
NORTH AYRSHIRE COUNCIL

12 November 2019

Audit and Scrutiny Committee

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| Title: | Strategic Risk Register 2019/2020: Mid-year Update |
| Purpose: | To provide the Committee with a mid-year update on the progress with actions related to the Strategic Risk Register. |
| Recommendation: | It is proposed that the Committee notes the mid-year update on the 2019/20 Strategic Risk Register. |

1. Executive Summary

- 1.1 The Council's most significant risks are identified through the Strategic Risk Register, which is refreshed annually and was last approved by Cabinet in March 2019.
- 1.2 The recent self-assessment of the Audit and Scrutiny Committee identified the requirement for a mid-year update report on the Strategic Risk Register.
- 1.3 This report and the appendix demonstrate progress made by the Council in mitigating against the potential impact of the Strategic Risks.

2. Background

- 2.1 The Council's most significant risks are identified through the Strategic Risk Register, recognising the challenges facing the Council within the current financial year and demonstrating the arrangements in place for managing those risks.
- 2.2 The Strategic Risk Register is refreshed annually and was last approved by the Cabinet in March 2019; thereafter it was reported to the Audit and Scrutiny Committee in May as this Committee has a remit for monitoring key risks.
- 2.3 The recent self-assessment of the Audit and Scrutiny Committee in September identified a number of improvement actions – one of these was the introduction of a mid-year update report on the progress made with mitigating these key risks.
- 2.4 The register is attached at Appendix 1 and provides update on that approved by Cabinet in March. The next full refresh of the risk register will take place early in the new year, be taken to Cabinet for approval in March 2020 and thereafter reported to Audit and Scrutiny.
- 2.5 Where relevant, key actions from the Council Plan Delivery Plan have been linked to the risks and progress shown at the end of September. These actions are more strategic in

nature. Some risks are managed as 'Business as Usual', through the appropriate operational plans within Services or through current controls.

Very High Risks

2.6 There are three strategic risks classed as 'Very High' (scoring 17-25):

Financial Environment (risk score 20) – the risk is that the level of funding for 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. A range of control measures is in place including long-term and medium-term financial plans. However, the Council cannot directly influence the external financial environment and funding for local government continues to reduce. Significant work has been carried out to develop an updated 'Medium-term Financial Outlook' for the period from 2020/21-2022/23 which will be reported to Council in November. This, alongside a programme of locality budget engagement sessions, will inform the next medium-term financial plan.

Inequalities (20) – the risk to the Council is that North Ayrshire residents, especially children, single parents, people with disabilities and people from ethnic minority backgrounds will experience increasing levels of poverty and its effects. Inequality in the local area may continue to increase unless the Council takes action, however this must be managed effectively due to the increase in demand for Council Services which may occur. There is a range of actions within the Council Plan Delivery Plan which link to this risk and updates on the most significant of these are included within Appendix 1.

Health and Social Care Partnership (20) – there is an increased financial risk to the Council as a result of the delegation of resources and the responsibility for planning the delivery of social care services to the Integration Joint Board at a time of reducing resources and growing demand. The most recent financial monitoring report to the IJB on 24th October indicated a projected year-end overspend of £2.308m. It is essential that the IJB operates within the delegated budget and commissions services from the Council and Health Board on this basis as financial balance needs to be achieved. The service transformation programme and the delivery of those service changes will be at the forefront as this will have the greatest impact on the delivery of financial balance and the ongoing sustainability and safety of services. A recovery plan was approved by the IJB and a medium-term financial plan is under development. The Audit and Scrutiny Committee has received regular update reports on the financial position and the measures to address the overspend.

High Risks

2.7 There are four strategic risks classed as 'High' (scoring 10-16):

Cyber Security (16) – this reflects the increasing risk from external cyber-attack which is being faced by all organisations. The Scottish Government has put in place a cyber-resilience action plan which the Council is complying with. In order to further mitigate against this risk, the Council has developed a new Cyber Security Approach, aligned to the Digital Strategy and Technology Strategy. This has four key principles – manage cyber security risk, protect against cyber-attacks, detect cyber security events and respond to cyber security incidents.

Brexit (16) – there remains uncertainty about the United Kingdom's exit from the EU, both the timing and the form it will take. Regular reports have been brought to the Audit and Scrutiny Committee which highlight the actions being taken within the Council to prepare for the exit. The most significant risk to North Ayrshire relates to the combined impact of a no-deal exit on businesses, the economy and GDP. Senior Council officers meet weekly to monitor EU exit risks and actions.

People and Transformation (12) – there is an overarching corporate 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. There is a range of actions within the Council Plan Delivery Plan which link to this risk and updates on the most significant of these are included within Appendix 1.

Community Capacity Building and Empowerment (12) – the risk facing the authority is that community capacity and community resilience in North Ayrshire will not develop sufficiently quickly to meet the economic and social challenges which are emerging in the current economic climate. There is a range of actions within the Council Plan Delivery Plan which link to this risk and updates on the most significant of these are included within Appendix 1.

Longer-term risks

- 2.8 The Strategic Risk Register identifies the most significant risks which the Council faces at the present time.
- 2.9 Climate Change was previously on the risk register but, when reviewed for 2019/20, fell below the scoring threshold due to current actions which are being implemented, particularly in relation to flood prevention. This risk is much longer-term in nature and will be kept under review, in line with the Council's recent declaration of a Climate Change Emergency.

3. Proposals

- 3.1 It is proposed that the Committee notes the mid-year update on the 2019/20 Strategic Risk Register.

4. Implications/Socio-economic Duty

Financial

- 4.1 None.

Human Resources

- 4.2 None.

Legal

- 4.3 None.

Equality/Socio-economic

4.4 None.

Environmental and Sustainability

4.5 None.

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 Consultation has taken place with the Executive Leadership Team in the preparation of this report.

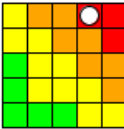

Laura Friel
Executive Director (Finance and Corporate Support)

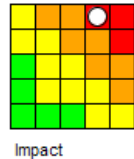

For further information please contact **Paul Doak, Senior Manager (Internal Audit, Risk and Fraud)**, on **01294-324561**.

Background Papers

None.

Strategic Risk Report 2019/20 With Detailed actions

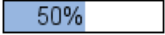
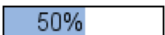
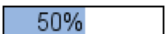
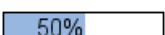

| Risk Code & Title | | 2019/20 SRR01 Financial Environment | | | | Current Risk Matrix |
|---|---|--|---|--|--------------------|--|
| Description | <p>The risk is that the level of funding for local government will require the Council to take increasingly difficult and challenging decisions, potentially operating with increased levels of risk to ensure service delivery and investment in assets align with available resources.</p> <p>Government funding has been reducing since 2010/11. This, together with the demographic pressures, in particular an ageing population and increasing numbers of vulnerable children, and cost pressures including pay and pensions impacts on the ability of the Council to deliver current services within future anticipated resources.</p> <p>The 2019/20 local government settlement represents a further reduction in core grant funding of 1.4%. Planning for future years reflects further anticipated reductions in funding in 2020/21 and 2021/22. The single year settlement and publication and approval dates of the Scottish Budget makes effective short and medium term financial planning challenging.</p> <p>Further pressures on budgets stem from spending commitments at a national and local level at a time of reducing resources. A major external influence is the UK's progress in negotiating exit from the European Union. Uncertainty remains over future economic prospects. Given the scale of this risk, a specific strategic risk profile has been developed.</p> | | | | | <div><div>Likelihood</div><div>Impact</div></div> |
| | Risk Status | Alert | Risk Traffic Light |  | Current Risk Score | 20 |
| | Potential Effect | Funding not keeping pace with demand and cost means that there will be a reduction in some service areas potentially resulting in higher risks for service users. | | | | |
| | Internal Controls | <p>The Council continues to be proactive in responding to the financial challenge and seeks to ensure that budget decisions are taken in line with key priorities.</p> <p>Robust monitoring of the Council's revenue and capital budgets is in place as well as regular reporting of financial performance within the HSCP to Cabinet and Audit and Scrutiny.</p> <p>The Council has a long-term capital investment programme to 2027/28. The Long Term Financial Outlook to 2026/27 was approved at Council on 4 October 2017 - this is the cornerstone of the Council's financial planning.</p> <p>The Council is currently preparing to deliver a balanced budget for 2019/20 with work underway to identify the remaining savings for 2020/21 and 2021/22. Opportunities for future savings will continue to be explored through the recently established Transformation Think Tank. A zero based approach to budget setting will be undertaken for 2020/21.</p> | | | | <div>Risk Next Review Date</div> <div>31/03/20</div> |
| Linked Actions | | | | | | |
| Linked Actions Code & Title | Expected Outcome | Linked Actions Progress | Linked Actions Latest Note | | | |
| CP_37a We will identify opportunities for more integrated service delivery through implementation of the Council's Medium-Term Financial Planning Framework | Slightly Adrift of Target | <div><div></div>10%</div> | <p>2019/20 - Quarter Two Update:</p> <p>The Medium-Term Financial Plan process has commenced and high-level Transformation workstreams have been agreed. Currently progressing each identified workstream including Children and Young People, Transport, Land and Property, Procurement, Municipalisation and Single point of customer contact. Services across the Council have been working together to identify opportunities which will be presented to members and communities as part of the upcoming programme of budget engagement.</p> | | | |

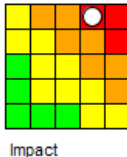

| Risk Code & Title | 2019/20 SRR02 Inequalities | | | | | Current Risk Matrix |
|-------------------|---|--------------------|---|--------------------|-----------------------|---|
| Description | <p>The risk to the Council is that North Ayrshire residents, especially children, single parents, people with disabilities and people from ethnic minority backgrounds (groups identified in the inclusive growth diagnostic) will experience increasing levels of poverty and its effects. Inequality in the local area may continue to increase unless the Council takes action, however this must be managed effectively due to the increase in demand for Council Services which may occur.</p> <p>Levels of child poverty are now the second highest in Scotland. In 2016 the Child Poverty Action Group (CPAG) reported that 7,051 (30.4%) children in North Ayrshire live in poverty.</p> <p>The key driver of poverty and inequality is income, whether from unemployment or benefits. North Ayrshire has one job for every two people who are seeking work.</p> <p>The population of North Ayrshire is expected to fall over the next 10 years but there will also be a larger proportion of the population considered dependent (not economically active) compared to a shrinking working population (those who are economically active).</p> <p>Ongoing welfare reforms will exacerbate local needs placing greater demands upon Council Services at a time when budgets are under significant pressure.</p> <p>North Ayrshire residents have persistently poorer health compared to Scotland as a whole and the gap is increasing. Health inequality is closely linked to poverty, employment and people's earliest experiences as children. Drug and alcohol misuse is also a major factor.</p> <p>Children and young people may be excluded from a nurturing and positive early years and school experience as a result of their life circumstances and / or their additional support needs. They may be unsupported to access appropriate educational provision.</p> | | | | |  |
| Risk Status | Alert | Risk Traffic Light |  | Current Risk Score | 20 | Assigned To |
| Potential Effect | Failure to address the current challenges will result in increased levels of deprivation, reduced health and wellbeing of our communities and higher demand for Council Services. As reductions in resources increase, early intervention and prevention activities are at risk, thus increasing the potential for an increase in costly crisis interventions. | | | | | Stephen Brown; Karen Yeomans |
| Internal Controls | <p>Tackling inequalities is a strategic priority of the Community Planning Partnership (CPP) and the Council. A new Fair For All strategy is in place and this will inform the work of the partners to reduce inequality.</p> <p>The Council launched a new Economic Strategy in April 2017 and this includes a focus on inclusive growth. The Council will lead partners in building community resilience, providing support to remove barriers to opportunity for unemployed people (e.g. childcare, transport and health), upskilling of people in disadvantaged communities including providing MA opportunities within the Council and providing employability services through our network of hubs. The Council is also part of a national inclusive growth pilot and has developed a strategy to enhance the employment of people with disabilities through its inclusive employment approach.</p> <p>The announcement of more than £200m of funding within the Ayrshire Growth Deal will create local employment and increase prosperity.</p> <p>The Better Off North Ayrshire European funded programme has now returned more than £1m to people in North Ayrshire as part of their work.</p> | | | | Risk Next Review Date | 31/03/20 |

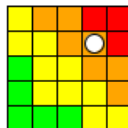

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| | <p>Community wealth building approaches are being developed to focus and enhance spend in the local areas, maximising the Council's role as the biggest employer in the area and its spend through procurement.</p> <p>North Ayrshire Council is now a Child Centred Council with a focus on reducing inequalities for children and young people.</p> <p>The focus on reducing inequalities is enhanced by the ongoing "Challenge Poverty" approach within the Council and with partners, identifying Council and Locality options for addressing the causes and symptoms of poverty.</p> <p>The Council and its partners have developed a food strategy, which includes addressing household food insecurity and the actions within the strategy are supporting local people to create local solutions.</p> <p>North Ayrshire Council is now preparing a Child Poverty Action Plan and report as part of its statutory responsibility to Scottish Government, although the key cause of poverty (income) is largely outwith the control of the Council making it difficult to significantly change the overall trends.</p> <p>The HSCP continues to deliver activity to tackle inequalities in areas of economy, health and community. Through delivery of the HSCP strategic plan, the Partnership sets out actions to tackle inequality through its Partnership Pledge and across all five of its strategic priorities.</p> <p>The Money Matters service continues to provide much need welfare and money advice to individuals and families in, and at risk of, poverty. While Money Matters predominately supports local people known to the HSCP, referral pathways have been developed with Better off North Ayrshire (BONA) to ensure all people in North Ayrshire are able to access the right level of advice and support.</p> <p>The HSCP's Community Link workers are now operating from all general practices in North Ayrshire, providing local people advice and guidance. Conditions that people present at GP practices are often symptomatic of wider issues.</p> <p>The HSCP continues to support vulnerable young people and young carers access a range of opportunities to enhance their skills and experience.</p> <p>The Council's Attainment Challenge sets out to reduce the impact of deprivation on the educational outcomes of our children and young people. A multifaceted approach has been developed to address inequality in terms of health and well-being and progress in learning.</p> | | |
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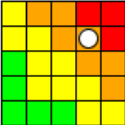

Linked Actions

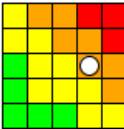

| Linked Actions Code & Title | Expected Outcome | Linked Actions Progress | Linked Actions Latest Note |
|---|----------------------|-------------------------|---|
| CP_01b We will continue to lead and extend the locality planning approach within the CPP, focusing on inequalities. | On Target / Complete | 50% | <p>2019/20 - Quarter Two Update: NAC Cabinet agreed that an integrated CPP Locality Partnership and HSCP Locality Planning Forum be established on Arran. The first joint meeting took place in September 2019, and is the first such arrangement in Scotland. The arrangement has been devised taking into account the legislative requirements upon the CPP and HSCP, practicalities concerning meeting arrangements and issues specific to Arran. The impact of this change will be monitored and any learning will be shared with other Locality Partnership areas.</p> <p>Community Investment Fund (CIF) proposals have continued to be developed and agreed. Recent analysis of the use of the Community Investment Fund (CIF) against key themes, including Locality Partnership priorities, Fair for All themes, Local Outcome Improvement Plan priorities, Council Plan priorities and the pillars of Community Wealth Building shows that a wide range of initiatives have been approved to address key local</p> |

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| | | | <p>issues. There has also been consideration of impacts to date. Notable highlights include:</p> <ul style="list-style-type: none"> • £932,404 external funding has been secured by CIF projects • Employment of a Digital Learning Officer for Irvine and an Environmental Worker for The Three Towns; • Community Enablers in Vineburgh and Fullarton Communities; • Community Development Trust established for The Three Towns; • Positive feedback from the Clearer Minds Programme to support mental health in Largs; • Support for a community regeneration project at Millport Town Hall; and • Community volunteering, skills and social inclusion in The Garnock Valley through Geilsland and the Men's Shed <p>The membership of Locality Partnerships continues to develop with opportunities for the wider community to get more involved.</p> |
| CP_06a We will continue to design and implement programmes to achieve excellence and equity for our learners, with a clear focus on reducing the poverty-related attainment gap. | On Target / Complete |  | <p>2019/20 - Quarter Two Update: During this reporting period, the Council has continued to implement programmes and initiatives to reduce the poverty related attainment gap. The poverty related attainment gap, is the difference in attainment & achievement levels between pupils living in North Ayrshire's most deprived areas and more affluent areas. The Council measure attainment gaps in literacy, numeracy, health & wellbeing, school attendance and exclusion rates.</p> <p>The Scottish Attainment Challenge is a key driver for the local authority in achieving excellent and equity. The Council has six identified areas of focus, which contribute to reducing identified attainment gaps. These workstreams are: Professional Learning Academy, Nurture, Leadership, Data Analysis, Family Learning and Mental Health.</p> <p>To align with the current school year, the Council commenced delivery of its revised Scottish Attainment Challenge programmes in August 2019. These programmes were reviewed during the Summer to ensure they are enhancing education establishments (primary schools, secondary schools & early years centres) capacity to support learners and their families to achieve to their full potential.</p> <p>The Council submitted its end of year report for the 2018/19 school year to Scottish Government in September 2019 and continue to demonstrate a positive impact on reducing the poverty related attainment gap in North Ayrshire. Further information on progress made in reducing identified attainment gaps is published annually on Scottish Government's Parent Zone platform and will be reported in the Council Plan Delivery Plan Quarter 4 Report.</p> |
| CP_09d We will continue to deliver support through our Employability Hubs | On Target / Complete |  | <p>2019/20 - Quarter Two Update: In Q2 we re-launched the Kilwinning Hub at Kilwinning Library with a jobs fayre that attracted 150 unemployed residents.</p> <p>269 new registrations at Hubs to date this year with 84 job outcomes.</p> |
| CP_09e Working in partnership, we will design Ayrshire Growth Deal regional skills and inclusion programmes | On Target / Complete |  | <p>2019/20 - Quarter Two Update: Work continues to agree a final set of proposals with Scottish Government. Reported progress to Ayrshire Regional Partnership Board in Q2 and should finalise proposals in Q3.</p> |
| CP_11a We will continue to deliver the innovative Team North Ayrshire Approach to business support | On Target / Complete |  | <p>2019/20 - Quarter Two Update: TNA Partners met to discuss the future scope of the offer. This development will encompass a shift towards Community Wealth Building and potential regional working.</p> |
| CP_13a We will work with the Centre for Local Economic Strategy (CLES), we will undertake a local wealth building diagnostic for North Ayrshire on the five pillars of CWB: | On Target / Complete |  | <p>2019/20 - Quarter Two Update: The Council have received and published the local wealth building diagnostic produced by the Centre for Local Economic Strategies (CLES). The report assesses more what the Council could do to become a Community Wealth Building Council. The report was presented to the first meeting of the Community Wealth Building Commission, chaired by the Council Leader and will be used to inform the development of a Community Wealth Building Strategy.</p> |

| Risk Code & Title | 2019/20 SRR03 Financial Sustainability of the Health and Social Care Partnership | | | | | Current Risk Matrix |
|-------------------|---|--------------------|---|--------------------|-----------------------|---|
| Description | <p>Increased financial risk to the Council as a result of the delegation of resources and the responsibility for planning the delivery of social care services to the Integration Joint Board at a time of reducing resources and growing demand.</p> <p>The Integration Joint Board has the responsibility for the distribution of resources to partner bodies to deliver its strategic plan. The historic position has been that resources for social care services have not been sufficient to meet the levels of demand and therefore the partnership has overspent. There is a debt held on the Council's balance sheet to be repaid by the partnership, there is a risk that not only the partnership continue to overspend but also that the debt is not recovered.</p> <p>The current financial position of Ayrshire and Arran Health Board, with significant overspends over the last few years, could have a considerable impact on the funding passed to the Integration Joint Board.</p> | | | | |  |
| Risk Status | Alert | Risk Traffic Light |  | Current Risk Score | 20 | Assigned To |
| Potential Effect | <p>To address increasing demands for Health and Social Care services, the Partnership needs to transform services at scale and pace to deliver services in a more sustainable way and secure a shift in the balance of care from institutional to community based services.</p> <p>There is a risk that if the Partnership overspends that the Council may be required to provide additional funding support which could significantly impact on other services provided by the Council.</p> | | | | | Mark Boyd; Caroline Whyte |
| Internal Controls | <p>The IJB actively monitors progress against the Strategic Plan and the Partnership financial position. Finance reports include projected outturns and are reviewed by Partnership Management Team and the IJB. These monitoring reports are also shared with the Directors of Finance of the Council and Health Board to ensure partners are aware of the financial position and any risks. Regular updates are also provided to the Council's Cabinet and Audit and Scrutiny Committee. The partnership require to implement a Financial Recovery Plan where there is a projected overspend, a plan has been implemented in the current financial year and has resulted in a demonstrable improvement to the position.</p> <p>A Chief Finance and Transformation Officer is now in place within the HSCP to support delivery of transformation at scale and pace and develop a financial framework to ensure service delivery within available resources. In addition the social care finance team has been transferred to the partnership to support this work.</p> <p>A Medium Term Financial Plan has been developed and is being refreshed. This plan outlines pressures for services linked to demographic and cost increases, assumptions about future funding and the transformation programme in place to assist with service redesign. The partnership has established a Transformation Board to oversee the programme of service redesign, this additional governance control has enabled greater control of the position and a focus on the key areas of service change with the greatest impact on the financial position.</p> <p>The partnership has identified resource available from 2018-19 onwards to enable the repayment of the historic debt to the Council, the current plan would result in the debt being repaid within four years.</p> <p>Challenge Fund resources are available to the Partnership to support its transformation journey and the HSCP have aligned these resources to support the shift in the balance of care and to mitigate demand.</p> | | | | Risk Next Review Date | 31/03/20 |

| Risk Code & Title | | 2019/20 SRR04 Cyber Security | | | | Current Risk Matrix |
|-------------------|--|------------------------------|---|--------------------|-----------------------|---|
| Description | Cyber-security risk is 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. | | | | |  Likelihood Impact |
| | The Council recognises 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. | | | | | |
| Risk Status | High Risk | Risk Traffic Light |  | Current Risk Score | 16 | Assigned To |
| Potential Effect | 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 (virus, penetration or 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. 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). Such attacks could be directed at the Council or elements of its supply chain. | | | | | Fiona Walker |
| Internal Controls | It is recognised that it is not possible for any organisation to expect to be completely protected against what are agile and continually evolving cyber threats. A threat actor with enough time, motivation, resource and capability will be able to compromise the most secure system. In response, the Council takes a sociotechnical approach to reducing risk by continually developing protective measures through technical, organisational and people-focused controls. IT Services continue to review the Council's protection strategy and technology in line with industry, academic, and UK and Scottish Government recommendations, including the obligation to meet the key actions and timescales defined in the Cyber Resilience Public Sector Action Plan. Technical controls are implemented across domains such as network defences, secure configuration of systems, user authentication, malware protection, and vulnerability management. The controls are independently tested on an annual basis to confirm their effectiveness in accordance with the Council's obligations to mandated compliance schemes. The Council maintains a comprehensive set of policies, standards, guidelines, metrics and reporting mechanisms as part of its information security governance structure. These provide the foundation to ensuring the importance and value of good cyber and information security standards are understood and implemented at an organisational level. The importance of a cyber-aware workforce and culture is reflected in the comprehensive training and awareness programme that is operated by the Council. Every member of staff is required to complete a classroom-based, full day training course in cyber and information security best practice. They also undertake mandatory annual e-learning training in data protection, cyber security and other relevant topics. While additional methods are used to ensure awareness information of emerging threats or best practice advice is delivered to staff in a timely manner. | | | | Risk Next Review Date | 31/03/20 |

| Risk Code & Title | 2019/20 SRR05 Brexit | | | | Current Risk Matrix |
|--------------------------|---|---------------------------|---|------------------------------|---|
| Description | <p>The risk associated with Brexit (the United Kingdom's exit from the European Union) presents a complex series of challenges for the Council. How these crystallise is dependent on what form the exit takes.</p> <p>In broad terms there are two scenarios:</p> <ul style="list-style-type: none"> - A deal which retains free trade between the UK and the EU. As free trade is based on principles which involve open procurement, free movement of labour etc. many existing EU rules, such as those on procurement, state aid, employment protection and data protection will continue to apply. - A 'no deal' whereby the UK would move to World Trade Organisation (WTO) rules and try to negotiate bespoke trading deals with other countries such as the United States. | | | |  |
| Risk Status | High Risk | Risk Traffic Light |  | Current Risk Score | 16 Assigned To |
| Potential Effect | <p>The most serious risks are associated with a 'no deal' and include:-</p> <ul style="list-style-type: none"> - Economic impact and lack of investment which results in increased demand for local authority services and increased costs. In particular there is likely to be an impact on North Ayrshire businesses which will require more business support. - Price increases and reduced economic growth will result in higher costs and reducing Government grant, as well as greater deprivation and further demand for services. - Requirement for Environmental Health to certify exports. - Ports estimated to operate at 15% capacity which will lead to delays in obtaining certain goods, including food and HGV spares. The complexity of supply chains is a concern. - Waste exported to EU for recycling may be impacted. - EU workers go back to EU, leading to labour shortages in certain areas, and in the long term, reducing Scottish population- while there are 38 Council workers from the EU, there are greater numbers in the NHS, and NHS issues may impact on HSCP. - Lack of clarity around the UK Prosperity Fund which is intended to replace European grants. - Elections or referenda | | | | Elaine Nixon; Fiona Walker |
| Internal Controls | <p>A Brexit working group lead by the Head of Democratic Services is engaging with Services as appropriate.</p> <p>At a regional and national resilience planning level, advisory groups that include representatives from Police, Fire, NHS and Councils have been actively considering this issue. At a local level, the Council and its partners have a range of well-developed and regularly tested contingency plans for incidents that address the 'consequences not causes' of disruptive events.</p> <p>Given the uncertain nature of the arrangements, the UK Government has published a range of contingency planning advice notes. The technical notes published are intended to support businesses and organisations to prepare for the potential outcome of a "no deal" Brexit, whereby a withdrawal agreement is not reached prior to the UK leaving the EU.</p> <p>A full assessment of impacts on Non UK EU workforce has been undertaken.</p> <p>The Council continues to be involved in planning for Brexit through joint working with the Scottish Government, COSLA, and the West of Scotland Regional Resilience Partnership.</p> <p>Detailed risk reports via Audit and Scrutiny Committee. ELT receiving updates on an ongoing basis. This includes a cross Service risk and action log with assigned action owners.</p> | | | Risk Next Review Date | 31/03/20 |

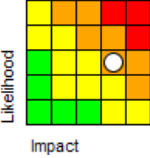

| Risk Code & Title | 2019/20 SRR06 People and Transformation | | | | | Current Risk Matrix |
|-------------------|--|--------------------|---|--------------------|-----------------------|---|
| Description | <p>There is an overarching corporate risk that transformation and change management activities 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 and potentially disengage employees.</p> <p>The workforce context of significant organisational change and budget efficiencies may impact on employee engagement and the stability of employee relations which further impacts on the Council's capacity to meet service requirements and deliver key objectives.</p> | | | | |  |
| Risk Status | High Risk | Risk Traffic Light |  | Current Risk Score | 12 | Assigned To |
| Potential Effect | <p>Any gaps in workforce planning and 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.</p> <p>Failure to deliver transformational change will impact on the Council's financial sustainability and its effectiveness of service delivery.</p> <p>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 (NAHCSP).</p> | | | | | Laura Friel; Fiona Walker |
| Internal Controls | <p>The Transformation Think Tank has been set up to encourage cross Service collaboration and to ensure shared and joint responsibility for development and delivery of the Council's transformation programme. The Think Tank will report to the Chief Officer Leadership Team (COLT) on a regular basis.</p> <p>A transformation programme has been established to align with the new Council Plan. The aim of the review will be to focus resources on a smaller number of key transformational initiatives which will deliver the biggest impact.</p> <p>Cultural transformation activities continue to be evolved and embedded to support the Council's transformation, improve effectiveness and capability as well as develop an organisational culture which fosters involvement, engagement and high performance.</p> <p>Employee Engagement Surveys monitor employee engagement levels and identify any areas for improvement. Surveys are conducted every two years, with the 2017 survey results currently being analysed. This and future surveys will continue to monitor engagement levels and areas for improvement. Straw polls have been introduced to measure the impact of improvement activities arising from the 2017 survey.</p> <p>LiveWell, and the four themes within this – Be Well, Play Well, Eat Well and Work Well – continue to be promoted and a range of programmes, events and activities are available for all staff. Participation in wellbeing activities can have positive impacts on personal resilience, stress reduction and absenteeism.</p> <p>Mechanisms for consultation and engagement with Trades Unions enable open dialogue with unions and Elected Members on key strategic workforce issues.</p> <p>Our Workforce Planning approach provides a toolkit of interventions such as span of control, which includes career development and succession planning, vacancy management, redeployment and early release schemes, all of which support the re-shaping of our workforce for the future.</p> | | | | Risk Next Review Date | 31/03/20 |

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| | NAHSCP Transformation Board reports to the NAHSCP Integration Joint Board, NHSAA Performance Governance Committee which has oversight on behalf of the NHS Board and NAC Executive Leadership Team. The Transformation board track performance, manage risk, aligns resource and puts in place mitigation responses as required to ensure progress is delivered. | | |
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Linked Actions

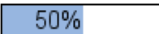
| Linked Actions Code & Title | Expected Outcome | Linked Actions Progress | Linked Actions Latest Note |
|---|---------------------------|---------------------------|--|
| CP_37a We will identify opportunities for more integrated service delivery through implementation of the Council's Medium-Term Financial Planning Framework | Slightly Adrift of Target | <div><div>10%</div></div> | 2019/20 - Quarter Two Update: The Medium-Term Financial Plan process has commenced and high-level Transformation workstreams have been agreed. Currently progressing each identified workstream including Children and Young People, Transport, Land and Property, Procurement, Municipalisation and Single point of customer contact. Services across the Council have been working together to identify opportunities which will be presented to members and communities as part of the upcoming programme of budget engagement. |
| CP_38d We will support service redesign through digital and technology workstreams such as Mobilisation | On Target / Complete | <div><div>50%</div></div> | 2019/20 - Quarter Two Update: Rollout of devices for North Coast Grounds Maintenance is well underway and on target, with all chargehands in North Coast expected to have devices in use by end of October 2019. Following North Coast, devices will be rolled out to Three Towns and Kilwinning areas (December 2019) and then Irvine operatives in January. The devices are replacing the manual, paper-based process with an automated system that schedules all of the jobs to the ground maintenance chargehands. This means that the team on the ground receive their jobs for the day directly to their device, where they can update progress and manage the workloads more effectively. Over the next few months, the data from these devices will be analysed in more detail to understand trends and patterns that can ultimately allow the Service to improve delivery. A business case for streamlining and mobilising Roads Service is currently being developed with Commercial Services and Transformation. |
| CP_38e We will update the Council's technology infrastructure | On Target / Complete | <div><div>50%</div></div> | 2019/20 - Quarter Two Update: Procurement for Telephony, Wide Area Network (WAN) and Local Area Network (LAN) solution is now underway, beginning with Telephony which is currently out to tender. Wide Area Network (WAN) and Local Area Network (LAN) are scheduled go out to tender in November. |
| CP_38g We will mobilise our frontline services through the use of new digital technology in Roads, Streetscene and Waste | On Target / Complete | <div><div>50%</div></div> | 2019/20 - Quarter Two Update: Streetscene 30 digi gurus on-line playpark inspections on-line memorial inspections on-line bereavement workflow Piloting resource modelling using tablets Street cleaning route optimisation A Show and Tell for elected members to showcase this great work in planned for October 2019. Waste The service continues to operate new mobile technology within our commercial waste vehicles, providing electronic exceptions and referrals to the Commercial Waste Team, improving processes and the efficiency of service communications. Mobile devices will be extended to the waste collection vehicles that collect household waste following the implementation of the Salesforce platform to replace the current Lagan CRM system. The extension of the mobile devices to household collection vehicles relies on the integration of the waste Powersuite software with the new Salesforce platform. A pilot of the use of communal bin sensor technology was completed and the service is currently evaluating opportunities to expand the pilot to help contribute to improvements in service delivery. Roads A business case seeking approval to procure an integrated asset management system for Roads services is currently being prepared. |

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| | | | <p>Analysis of the Salesforce platform raised concerns as to its suitability in providing the level of analysis required, particularly for deterioration modelling and management of the road network. Mobilisation of the operational workforce will commence as part of system implementation.</p> <p>The Traffic Regulation Order review is ongoing utilising mobile devices for inventory collection and inspection recording through the GIS mobile platform.</p> |
| CP_40a Implement the current transformation programme and work with the Think Tank to develop a pipeline of initiative | On Target / Complete | <div><div>50%</div></div> | <p>2019/20 - Quarter Two Update: Transformation plan developed which directly links to the New Council Plan Priorities. Transformation Think Tank established which meets quarterly to consider ideas for the transformation pipeline. Chief Officer workshops took place over the summer and a number of workstreams are being development to assist with the budget programme.</p> |
| CP_41b We will involve our workforce in transforming how we work | On Target / Complete | <div><div>50%</div></div> | <p>2019/20 - Quarter Two Update: The upcoming Employee Survey has provided opportunity for employees to be involved in its development via cross service working groups and Trade Unions discussions. Moving forward, employee inputs to this survey will also help to inform future survey developments.</p> <p>Our People Connect has recently been refreshed and will be launched later in 2019 to support the delivery of the Council Priorities in particular within the priority A Council for the Future. The 4 key priorities contained within this are:</p> <ul style="list-style-type: none"> - Strengthening Leadership across the Council - Transforming how we work - Creating a great place to work - Supporting our People to develop, perform and thrive |
| CP_41c We will support our people to develop, perform and thrive | On Target / Complete | <div><div>50%</div></div> | <p>2019/20 - Quarter Two Update: Workwell Events to date have included : April - "On Your Feet Britain" in April as well as "Walk to Work" to encourage employees to move more. May - Mental Health Awareness week with the launch of our new employee resource "Remploy" which allows staff to self refer for guidance and support. There was also a Cycle to Work day. June - shared knowledge on the importance of Cervical Screening. Also information and communication around Blood Giving day. Learning Event - June - "Trauma Informed Council" which was hosted by a representative from NHS Education Scotland. Aug - Occupational Health - the contract for this service was recently re-tendered. The new contract came into effect. We will be working with the provider (Optima) to look at improved ways of working to support employees. Going forward there will be a Wellbeing event for employees in early October. Menopause guide developed in conjunction with TU's and endorsed at 1st Tier JCC. Plan to launch at Wellbeing event.</p> |

| Risk Code & Title | 2019/20 SRR07 Community Capacity Building and Empowerment | | | | | Current Risk Matrix |
|-------------------|---|--------------------|---|--------------------|-----------------------|---|
| Description | <p>The risk facing the authority is that community capacity and community resilience in North Ayrshire will not develop sufficiently quickly to meet the economic and social challenges which are emerging in the current economic climate.</p> <p>The additional demands placed on the public sector by the Community Empowerment Act (Scotland) 2015 is an emerging risk, with timescales for implementation of and reaction to certain strands of legislation, e.g. community asset transfer and participation requests, now being set by the Scottish Government.</p> <p>The development of community capacity and appropriate support mechanisms to allow local communities to determine their own objectives and have their voices heard in the planning and delivery of services is a key priority of North Ayrshire Council. The ability of communities and organisations to do this varies and the Council is committed to providing the appropriate support, according to local need, to ensure that communities are able to achieve their potential in this challenging economic climate. Involvement in this ranges from volunteering in local and civic events through to delivering services for communities.</p> <p>The HSCP also requires to deliver both community participation and engagement and Locality Planning arrangements within a clear set of national guidance.</p> <p>Recent further reductions in staff supporting community activity further heightens the risk attached to this issue.</p> | | | | |  |
| Risk Status | High Risk | Risk Traffic Light |  | Current Risk Score | 12 | Assigned To |
| Potential Effect | <p>Where the risk is not managed effectively the potential benefits of community capacity building and empowerment may be lost.</p> <p>There remains a potential disconnect 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. This widens the inequality gap between communities with the ability to influence the planning and delivery of more responsive services and those communities who do not.</p> <p>A disconnect also exists between what the Council wishes to see in terms of communities embracing the opportunities for increasing ownership of assets and what communities themselves feel able and prepared to commit to. In terms of the asset transfer agenda the potential remains for community assets to revert back to Council ownership due to ineffective community engagement/participation and a lack of effective business planning for sustainable use of community assets.</p> <p>The speeding up of this approach has been caused by the increasing savings required from the Council. The likelihood is that services and facilities will be lost for good as communities fail to keep up with the speed of change.</p> <p>There is a risk of duplication and engagement fatigue as the HSCP is required to deliver both community participation and engagement and Locality Planning arrangements within a different set of national guidance. The HSCP Locality arrangements are coterminous with the Community Planning Partner and council arrangements.</p> | | | | | Audrey Sutton; Karen Yeomans |
| Internal Controls | North Ayrshire Council is making increasingly public commitments to relationships with communities and to its community capacity building and empowerment, across the Council. North Ayrshire Council has also identified that the value of continuing to support the community and voluntary sector to develop capacity is central to the well-being of the community and wishes to continue to contribute to this. | | | | Risk Next Review Date | 31/03/20 |

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| | <p>A strategic corporate Community Empowerment Action Plan has been developed within the Council and with all CPP partners, to identify how the Council can shift from delivery to enabling mode with many of our community partners to build their capacity and identify opportunities for growth and sustainability.</p> <p>The introduction of Locality Planning is enhancing local resilience and place-making initiatives to strengthen how communities work together to lessen the impact of external changes. Six locality partnerships have now been established to ensure the involvement of the community in local decision making and to monitor the support we are providing to communities.</p> <p>The Council has refined and enhanced its asset transfer, allotment and Community Council guidance and support, and in addition, the Council has also introduced support for individuals and communities in relation to developing excellence in arts and culture and sports, and has reviewed the way in which it awards Community Development Grants to ensure that capacity building is a central feature of support to communities and voluntary organisations. Groups are also supported to make a greater number of successful funding bids to external bodies. Additional resources will be available through ongoing projects with Creative Scotland and Sport Scotland with good practice being shared and promoted. The Community Development Fund is underpinning the ability of community organisations to undertake sustainable projects.</p> <p>The Council and its partners have held a number of participatory budgeting events, which allow local people to have a say on how small amounts of Council money are spent in their localities.</p> <p>The Council is also committed to mainstreaming participatory approaches within its services and to date Streetscene, Youth Services and Libraries have allocated substantial proportions of their resources in this way.</p> | | |
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| Linked Actions | | | |
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| Linked Actions Code & Title | Expected Outcome | Linked Actions Progress | Linked Actions Latest Note |
| CP_01a We will establish an Engagement and Consultation Centre of Excellence for North Ayrshire to develop ways to explicitly involve communities in our work. | On Target / Complete | <div><div>50%</div></div> | <p>2019/20 - Quarter Two Update</p> <p>There are three main current workstreams related to the community engagement centre of excellence:</p> <ol style="list-style-type: none"> 1. Development of the Online Engagement Hub as central point of information on current and closed consultations as well as resources to support best practice 2. Engagement Champion programme including use of the Community Engagement Network (CEN) as the key group for information sharing, networking and training and use of Microsoft Teams site to share info and dialogue. 3. There is ongoing development of an Engagement and Consultation Toolkit for use by community members and partners. Draft materials have been shared for feedback. The CEN are giving positive examples on consultation and engagement for inclusion as case studies in the toolkit <p>A workshop around requirements and support for Engagement Champions will take place at the next CEN meeting in December</p> |
| CP_01d We will implement the Tenant Participation Strategy 2017-2022, building on our approach to involving under-represented groups and | On Target / Complete | <div><div>50%</div></div> | <p>2019/20 - Quarter Two Update:</p> <p>Priority 1 – Engage</p> <ul style="list-style-type: none"> • There are currently 1169 tenants are on the Interested Tenants Register due to ongoing promotion. |

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| <p>ensuring our tenants' views are used to shape future service delivery.</p> | | | <ul style="list-style-type: none"> • We have attended ten Tenant & Resident Association meetings, nine drop-in Sessions, six sheltered housing meetings and four estate walkabouts in Q2. All were locally based and offered the opportunity to chat to customers, promote the work we do and encourage them to get involved. • A successful Fun and Information Day was held on 31 August 2019 with 1,035 people attending. This is an increase of 285 people (27%) attending from last year's event. • There are now 4248 likes on Facebook, an increase of 195 people since Q1. We have 243 followers on Twitter, an increase of 30 people since Q1. • Seven live Welfare Reform messenger sessions were held in Q2. This e-participation opportunity is held twice monthly, allowing customers to private message via Facebook and speak directly with a Welfare Rights Officer. One live housing options messenger session also held as part of Scottish Housing Day, to showcase housing options and provide 1-1 advice. <p>Priority 2 – Empower</p> <ul style="list-style-type: none"> • Six training sessions held for tenant representatives during Q2. Topics included confidence building, computer skills, public speaking and presentation skills. • Individual partnership meetings held with Scottish Fire and Rescue, Police Scotland and Lennox Partnership to develop working relationships involving tenants. <p>Priority 3 – Evolve</p> <ul style="list-style-type: none"> • The TP Team has been working to build stronger relationships within the Service to ensure all staff consider tenant involvement during their day to day work. • Four tenants attended the Cunninghame Housing Association conference in July 2019, to offer networking opportunities with a local housing association and enhance tenant led partnership working with local Registered Social Landlords (RSL's). |
| <p>CP_03a We will extend and mainstream our participatory approach to offer communities, including young people, more opportunities to lead in local decision-making.</p> | <p>On Target / Complete</p> |  | <p>2019/20 - Quarter Two Update:</p> <p>'Youth Participatory Budgeting 2019' is now live for applications until 13th October. Voting will take place across all Localities, from 8th -22nd November. – In the last round of Youth PB, in November 2018, 6468 young people, aged 8-25, voted across all six Localities and 76 groups secured funding for a diverse range of projects. For example the Clearer Minds Project in Largs Academy, supporting young people to address mental health issues and the Redburn Youth Council delivering a highly successful Saturday morning breakfast club, which is open to all members of the community, many of whom are experiencing Food Poverty. During the next round of Youth PB in November 2019 we hope to maintain the momentum and interest of our young people in engaging in Participatory Democracy and Citizenship.</p> <p>Mainstreaming PB – following our successful Ground Maintenance mainstream PB initiative the top ideas voted for in each Locality are being</p> |

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| | | | <p>implemented – these include - supported litter picks in towns and woodlands, planting wild and native flowers, improving path access and planting fruit trees.</p> <p>Planning is in place to deliver a Participatory Budgeting (PB) process around prevention and community engagement to address Drug Deaths in North Ayrshire. The Alcohol and Drug Dependency (ADP) PB initiative will be planned and developed via a steering group comprising ADP reps, Third Sector Interface, Community Development rep, service users, carers and people in recovery. They will be involved in all stages of the design and delivery of the PB process. The funding will be distributed by 31st March 2020. We are currently researching methods and approaches and are connecting with other Local Authorities to learn from their experiences in this area.</p> |
| CP_36a We will involve communities in the co-production of local services which suit their needs, including through debates on Consul to co-design partnerships. | On Target / Complete | <div> <div>50%</div> </div> | <p>2019/20 - Quarter Two Update:</p> <p>NAC launched its Community Wealth Building Commission on 17th September with the publication of the Centre for Local Economic Strategies (CLES) study of the NAC economy. The development of local supply chains of local enterprises, SMEs, employee owned businesses, social enterprises, cooperatives and other forms of community owned enterprise is central to this. The extensive community engagement reviewing the Council's Halls, Centres and Libraries offers communities potential to communities to play a greater role in the running of local services and facilities. The interest in Community Asset Transfer has increased as a result and discussions are progressing with communities. The transfer of Millport Town Hall has been agreed in principle and the development includes a community heritage centre and Men's Shed. The Community Investment Fund encourages co-production with funding agreed for 13 initiatives, linked to delivery of bespoke, local services.</p> <p>A review and branding of Consul under the banner Shaping North Ayrshire is also taking place, to ensure that the digital platform supports developments.</p> |

