NORTH AYRSHIRE COUNCIL

17 March 2020

Cabinet

Title:	**Strategic Risk Register 2020/21**
Purpose:	To seek Cabinet agreement of the Strategic Risk Register for 2020/21.
Recommendation:	That Cabinet agrees the Council's Strategic Risk Register.

1. Executive Summary

1.1 The Strategic Risk Register has been reviewed and updated for 2020/21.

1.2 It is recommended that six current risks remain on the Strategic Risk Register at their existing risk scores – Financial Environment, Inequalities, Financial Sustainability of the Health and Social Care Partnership, Cyber Security, Brexit and Community Capacity Building.

1.3 It is further recommended that the existing 'People and Transformation' risk is focussed specifically around 'Transformation', with the risk score increased to 16, and that a new risk is added in relation to 'Climate Change', to reflect the recent declaration by the Council of a climate change emergency.

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 2020/21 and is attached at Appendix 1 to this report. For each of the risks detailed within the register a number of components are identified:

- Outline of the risk to the Council;
- The risk score;
- Potential effect on the Council's priorities; and
- Internal controls currently in place.

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 Six current risks remain on the Strategic Risk Register at their existing risk scores – Financial Environment, Inequalities, Financial Sustainability of the Health and Social Care Partnership, Cyber Security, Brexit and Community Capacity Building and Empowerment.

2.7 The existing risk relating to 'People and Transformation' has been refocussed around 'Transformation', with the risk score increased from 12 to 16, and an additional risk has been added to the register in relation to 'Climate Change'.

Very High Risks
- **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)
- **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 20)

High Risks
- **Cyber Security** – 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 (risk score 16)
- **Brexit** – this risk reflects the ongoing uncertainty arising from the United Kingdom's recent exit from the European Union and the potential impact on local businesses and communities and the Council (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 had previously been identified as a risk to the Council, but the scoring did not reach the threshold for the SRR due to the long-term nature of the risk and the flood prevention schemes being developed; this has now been reassessed following the declaration by the Council of a climate change emergency during 2019 (risk score 16).
- **Community Capacity Building and Empowerment** - this highlights the challenges associated with community empowerment (risk score 12)

2.8 Council Services will identify actions within their planning for 2020/21 to help the Council mitigate against its strategic risks. These actions will be linked to the strategic risks to assist with performance monitoring and reporting.

2.9 The Council's Internal Audit Plan 2020/21, which will be reported to the Audit and Scrutiny Committee for approval on 31st March, is risk-based and clear links are in place between the audit plan and the key risks the Council faces.

3. Proposals

3.1 Cabinet is requested to approve the Strategic Risk Register 2020/21.

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 seven key transformation themes and the establishment of an Investment Fund that will generate future savings alongside delivery of a number of the 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 excluded 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.

Environmental and Sustainability

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.

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 in consultation with the Executive Leadership Team and the Corporate Risk Management Group.
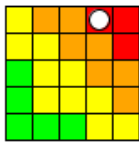

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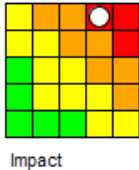**Executive Director (Finance and Corporate Support)**

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

Background Papers
None.

Appendix 1 - Strategic Risk Report 2020/21

Risk Code & Title	2020/21 SRR01 Financial Environment	Current Risk Matrix
Risk	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. Core 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. The 2020/21 local government settlement represents a further reduction in core grant funding of 0.43%. Planning for future years reflects further anticipated reductions in funding in 2021/22 and 2022/23. Current forecasts indicate a potential funding pressure of £19.590m over 2021/22 (£9.773m) and 2022/23 (£9.817m). The continuation of single year settlements makes effective short- and medium-term financial planning challenging. The Council is exposed to financial risk as a result of the financial performance of the IJB; more detail on this is set out at risk SRR03. Further pressures on budgets stem from spending commitments at a national level at a time of reducing resources. In addressing the funding gap, it is recognised that it is important to develop a programme of sustainable savings.	
Consequence	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.	**Current Risk Score**
Current Controls	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. 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. The Council has a long-term capital investment programme to 2027/28. The Long Term Financial Outlook (LTFO) to 2026/27 was approved at Council on 4 October 2017 - this is the cornerstone of the Council's financial planning. The LTFO will be refreshed during 2020. The Council is currently preparing to deliver a balanced budget for 2020/21 with work underway to identify the remaining savings for 2021/22 and 2022/23. Opportunities for future savings will continue to be explored by Chief Officers through continued development of the Council's Transformation programme.	20

Risk Code & Title	2020/21 SRR02 Inequalities	Current Risk Matrix
Risk	The risk to the Council is that North Ayrshire residents, and in particular certain excluded groups, will experience increasing levels of poverty and its effects. Socio-economic 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. Levels of child poverty are now the second highest in Scotland, although the North Ayrshire Joint Child Poverty Action Plan Report 2018/19 reported that levels of child poverty in North Ayrshire have decreased slightly from 2017 to 2018/19, from 29.26% to 26.59%. Given the levels of child poverty in North Ayrshire, there is an increased risk of socio-economic inequalities affecting our children, young people and families. The key driver of poverty and inequality is income, whether from employment or welfare benefits. In-work poverty is a major issue, with the majority of households experiencing child poverty having employment of some sort. Unemployment is also a driver and remains high in comparison to other areas in Scotland. North Ayrshire has one job for every two people who are seeking work. 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) compared to a shrinking working population (those who are economically active). This will create challenges as the older age population, particularly the over 75 age group requiring support is expected to grow by 27.5% in the next 10 years, to 17,228. This means there will be an additional 3,719 people aged 75 years and over living locally by 2029. 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 are also a major concern, in particular, the growth in numbers of drug related deaths. The most recently published statistics indicated an increase in drug related deaths with a crude rate of 28.1 deaths per 100,000. This is noticeably higher than the national rate of 21.8.	
Consequence	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.	**Current Risk Score**
Current Controls	Current controls 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. The Fairer Scotland Duty, Part 1 of the Equality Act 2010, came into force in Scotland during 2018. The duty places a legal responsibility on public bodies to actively consider ('pay due regard to') how they can reduce inequalities of outcome caused by socio-economic disadvantage. This means that the Council must seriously consider strategic decisions and how these relate to inequalities caused by socio-economic issues. Tackling inequalities is therefore a strategic priority of the Community Planning Partnership (CPP) and the Council. The Fair For All strategy is in place and a Fair For All Commission, bringing together partners with those who have lived-experience of poverty, is informing the work of the partners to reduce inequality. North Ayrshire Council has piloted the Scottish Government's Inclusive Growth Diagnostic to identify the constraints and opportunities for driving local inclusive growth. This will now inform and prioritise future actions. The diagnostic is based on a sequenced process looking at data, constraints, community consultations, prioritisation	20

of identified inclusive growth constraints, and results/conclusions. The Council is now using the findings to inform investment and policy decisions in the short, medium and longer terms, with a focus on transformational change in local communities.

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 a supported employment approach.

The announcement of £251m of funding within the Ayrshire Growth Deal will create local employment and increase prosperity.

The Community Wealth Building Commission was launched in September 2019, followed by a procurement workshop with the procurement teams of anchor organisations. A Community Wealth Building Strategy is in development. These 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.

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.

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.

Together with partners, North Ayrshire Council has published its first Child Poverty Action Plan Report. The key cause of poverty (income) is largely outwith the control of the Council making it difficult to significantly change the overall trends.

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.

The Money Matters service continues to provide much need welfare and money advice to individuals and families in, and at risk of, poverty.

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. This service has been helpful in reducing social isolation for older people and those with complex health conditions.
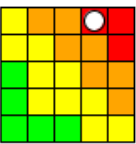
The HSCP has commissioned a Health and Wellbeing prevention and early intervention service from KA leisure which supports people with complex health conditions and mental health issues.
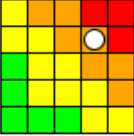
The HSCP continues to support vulnerable young people and young carers access a range of opportunities to enhance their skills and experience.
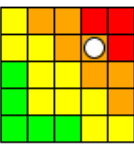
The HSCP works closely with the Alcohol and Drug Partnership in addressing drug and alcohol misuse, with a particular focus on reducing the numbers of drug related deaths.
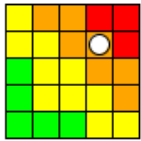
| | The Council's Attainment Challenge sets out to reduce the impact of deprivation on the educational outcomes of our children and young people. A multifaceted approach has been developed to address inequality in terms of health and well-being and progress in learning.

Facilities Management deliver a holiday food programme – Wrap, Run and Fun – which provides food and physical activities in various schools throughout North Ayrshire during school holidays. The Service also works in partnership with local community groups to reach further into communities.

The Council provides free period products to schools throughout the area as well as community buildings and libraries. An action plan is being developed to expand the scope of the delivery and work with various internal and external partners to ensure free products are readily available every day to anyone in need.

The Council and partners have committed to creating 100 'Housing First' tenancies over the next 5 years for the most vulnerable homeless people in North Ayrshire, initially targeting households with addiction and mental health issues on discharge from prison. This initiative offers the provision of a secure tenancy followed by the introduction of a range of support services, tailored to the needs of the individual.

Housing Services' Welfare Reform Advice Team continues to deliver welfare rights and debt advice to Council tenants at risk of poverty. The team supports Council tenants throughout North Ayrshire with all welfare reforms, aiming to maximise income, assist with debt solutions and reduce the risk of homelessness. | |
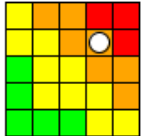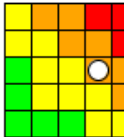
Risk Code & Title	2020/21 SRR03 Financial Sustainability of the Health and Social Care Partnership	Current Risk Matrix
Risk	Increased financial risk to the Council as a result of the delegation of resources and the responsibility for planning the delivery of social care services to the Integration Joint Board at a time of reducing resources and growing demand. The 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 kept pace with the demand for and cost of services, with the HSCP not managing to contain spend within the level of delegated budget. 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 continues to overspend but also that the debt is not recovered. 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.	Likelihood / Impact
Consequence	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. 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.	**Current Risk Score**
Current Controls	The IJB actively monitors the partnership financial position. Finance reports include projected outturns and are reviewed by the Partnership Senior 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. A Chief Finance and Transformation Officer is 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. The partnership requires to put in place 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 projected outturn position, however a £1.4m overspend has been reported at December 2019. The Financial Recovery Plan includes specific targeted actions with a focus on addressing the pressure areas, these actions will not only contribute to reducing the current year overspend but will also address recurring overspends in service areas moving into future years. 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 an established Transformation Board overseeing the programme of service re-design, this enables greater control and oversight with a focus on the key areas of service change that have the greatest impact on the financial position. The Council's budget has £1.5m earmarked to support repayment of the debt owed to the Council by the HSCP. The first part repayment instalment of £0.7m was made during 2018-19 and the partnership is continuing to take action during this financial year to improve the financial position and work towards a further contribution to reducing the outstanding debt. The IJB secured a financial settlement for 2019-20 which resulted in both partners meeting the settlement conditions set out by the Scottish Government, the current planning assumption is that a similar approach would be taken in future years.	20

Risk Code & Title	2020/21 SRR04 Cyber Security	Current Risk Matrix
Risk	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. 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.	
Consequence	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.	**Current Risk Score**
Current 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.	16

Risk Code & Title	2020/21 SRR05 Brexit	Current Risk Matrix
Risk	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.

In broad terms there are three scenarios:

- A deal which largely 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.
- A deal based on a few key areas, with the detail of other areas to be subject to further negotiation after the UK has left. In the interim the UK may or may not stay aligned to EU rules in such areas. | |
| Consequence | The most serious risks are associated with a 'no deal' and include: -
- 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 throughput 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. | **Current Risk Score** |
| Current Controls | Assessment of risk and required controls will be further informed during 2020 as the likely terms of the UK's departure become clearer.

A Brexit working group led by the Head of Democratic Services has engaged with Services and will recommence when there is further clarity.

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.

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.

A full assessment of impacts on Non-UK EU workforce has been undertaken.

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.

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. | 16 |

Risk Code & Title	2020/21 SRR06 Transformation	Current Risk Matrix
Risk	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.	
Consequence	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, the LOIP and Locality Plans. 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.	Current Risk Score
Current Controls	The transformation programme aligns to the new Council Plan and is monitored via the Chief Officer Leadership Team (COLT) meetings. These meetings are held bi-monthly and provide an opportunity for collaboration, monitoring and development of the transformation programme. In addition to this, Directors meet regularly with the Chief Executive and the Head of Financial and Customer Services to ensure programmes are on track. Benefits Realisation tracking is being developed further to ensure financial and wider outcomes, aligned to our transformation plan, are captured. 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. Our workforce planning approach is live and organic and 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 during the interim period to ensure review and redesign of the workforce is on track.	16

Risk Code & Title	2020/21 SRR07 Climate Change	Current Risk Matrix
Risk	Severe weather is already affecting public services across Scotland, with operational, reputational, financial and legal consequences. The risk is that the Council is increasingly affected as this trend continues into the future, with potentially more serious consequences that compound some of the other long-term challenges faced, such as resource scarcity and social and economic inequalities. Climate change is expected to continue and worsen in the future if no action is taken, with increases to mean global temperatures, the increasing frequency and severity of storms and higher rainfall levels potentially causing rising water levels and resulting in more flooding and coastal erosion. 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. A report published by the Intergovernmental Panel on Climate Change (IPCC) has identified there are only ten years remaining to reduce global temperature increase to 1.5C, before impacts of climate change become irreversible. The Council is required to comply with the 'Public Bodies Climate Change Duties', required 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.	
Consequence	An increased frequency of severe weather conditions 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. This could also cause 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.	Current Risk Score
Current Controls	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. Development of the third iteration of the Environmental Sustainability & Climate Change Strategy has been brought forward in response to the Climate Emergency declaration. 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. 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. The strategy involves taking a proactive approach to flood protection, using modelling to identify vulnerable assets. Assets will then be protected on a prioritised basis taking financial damages and other impacts such as danger to life and disruption into account. 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 which take cognisance of the impact of severe weather and climate change and allow the prioritisation of investment as appropriate. 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.	16

Risk Code & Title	2020/21 SRR08 Community Capacity Building and Empowerment	Current Risk Matrix
Risk	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.

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.

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.

The HSCP also requires to deliver both community participation and engagement and Locality Planning arrangements within a clear set of national guidance.

Recent further reductions in staff supporting community activity could increase the risk attached to this issue.

The recent decision by the Court of Session to rule that a day care centre for adults with complex needs run by South Ayrshire Council had been closed unlawfully, following legal challenge by affected users about a lack of consultation, highlights the importance of robust consultation. | |
| Consequence | Where the risk is not managed effectively the potential benefits of community capacity building and empowerment may be lost.

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.

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.

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.

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. | **Current Risk Score** |

Current 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. 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. 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 been established and are increasing the involvement of the community in local decision making, including the identification of local priorities, development of action plans and allocation of funding. The support we are providing to communities is monitored and the CPP Senior Officers' Group maintain their strong commitment to locality partnerships. 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. 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. 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.	12