. The ESCCS 3 contains workstreams: • Affordable Warmth • Green Economy • Transport and Travel • Natural Environment • Sustainable Operations • Carbon Absorption • Climate Change Adaptation, which follows Adaptation Scotland's Capability Framework, to build a climate resilient North Ayrshire. Across seven thematic workstreams (Affordable Warmth, A Green Economy, Transport & Travel, Natural Environment, Sustainable Operations, Carbon Absorption and Climate Change Adaptation), 65 actions have been identified and progressed over the course of the ESCCS 3 period. Updates on progress are provided through the Council's performance reporting system, Pentana, on a quarterly basis. These actions are designed to be directly and indirectly responsible for carbon reduction and deliver other socio-economic benefits. Officers started preparation of 4th Environmental Sustainability & Climate Change Strategy.	31-Mar-2023	David Hammond	🟢
Flood Risk Management Plan: Cycle 2 of the Ayrshire Local Flood Risk Management Plan has been developed and published on 31st December 2022. Studies and modelling will be undertaken to identify and prioritise vulnerable areas where financial damage and risk to life are most likely. There is an ongoing programme of monthly inspections of debris screens which have been installed to prevent vulnerable culverts from blocking and causing flooding. CCTV inspections of culverts are also undertaken to identify blockages and deterioration of assets that might cause flooding. This has been effective in reducing flooding, although there are capacity issues which this process cannot address. The Upper Garnock Valley FPS has been substantially completed and is currently providing flood protection.	**24 January 2023:** We will undertake the actions outlined in cycle 2 of the Ayrshire Local Flood Risk Management Plan. We will continue to look for opportunities to implement Natural Flood Management and we will develop a range of further flood protection measures which can be put forward as schemes for inclusion in cycle 3 of the ALFRMP. We will complete the Millport Coastal FPS and the Mill Burn FPS. Inspections and CCTV surveys of culverts and screens will continue, including prioritised maintenance. Efforts will be made to continue to identify unknown culverts and add them to the ongoing inspection and maintenance process.	30-06-2028	Thomas Reaney	🟢

Risk Code	SRR2324_R07		Risk Title	Community Capacity Building and Empowerment		Latest Note Date	20-Jan-2023
Risk Owner		Rhonda Leith					

Risk Proximity Factors	Consequences / Impact	Existing Risk Control Measures	Likelihood	Impact
Unrealistic timescales for implementation of aspects of legislation of the Community Empowerment Act (Scotland) 2015, such as Community Asset Transfer. Pressure to support community capacity building and the variation of needs within a reducing workforce. Duplication of effort across HSCP and Locality Partnerships to foster community participation and deliver engagement activities. Complying with the complex consultation legislation in service redesign. Rising energy and utility costs relating to property management. Budget savings and pressure on property maintenance budgets.	Where the risk is not managed effectively the potential benefits of community capacity building and empowerment may be lost. Widening inequality gap between those communities where levels of capacity and engagement with the empowerment agenda are high and those with less social capital where interest remains low, which constrains the ability to influence the planning and delivery service. Any disconnect between the Council's aspirations, community appetite for increasing ownership of assets and what communities themselves feel able and prepared to commit to can result in community assets reverting back to Council. Accelerating asset transfer risks losing services and facilities. Over-engagement carries disengagement and engagement fatigue. Increased property costs can be a deterrent for organisations engaging and completing the CAT process. Lack of budget to undertake proactive maintenance may result in NAC buildings falling into disrepair detracting organisations from progressing to lease and or ownership of NAC assets.	Ongoing commitment to community empowerment and locality partnerships from CPP. Six locality partnerships and alignment with HSCP locality arrangements. Leadership of the CPP Senior Officers' Group. Enabling approach with community partners and support with third sector interface to build capacity and identify opportunities for growth and sustainability. Reviewed guidance and processes relating to asset transfer, allotment and Community Councils. Participatory budgeting approach local grants, commitment to PB with partners and leading practice in mainstreaming participatory approaches External funding bid help for groups through regular meetings with third sector, funders and funding officers. Membership of The Consultation Institute. Additional investment of £1m for a Community Asset Transfer Start Up Fund, prioritising additional staffing capacity to support CAT in Connected Communities and TACT. A collaboration and shared resource approach across Connected Communities Teams will be taken to ensure the Service deliver on this priority.	3	4

Status	Risk Score	Heat Map		Change in Score	Approach
Stable	12			No change	Tolerate

Strategic Risk Action Plan			Date Updated	23-Jan-2023
Analysis of Effectiveness of Controls	**Further Action Required**	**Target Date for Completion**	**Officers Responsible**	**Current Status: RAG**
Implementation of CEA: Existing controls remain effective and are kept under review.	**23 January 2023:** Strategic CLD Plan 2021-2024 identifies priorities for capacity building and the programme of community support is addressing needs. Community larders and Community Cafes are being supported by the NA Food System and Connected Communities staff to ensure the network can be sustained and develop further. All other actions are being progressed and remain within the target date for completions.	31-Mar-2024	Rhonda Leith	🟢
Implementation of CEA: Existing controls remain effective and are kept under review to monitor impact and performance.	**23 January 2023:** A New Local Outcomes Improvement Plan for 22-30 was approved by the CPP Board in March 2022. Work is now being undertaken to develop and implement the LOIP action plan to continue to work to improve outcomes for our communities across North Ayrshire.	31-Mar-2024	Rhonda Leith	🟢
Staff capacity: Existing controls remain effective and are kept under review, Recruitment remains a challenge.	**23 January 2023:** Ongoing review and monitoring on progress of CAT applications.	31-Mar-2024	Rhonda Leith	🟢
Alignment of engagement: Existing controls remain effective.	**23 January 2023:** Actions are being progressed and remain within the target date for completion. Ongoing focus to ensure the right balance of time and resource to community / stakeholder engagement aligning to the Consultation Institute frameworks.	31-Mar-2024	Rhonda Leith	🟢
Consultation: Existing controls remain effective and hybrid engagement models have been implemented post covid to encourage and provide greater access to participation.	**23 January 2023:** Actions are being progressed and remain within the target date for completion. Ongoing focus to consultation and engagement.	31-Mar-2024	Rhonda Leith	🟢

Risk Code	SRR2324_R08	Risk Title	National Care Service		Latest Note Date	25-Jan-2023
Risk Owner		Craig Hatton				

Risk Proximity Factors	Consequences / Impact	Existing Risk Control Measures	Likelihood	Impact
The proposals for a National Care Service represent one of the largest reorganisations in local government since the creation of local authorities in 1995/96. Uncertainty around future delivery models and the scope of the National Care Service, leading to uncertainty around the level of local authority resources which will be transferred to the National Care Service and also the level of funding to cover the remaining local authority services, with the Social Care Budget accounting for almost one third of local government expenditure. Complexity in the transferring of one of local government's most significant and important services, therefore resulting in considerable staff resourcing to undertake this task, as well as considerable financial cost. The arrangements for Children's Services are still to be determined, but if these are removed from the local authority there are risks arising from the arm's length proximity to Education. Tight timescales for implementation by the end of the current Parliamentary term in 2026, when boundaries and service scope are uncertain.	Impact on local government revenue and capital funding. Potential impact on all corporate support services. Delays in the implementation of existing priorities and commitments as a result of diverted resource. Potential loss of 'whole service' approach within local government that benefitted from shared leadership and links across essential services. Uncertainty created for the council's workforce which may result in a loss of existing talent and experience as well as difficulties with recruitment. Risk to the ongoing work and service delivery by the Council into Children's Services if these are removed from the local authority. Challenges around agreeing the funding of all historic borrowing attached to Social Care assets. Reducing the capacity of local authorities exposes civil emergency arrangements to new risks.	Engagement within the Health & Social Care Partnership with lead professionals, input by Senior Managers within the HSCP and consideration by the Partnership Senior Management Team on the Scottish Government's proposals for the National Care Service. The North Ayrshire Integration Joint Board approved their response to the consultation at their meeting of 21 October 2021. Cabinet approved their response to the consultation at their meeting of 2 November 2021. Participation in the annual National Care Service Forum, with the first meeting held on 3 October 2022.	5	4

Status		Risk Score	Heat Map		Change in Score	Approach
					New risk	Treat
Increasing		20				

Strategic Risk Action Plan		Date Updated	27-Jan-2023
Analysis of Effectiveness of Controls	**Further Action Required**	**Target Date for Completion**	**Officers Responsible**	**Current Status: RAG**
Further actions will be identified and undertaken once details are known around the scope of the National Care Service and timescales for implementation. A detailed response plan will be prepared which will detail the preparations required in order to mitigate any risk.	**27 January 2023:** Actions will be identified and progressed in due course.	31-Mar-2026	Caroline Cameron/Mark Boyd/Craig Hatton	🟢