NORTH AYRSHIRE COUNCIL

30 May 2024

Audit and Scrutiny Committee

Title:	**Strategic Risk Register 2024/25**
Purpose:	To inform the Committee of the Council's agreed Strategic Risk Register for 2024/25.
Recommendation:	That Committee notes the Strategic Risk Register.

1. Executive Summary

1.1 The Strategic Risk Register has been reviewed and updated for 2024/25.

1.2 Three of the eight previous risks remain on the Strategic Risk Register at their existing risk scores and titles – Inequalities, Cyber Security and Climate Change.

1.3 The risk previously titled Financial Environment is changed to Financial Sustainability to more closely reflect the fundamental funding issues the Council is facing in this year and future years budgets. The risk scoring remains the same. The Financial Sustainability of the Health and Social Care Partnership risk and the Community Capacity Building & Empowerment risk have increased in risk scoring whereas the Transformation risk has reduced in scoring.

1.4 A new risk has been added which reflects the impact of a deteriorating property asset portfolio with insufficient funding, and a previous risk relating to the National Care Service Risk has been removed.

1.5 The Strategic Risk Register was approved by Cabinet on 19 March 2024.

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, 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 2024/25 and is attached at Appendix 1 to this report. For each of the risks detailed within the register a number of components are identified:

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

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

2.6   Four risks remain on the Strategic Risk Register at their existing risk scores – Financial Sustainability (previously Financial Environment), Inequalities, Cyber Security and Climate Change.

2.7   The Financial Sustainability of the Health and Social Care Partnership risk has increased in risk from score 12 to 16 due to increasing budget pressures.

2.8   Community Capacity Building and Empowerment risk has increased from score 12 to 16 due to increasing financial and resource demands.

2.9   Transformation risk has reduced from score 16 to 12 as a result of positive workstream developments and programme delivery against the requirements of The Council Plan.

2.10 An additional risk is proposed around the condition of property and how this is set within the context of the current financial challenges.

2.11 The previously identified risk regarding the implementation of the National Care Service is removed from the Strategic Risk Register as there have been a number of changes to the proposals. These are as follows:

- A tripartite agreement between national and local government and the NHS in Summer 2023 included agreement that statutory delivery functions would remain with local authorities and health boards, along with assets, employment of staff and relevant funding.
- Scottish Ministers will exercise strategic framework accountability for NCS services which will include a role in setting policy, having oversight and providing direction; this will be done through the establishment of a National Care Service Board, but otherwise local integration authorities will remain in place but may be subject to some reform.

- Timescales have also slipped by 3 years, with the new arrangements not now expected to be in place until 2029.

2.12 <u>Very High Risks</u>

- **Financial Sustainability** – this risk reflects the ongoing financial challenge faced by the Council year on year (risk score 20).
- **Inequalities** – this highlights the socio-economic inequalities faced in North Ayrshire (risk score 20).
- **Property Asset Risk** – This reflects the impact of long-term restricted budgets on the Councils ability to maintain these to a good standard (risk score 20).

<u>High Risks</u>

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

2.13 Council services have identified high level strategic actions within their planning for 2024/25 to help the Council mitigate against its strategic risks. These actions are detailed in summary format in the Risk Management Action Plans following each Risk within Appendix 1. These actions will assist with performance monitoring and reporting on the strategic risks.

2.14 The Council's Internal Audit Plan 2024/25 was approved at the Audit and Scrutiny Committee on 21 March 2024 and is risk-based with clear links in place between the audit plan and key risks the Council faces.

<u>Longer-term risks & Horizon Scanning</u>

2.15 The Strategic Risk Register identifies the most significant risks which the Council faces at the present time.

2.16 The Corporate Risk Management Group identifies any new relevant risks though internal reviews and external horizon scanning utilising a number of sources.

3.   Proposals

3.1   Committee is requested to note the Strategic Risk Register 2024/25.

4.   Implications/Socio-economic Duty

Financial

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

Human Resources

4.2   None.

Legal

4.3   None.

Equality/Socio-economic

4.4   The risk to the Council is that North Ayrshire residents, and in particular certain groups, will experience increasing levels of poverty and its effects. Current control measures fall into two categories - measures to address the root causes of socio-economic inequalities - income through employment or benefits – and mitigation measures to minimise the impacts of poverty.

Climate Change and Carbon

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

Key Priorities

4.6   A successful risk management framework helps to underpin the delivery of the Council's strategic priorities in Our Council Plan 2023-2028.

Community Wealth Building

4.7   None.

5.   Consultation

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

Mark Boyd
Head of Service (Finance)

For further information please contact **Alex Fitzharris, Team Manager (Risk and Insurance),** on **01294-324515**.
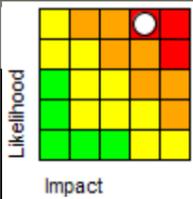
Background Papers
None.

Appendix 1 - Strategic Risk Report 2024/25

Risk Code	SRR2425_R01	Risk Title	Financial Sustainability	Latest Note Date	09-Feb-2024
Risk Owner		Mark Boyd			

Risk Proximity Factors	Consequences / Impact	Existing Risk Control Measures	Likelihood	Impact
The risk is that the level of funding from Scottish Government to local government falls significantly below the level required to operate services effectively. This will require the Council to take increasingly difficult and challenging decisions. The 2024/25 local government settlement represents a reduction in core funding of £2.191m (0.64%). This is against a backdrop of significant cost increases, resulting in a Budget gap of £16.000m for 2024/25. The North Ayrshire position is further affected by a reducing overall population demographic and a growing elderly population. This will further impact the Council's share of funding across the short, medium and long term. Although there is a commitment through the Verity House agreement for Councils and Scottish Government to work together there continues to be challenges around the level of flexibility the Council has on key areas of Budget, most notable in areas like HSCP funding and funding for teachers and support staff, where conditions remain. The Scottish Government has passed legislation to give Councils powers to charge additional council tax for second homes. This is an area the Council will consider within the context of local circumstances and island communities. Scottish Government funding to support the Council's capital programme has also been reduced by almost 10% in the Budget settlement for 2024/25. Set against high inflationary driven construction costs there is a risk that the 10-year capital programme will be unaffordable. This could require projects to be reduced in scale or even ceased.	Funding not keeping pace with demand and inflationary cost pressures means that there will be a reduction in some service areas potentially resulting in higher risks for service users. The future delivery of balanced budgets will become increasingly challenging. The capital programme could also be significantly impacted leading to reduced levels of capital investment.	Robust monitoring of the Council's revenue and capital budgets is in place as well as regular reporting of financial performance of the IJB to Cabinet and Audit and Scrutiny. To assist financial planning The Medium and Long-Term Financial Outlook (LTFO) to 2033/34 was approved at Council on 13 December 2023 – this is the cornerstone of the Council's financial planning in the medium to long term. The annual budget process for the General Fund revenue and Capital Programmes and financial performance monitoring process will continue to provide the framework from which control measures will continue in addressing the financial position. Delivery of the Council's Change Programme is also vital in addressing the Budget challenges and this is being progressed by the Council's Transformation Board, which is chaired by the Chief Executive. Utilising the Council's available statutory powers is another important area in addressing the financial challenges.	4	5

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

Strategic Risk Action Plan			Date Updated	09-Feb-2024
Analysis of Effectiveness of Controls	**Further Action Required**	**Target Date for Completion**	**Officers Responsible**	**Current Status: RAG**
Regular financial monitoring of Revenue and Capital Budgets.	**09 February 2024:** Ongoing monitoring.	31-Mar-2025	Mark Boyd	🟢
Maintain Financial Governance Arrangements for IJB.	**09 February 2024:** Under ongoing review.	31-Mar-2025	Mark Boyd	🟢
Progress dialogue via COSLA with Scottish Government on a range of areas including fair funding, multi-year settlements, reduction in levels of ring-fenced resources, true costs of SG policy areas, financial flexibilities and a New Deal partnership with SG and local government.	**09 February 2024:** Ongoing discussions via COSLA around the Verity House Agreement and the need for maximum financial flexibility for Councils.	31-Mar-2025	Mark Boyd	🟢
Develop the 2024/25 to 2026/27 revenue budget (medium-term financial strategy) and capital programme taking account of all pressures and savings via Directorates and Transformation programme.	**09 February 2024:** Options to address the £16m Budget gap for 2024/25 have been developed for elected member consideration at Council Meeting on 28 February 2024. Following this, require to develop a more detailed programme of options to address the structural funding challenges over the medium and long-term.	31-Mar-2025	Mark Boyd	🟢

Risk Code	SRR2425_R02	Risk Title	Inequalities	Latest Note Date	25-Jan-2024
Risk Owner		Audrey Sutton/Caroline Cameron			

Risk Proximity Factors	Consequences / Impact	Existing Risk Control Measures	Likelihood	Impact
North Ayrshire residents, and in particular certain excluded groups, will experience increasing levels of poverty and its effects, as a result both of the economic situation and Covid-19. Health inequality is closely linked to poverty, employment and people's earliest experiences as children, and will increase. The population of North Ayrshire is projected to fall over the next 10 years but there will also be a larger proportion of the population considered dependent (not economically active).	The impact on specific risk groups is greatest for our children, young people and families, unemployed people and those in in-work poverty and people exposed to the risks of drug and alcohol addiction. Demand for HSCP and Council Services will increase. As reductions in resources increase, early intervention and prevention activities are at risk, thus increasing the potential for an increase in costly crisis interventions. The local economy will be impacted by reduced spending power by economically inactive residents.	The HSCP re-affirmed its commitment to Tackling Inequalities by continuing to consider it a key priority with the Partnership's Strategic Plan. Through the HSCP strategic plan, the Partnership sets out actions to tackle inequality through its Partnership Pledge and across its strategic priorities. Tackling inequalities is addressed across HSCP service areas. An example of actions to help address local inequalities include: Establishing the Money Matters service in 9 GP practices and 7 local schools in the more deprived areas of North Ayrshire. This will improve accessibility of the service to those who would benefit most. Building on this approach through the launch of the Financial Inclusion Partnership bringing a range of key partners and stakeholders together to improve access and support for the most vulnerable NA residents. Increase the number of employability mentors in Justice Services, to support those with experience of the justice service into meaningful employment or training opportunities and to help divert away from criminal behaviours. Working closely with Housing colleagues to support transitions from care and ensuring care experienced young people can access a positive and stable housing destination. In our Drug and Alcohol Services, we are implementing actions to reduce the number of local drug and alcohol related harms and deaths. This includes implementing the national MAT (Medicated Assisted Treatment) standards and increasing the number of ABIs (Alcohol Brief Interventions) delivered across North Ayrshire. Through the Caring for Ayrshire programme, we have set out a phased approach to improve local primary care premises (GP Practices and Health Centres). This will improve overall professional capacity within GP practices for Multi-Disciplinary Teams, ensuring the right support is available for local people with health concerns. Investment in early intervention teams and approaches in Children's Services to support vulnerable families, including in Child Protection and Whole Family Support. The Council considers reducing inequalities to be at the heart of its work. The Communities and Education Directorate leads the Community Planning Partnership for the Council and the CPP has recently developed a new Local Outcomes Improvement Plan, the purpose of which is reducing inequalities. The themes are Wellbeing, Work and World, the latter addressing climate change and fuel poverty. Locality Planning priorities and Community Investment Fund funded initiatives are also focused on a range of inequalities, including poverty, age-related inequalities and digital inequalities. Recent CIF-funded projects have focused on employability, addictions and community food. The Directorate also leads the work of the Child Poverty and Cost of Living Board, chaired by the Council Leader. The five strategic themes of the Board to date have been: • No Wrong Door – access to services • Employability • Food • Islands • Childcare	5	4

Work to address child poverty and the Cost-of-Living crisis includes a range of employability initiatives to support parents and people with disabilities, each of whom are Scottish Government priority groups.

Progress has been made with partners through a series on mini-enquiries, ensuring that lived experience influences developments and actions. This is supported by the data and Single Shared Assessment projects being developed by the Transformation team, to provide holistic support for residents who need it most.

The Child Poverty Early Intervention Fund is being used to address gaps in current planning and provision. Recent funding decisions have been made, as a consequence of the mini-enquiries - to support employability and travel, childcare developments and support for care experienced young people and families.

The Scottish Government has provided a second year of funding to address inequalities on the islands.8 This has been used to fund energy support, welfare advice and support, third sector interventions and school activities.

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

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

Examples of actions to reduce inequalities:

- Deployment of Scottish Attainment Challenge funding to reduce the poverty related attainment gap in schools
- Use of the Pupil Equity Fund to ensure equity of pupil experience in schools, at the discretion of head teachers
- Cost of the School Day actions to reduce, for example, the cost of school uniforms and clothing, food and outings
- Support for care experienced young people, both in schools and through youth services
- Additional national and local investment in Active Schools to focus on inequalities and equity
- The Fairer Food Network, with 14 community larders which support the needs of individual communities
- A network of warm spaces and events to mitigate energy use and social isolation
- Work to support "New Scots," in schools, with families and in community settings through language support and capacity building, including women's groups
- LGBT support groups for young people and those over 18
- Mentoring support for young people in secondary schools through a partnership with MCR Pathways

Participation strategies for children and young people and adults to ensure our strategies and investment are informed by as wide a range of views as possible.

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

Strategic Risk Action Plan			Date Updated	25-Jan-2024
Analysis of Effectiveness of Controls	**Further Action Required**	**Target Date for Completion**	**Officers Responsible**	**Current Status: RAG**
Global and national conditions which affect the cost-of-living and poverty continue to undermine the effectiveness of local control measures. Substantial work continues to mitigate inequalities but child poverty data, for example, continues to show an increase. National data collection methodologies have changed which explains the change in part, but North Ayrshire continues to have c. 29% of children living in poverty. Although unemployment has reduced, it continues to be a driver of poverty, with in-work poverty a key factor. Access to benefits is a key driver of poverty and the range of strategies described above continues to ensure we are maximising access to entitlements. The Single Shared Assessment work will improve this.	**25 January 2024:** The wide range of strategies and initiatives described above, and further developed and implemented, will continue to make a significant contribution to a range of inequalities. Actions are being progressed and remain within the target dates for completion.	31-Mar-2025	Audrey Sutton; Caroline Cameron	🟢

Risk Code	SRR2425_R03		Risk Title	Financial Sustainability of the Health and Social Care Partnership		Latest Note Date	06-Feb-2024
Risk Owner			Caroline Cameron				
Risk Proximity Factors			**Consequences / Impact**	**Existing Risk Control Measures**		**Likelihood**	**Impact**

Risk Proximity Factors	Consequences / Impact	Existing Risk Control Measures	Likelihood	Impact
Resources have not kept pace with the demand for and cost of social care services. The budget settlement for 2024-25 is extremely challenging with a gap of over £10m across the IJB. Financial modelling suggests significant ongoing challenges across the medium-term. There is no certainty around future funding against growing demand, increasing costs and demographic pressures, with one-year budget settlements remaining in place. The ongoing work to review the Integration Scheme and to develop new risk-sharing arrangements between the Council and Health Board in relation to the acute set aside and primary care prescribing present a financial risk to the Partnership. An overspend in the region of £3.7m is projected for 2023-24 which will reduce the reserves held by the Partnership to less than the recommended minimum level of 2%. Low-volume high-cost care packages and care placements and an increasing reliance on agency staff continue to present a particular financial challenge to the Partnership.	Funding levels could result in savings being made that are not in alignment with the strategic plan. This could impact on the future demand levels e.g. reduction in early intervention and prevention means that future demand is increased. An in-year overspend position impacts on financial reserves and ultimately poses a financial risk to the Council and NHS Board as funding bodies. Funding levels increase the requirement to transform services at scale and pace.	The IJB actively monitors the financial position with regular detailed reporting. Directors of Finance of the Council and Health Board have oversight and regular updates are provided to the Council's Cabinet. There is an integrated approach to managing the totality of NHS and Council resources delegated to the IJB. A three-year Medium-term Financial Outlook is updated on a rolling basis each year. Previous financial settlements have seen both partners meet the Scottish Government settlement conditions with any additional resources passed to the IJB. The IJB had uncommitted financial reserves of £5.821m at the beginning of April 2023, which remains towards the lower end of the good practice target of 2%-4%. In addition, £2m of additional reserves were set aside at the start of 23-24 to offset the likelihood of an overspend in-year, this reduces the impact on unearmarked reserves of the current projected overspend to £1.7m. The Partnership has developed a new 3-year Transformation Plan 2024-2027 which will be approved by the IJB in March 2024. There is £2.2m of earmarked reserves set aside to support service change and re-design.	4	4

Status	Risk Score	Heat Map		Change in Score	Approach
Increasing risk	16			Increase from 12 to 16	Tolerate

Strategic Risk Action Plan			Date Updated	Feb-2024
Analysis of Effectiveness of Controls	**Further Action Required**	**Target Date for Completion**	**Officers Responsible**	**Current Status: RAG**
Budget Monitoring - Regular budget monitoring reports to IJB are effective.	**06 February 2024:** Budgets are closely monitoring by the finance team in conjunction with budget holders to enable corrective action to be taken and regular in-year budget monitoring reports are presented to the IJB.	31-Mar-2025	Caroline Cameron; Paul Doak	🟢
Corrective Action – Transformation Board is effective	**06 February 2024:** A three-year Transformation Plan covering the period 2024-2027 will be approved by the IJB in March 2024. This focusses on addressing the future financial challenge in a sustainable way, as well as reviewing service delivery models and implementing local and national priorities.	31-Mar-2025	Caroline Cameron; Paul Doak	🟢

Risk Code	SRR2425_R04	Risk Title	Cyber Security	Latest Note Date	17-Jan-2024
Risk Owner		Fiona Walker			

Risk Proximity Factors	Consequences / Impact	Existing Risk Control Measures	Likelihood	Impact
The potential compromise of business operations or a data breach orchestrated via either digital channels or the IT infrastructure. This can include targeting of the user base. Risk derives from both Council operations and those of its supply chain. The increasing importance of delivering services through digital channels and maximising efficiency through effective and secure use of technology. This includes a growing adoption of cloud-based computing resources which extend processing capabilities, and associated risks, beyond the Council's network. Hybrid remote and mobile working is now the normal working practice for over 3,000 staff. Such a distributed work force increases the complexity of protecting against cyber and data protection risks.	Failure by Services to adopt and comply with strategies, policies and procedures may result in a failure to adequately ensure the desired levels of cyber-security required to maintain and protect council systems and data. There may be a significant impact on the authority through the release of personal and/or sensitive information resulting in a loss of public confidence and significant financial loss incurred through fines and service disruption. A successful cyber-attack (malicious external or internal action) on the Council's IT environments could also result in significant service disruption, loss of income streams and possible data loss/exposure. Impacts of a cyber-attack could include economic (i.e. inability to collect online payments), societal disruption (i.e. loss of diaries and client appointments), and reputational damage (i.e. loss of public confidence in digital services).	It is recognised that it is not possible for any organisation to expect to be completely protected against continually evolving cyber threats. A threat actor with sufficient motivation, resource and capability will be able to compromise the most secure system. The Council takes a sociotechnical approach to reducing risk by continually developing protective measures through technical, organisational and people-focused controls. Technical controls are implemented in areas such as network defences, secure configuration of systems, user authentication, malware protection, and vulnerability management. These are based on best practice and independently tested on an annual basis to confirm their effectiveness in accordance with compliance schemes. The Council maintains a comprehensive set of policies, standards, guidelines, metrics and reporting mechanisms as part of its information security governance structure. A comprehensive training and awareness programme is delivered to nurture a cyber-aware workforce and culture.	4	4

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

Strategic Risk Action Plan		Date Updated	17-Jan-2024
Analysis of Effectiveness of Controls	**Further Action Required**	**Target Date for Completion**	**Officers Responsible**	**Current Status: RAG**
Incident Detection and Response – Recent cyber-attacks on public sector organisations highlight the need for robust incident detection and response procedures and technologies. The current response procedures been shown to be effective based on incidents experienced so far, however detection capabilities will need to be reviewed and improved.	**17 January 2024:** A joint procurement of a Managed Security Operation Centre (SOC) service with other local authorities is being taken forward by the Digital Office. This has however been delayed due to resource challenges and to date no procurement timescales have been set. Given the delays to the national SOC procurement project, the Council will consider other SOC alternatives and Manage Detect & Response (MDR) services.	31-Mar-2025	Fiona Walker	🟢
Training and Awareness	**17 January 2024:** Cyber Security in person training has resumed with multiple sessions being organised to tackle the backlog incurred due to the pandemic. The Cyber Security Essentials E-Learning course is a mandatory training requirement for all staff with access to Council digital resources. Staff are also encouraged to complete this annually. In addition, the course has been converted into a briefing to provide as a toolbox talk to reach all of our workforce. Phishing simulations continued to be hosted to test the effectiveness of training and raise awareness.	Ongoing	Fiona Walker	🟢

Risk Code	SRR2425_R05	Risk Title	Transformation	Latest Note Date	09-Feb-2024
Risk Owner		Mark Boyd			

Risk Proximity Factors	Consequences / Impact	Existing Risk Control Measures	Likelihood	Impact
There is a risk that transformation and change 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 at the level of scale and pace required.	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 2023-28 and the Local Outcome Improvement Plan (LOIP). Failure to deliver the HSCP Transformation programmes across the Partnership, involving North Ayrshire Council (NAC) and NHS Ayrshire & Arran (NHSAA) services may lead to the identified outcomes not being delivered; resulting in financial instability, reduced performance, deteriorating patient outcomes, and reputational damage within North Ayrshire Health and Social Care Partnership (NAHSCP). Failure to embed cultural transformation activities may lead to difficulties in building future workforce capacity and in ensuring we have an engaged, skilled and knowledgeable workforce to meet service demand.	The transformation programme aligns to the Council Plan and is monitored via the Transformation Board. The Board is chaired by the Chief Executive. Workstreams have been developed across Transport and Travel, Accessing our Council, Land and Property assets, Sustainability, Financial Inclusion as well as ongoing reviews across Waste Services, ELC, Learning Resources and Housing. HSCP have an established Transformation Board to closely monitor progress with plans, regular updates on programme to the IJB and regular meetings with the Chief Executive and S95 Officer to review progress and mitigation plans. Cultural transformation activities continue to evolve to support the Council's transformation and improve effectiveness and capability. This includes sharing learning and skills, engagement, design experiments and a whole systems approach to transformation and change. Our workforce planning approach utilises a variety of tools and techniques, such as career development, succession planning, vacancy management, redeployment and early release schemes to ensure our workforce requirements for the future, in terms of skills and capabilities, are planned. Each Head of Service has a workforce plan, and these are monitored six-monthly with continued HR support and guidance to ensure service review and redesign of the workforce is on track.	3	4

Status	Risk Score	Heat Map		Change in Score	Approach
Stable	12			Reduce from 16 to 12	Treat

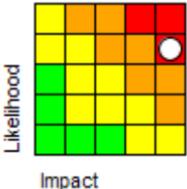| Strategic Risk Action Plan			Date Updated	25-Jan-2024
Analysis of Effectiveness of Controls	**Further Action Required**	**Target Date for Completion**	**Officers Responsible**	**Current Status: RAG**
Existing project level governance and controls remain effective and are constantly reviewed.	**25 January 2024:** Progress on Transformation projects continues to be governed and monitored via the Transformation Board which is chaired by the Chief Executive. Meetings held quarterly Workstreams have been fully developed and progress and all actions tracked. Financial efficiencies across commercial property, waste review, learning resource review, ELC review and the sustainability programme have been fed into the Council's Budget programme for 2024/25 to 2026/27.	Quarterly	Mark Boyd / Chief Executive and Executive Directors	🟢
Review current governance arrangements and project delivery in view of land and property workstream to seek optimal delivery aligned to the council's net zero ambitions.	**25 January 2024:** Key progress made around Irvine Based locality property Review. Next stages to present Cabinet Paper in March 2024 to consider plans.	March 2024	Mark Boyd / Chief Executive and Executive Directors	🟢

Risk Code	SRR2425_R06	Risk Title	Climate Change	Latest Note Date	08-Feb-2024
Risk Owner	Russell McCutcheon				

Risk Proximity Factors	Consequences / Impact	Existing Risk Control Measures	Likelihood	Impact
Climate change is expected to continue and worsen in the future if no action is taken, with increases to mean global temperatures, sea level rises and the increasing frequency and severity of weather events such as floods, heatwaves, droughts and storms. More frequent and intense heavy rainfall events increase the risk of soil erosion and flooding. Rises in mean sea level increases risks of coastal erosion, flooding, saltwater intrusion and soil salinisation (risk to agricultural land and freshwater habitats). Severe weather is already affecting public services across Scotland, with operational, reputational, financial and legal consequences. There is also an ongoing impact of severe winter weather including snowfall and freezing temperatures which impact service delivery and the integrity of our roads open space and buildings infrastructure. This shift in weather patterns caused by climate change is also affecting biodiversity across Scotland.	Increased frequency of severe weather conditions and flooding events may lead to more instances of damage to Council infrastructure and property, interruptions to service delivery and increased demands on services, often with little notice. Risk to life, transport disruption and pollution to the local environment, as well as impact adversely on the local economy if businesses are unable to operate. Council requirement to provide immediate response and manage the adverse effects of more frequent and severe weather emergency situations, including support to local communities and businesses. The Council is required to comply with the 'Public Bodies Climate Change Duties' under the Climate Change (Scotland) Act 2009. These duties require the Council to assess the risks, threats and opportunities associated with climate change and identify actions to increase resilience to climate change.	North Ayrshire Council declared a Climate Emergency in June 2019, committing to act on climate change and reduce carbon emissions. In January 2020 the Council approved the target to become net-zero carbon by 2030, for both Council estate emissions and area-wide emissions. Following implementation of the Council's third Environmental Sustainability and Climate Change Strategy (2021-23), Cabinet approved the new Sustainable North Ayrshire Strategy (2024-27) in December 2023. This strategy provides a road map to achieve the net zero carbon emissions by 2030 target. There are 5 workstreams within the Sustainable North Ayrshire strategy, namely Energy, Nature, Transport, Waste and Adaptation. We continue to utilise Adaptation Scotland's Capability Framework to ensure North Ayrshire takes a strong, proactive approach to adapting to climate change. Officers are participating in the Sustainable Scotland Network's 'Adaptation Scotland Benchmarking Group' to learn and share best practice with other local authorities. Adaptation actions are identified within the Ayrshire Flood Risk Management Plan (2021), the Ayrshire Local Flood Risk Management Plan (2022), the Ayrshire Shoreline Management Plan and in the Adaptation Capability Framework. Flood studies are undertaken to help the Council identify areas that are at risk of flooding and to appraise options to reduce flood risk to communities and infrastructure. In addition, actions to mitigate Climate Change risk are held within strategies such as the Core Paths Plan, Outdoor Access Strategy, Local Biodiversity Action Plan, and Weather and Winter Emergencies Plan. Asset management plans are in place which are regularly reviewed for our Roads, Fleet, Housing, Property and Open Spaces. Furthermore, through the Ayrshire Civil Contingencies Team there are emergency planning arrangements in place in the event of severe weather and flooding conditions causing major disruption and damage to the area or to individual communities within it.	4	4

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

Strategic Risk Action Plan				Date Updated	08-Feb-2024
Analysis of Effectiveness of Controls	**Further Action Required**		**Target Date for Completion**	**Officers Responsible**	**Current Status: RAG**

Analysis of Effectiveness of Controls	Further Action Required	Target Date for Completion	Officers Responsible	Current Status: RAG
Reducing Carbon Emissions: North Ayrshire Council declared a Climate Emergency in June 2019, committing to act on climate change and reduce carbon emissions. In January 2020 the Council approved the target to become net-zero carbon by 2030, for both Council estate emissions and area-wide emissions. The Council has taken action against climate change since our first Carbon Management Plan in 2006/07, by working to reduce emissions associated with Council services, and using the baseline year of 2005/06 from which to measure progress. Since the baseline year of 2005/06, Council estate emissions have reduced by 68.9%, from 67,719 tonnes of carbon dioxide equivalent (tCO2e) to 20,940 tCO2e (a reduction of 854 tCO2e from the previous year). Area-wide emissions are published by BEIS. Current records show total emissions have reduced across North Ayrshire by 42.6%, from 1,437 kilo-tonnes of carbon dioxide (ktCO2) in 2005 to 835 ktCO2 in 2019. To ensure North Ayrshire Council can develop a leading, cross-sector and community led approach we established a Climate Change Steering Group (CCSG) in 2021. The CCSG is chaired by the Cabinet Member for Green Environment and Economy, and brings together young people, local businesses and community organisations from across North Ayrshire. Existing controls remain effective and are under review as our response to climate change develops and we progress towards achieving net zero by the 2030 target.	**8th February 2024:** Implementation of the Sustainable North Ayrshire strategy, which includes 9 strategic principles and 46 actions under the 5 workstreams of Energy, Nature, Transport, Waste and Adaptation. The 9 strategic principles which are being implemented are: 1.We will take a whole system approach (including behaviour change) to tackling climate change as far as possible, including identification of optimal approaches to achieve social and economic benefits alongside environmental ones. 2.We will continue to clarify and report transparently on our emissions so that the North Ayrshire emissions baseline is clearly understood. 3.We will complete a Local Heat and Energy Efficiency Strategy to help understand where efforts to reducing emissions and reducing fuel poverty are best focused. 4.We will prioritise actions in relation to two of the biggest emissions sources where have the most influence, commonly referred to as 'heat and fleet', including through project pathfinder approaches for decarbonisation of domestic and non-domestic buildings and vehicles to bring scale and pace to emissions reduction. 5.We will work with stakeholders, including the Scottish Government, to articulate the potential costs and skills requirements to meet our net-zero aspirations. 6.We will expand on the need for adaptation measures, recognising mitigation alone will not combat the impacts of climate changes on communities. 7.We will identify opportunities for expansion of carbon sinks and other carbon capture technologies, which are expected to be an essential element of our net-zero strategy to mitigate residual emissions by 2030. 8.We will seek to expand the remit and membership of the CCSG to enable us to work more closely with communities, taking account of outcomes from recent projects such as Climate Action Towns and Carbon Neutral Islands. 9.We will explore the potential for carbon accounting, including carbon budgets for Council services, to support our journey to net-zero. Updates on progress are provided through the Council's performance reporting system, Pentana, on a quarterly basis, and governed through the Sustainability Board. Actions are designed to be directly and indirectly responsible for carbon reduction and deliver other socio-economic benefits.	31-Mar-2027	Russell McCutcheon	🟢

Strategic Risk Action Plan			Date Updated	08-Feb-2024
Analysis of Effectiveness of Controls	**Further Action Required**	**Target Date for Completion**	**Officers Responsible**	**Current Status: RAG**
Flood Risk Management Plan: Cycle 2 of the Ayrshire Local Flood Risk Management Plan has been developed and was published on 31st December 2022. Studies and modelling will be undertaken to identify and prioritise vulnerable areas where financial damage and risk to life are most likely. There is an ongoing programme of monthly inspections of debris screens which have been installed to prevent vulnerable culverts from blocking and causing flooding. CCTV inspections of culverts are also undertaken to identify blockages and deterioration of assets that might cause flooding. This has been effective in reducing flooding, although there are capacity issues h that this process cannot address. The Upper Garnock Valley FPS has been completed and is currently providing flood protection. **Ayrshire Shoreline Management Plan:** The Ayrshire Shoreline Management Plan will be replaced with a Coastal Change Adaptation Plan. The adaptation plan will enable the Council and other stakeholders to effectively plan our future actions whilst allowing for flexibility in response to future changes. It will incorporate recent international and UK advances in adaptation and shoreline management planning to allow for local interpretation and involvement.	**22 February 2024:** 1. We will undertake the actions outlined in cycle 2 of the Ayrshire Local Flood Risk Management Plan. 2. We will continue to look for opportunities to implement Natural Flood Management and we will develop a range of further flood protection measures, which can be put forward as schemes for inclusion in cycle 3 of the Ayrshire Flood Risk Management Plan and the Ayrshire Local Flood Risk Management Plan. 3. We will complete the Millport Coastal FPS and the Mill Burn FPS. 4. We will continue to Inspect culverts, screens and watercourses for clearance and repair work in accordance with the published schedule and prioritise maintenance works that would substantially reduce flood risk. Efforts will be made to continue to identify unknown culverts and add these assets to the ongoing inspection and maintenance process. 5. We will develop the Ayrshire Coastal Change Adaptation Plan in partnership with South Ayrshire Council and other stakeholders.	30-06-2028	Thomas Reaney	🟢

Risk Code	SRR2425_R07	Risk Title	Community Capacity Building and Empowerment	Latest Note Date	05 February 2024
Risk Owner		Rhonda Leith			

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

Status	Risk Score	Heat Map		Change in Score	Approach
Stable	16			Increase from 12 to 16	Tolerate

Strategic Risk Action Plan			Date Updated	05 Feb 2024
Analysis of Effectiveness of Controls	**Further Action Required**	**Target Date for Completion**	**Officers Responsible**	**Current Status: RAG**
Implementation of Community Empowerment Act: Existing controls remain effective and are kept under review.	**05 February 2024:** Strategic CLD Plan 2021-2024 identifies priorities for capacity building and the programme of community support is addressing needs. No further update at this time.	31-Mar-2025	Rhonda Leith	🟢
	05 February 2024: Post implementation the plan will be monitored and reported as per statutory timescales.	31-Jul-2024	Rhonda Leith	🟢
Staff capacity: Existing controls remain effective however forthcoming VER structure changes will result in a reduction of CLD professional staff and risks further pressures on staff to deliver effectively to key outcomes.	**05 February 2024:** CLD service redesign will be implemented from 1st of April with a 6-month review date. The redesign in light of VER impacts has resulted in the loss of the Capacity and Empowerment Team, all key priorities of the team will be embedded in the newly formed localities Contact agreement established with key 3rd Sector organisations This will mitigate the impact on developments of the key outcomes as detailed in the CLD plan. The CLD plan review will commence in April, following guidance due to be issued by the Scottish Government which will be informed by the National Review Of CLD.	31-Jul-2024	Rhonda Leith	🟢
Duplication of effort: Clearly defined roles and lean processes are reviewed and maintained to avoid duplication of effort and minimise time and resource wastage. The team foster open communication channels with both staff and key stakeholders.	**05 February 2024:** Existing controls are effective but remain under proactive review.	31-Jul-2024	Rhonda Leith	🟢
Consultation: Existing controls remain effective. Existing controls remain effective and hybrid engagement models have been implemented post covid to encourage and provide greater access to participation.	**05 February 2024:** Proactive review 6 months post VER restructure to assess the effectiveness of CLD support for community engagement and consultation. No further update at this time.	31-Jul-2024	Rhonda Leith	🟢
Increased property costs and lack of investment in community assets.	**05 February 2024** A collaborative approach involving PMI and CC is being used to survey and evaluate community buildings that require investment. CAT funds have been identified for corrective actions, which will involve incorporating green investments to support future CAT and Service development initiatives.	31-Jul-2024	Rhonda Leith	🟢

Risk Code	SRR2425_R08	Risk Title	Property Asset Risk	Latest Note Date	08-Feb-2024
Risk Owner		Russell McCutcheon			

Risk Proximity Factors	Consequences / Impact	Existing Risk Control Measures	Likelihood	Impact
The long-term impact of restricted budget availability for investment in the Council's property assets means these assets means they are in declining condition and have greater long term investment needs. Systemic building safety issues have been evidenced by issues such as national high profile safety issues, and the presence of RAAC through the public sector property portfolio. These have highlighted the substantial increasing burden of property asset management. There have been a number of near misses or critical failures of aging heating plant and equipment which the council cannot afford to replace on a programmed basis. Inflationary pressures, and on-going volatility in the construction & related activities sphere, place further difficulties in the ability of restricted budgets to address all priorities.	Maintenance issues and failure of building components are increasingly likely to result in disruption to service delivery. There is also an increasing risk of health and safety and statutory compliance obligations not being achieved. Property events requiring significant interventions leading to service disruption, closure of facilities, decant etc. are in increasing in frequency and often over-lapping (often coinciding with weather events).	Property condition information is gathered and recorded within the Council's electronic asset management system, providing a baseline to measure building element lifecycle replacement requirements across the corporate estate. Limited investment is therefore targeted on priorities. Reactive maintenance, and statutory compliance are also undertaken corporately by PMI by appropriately trained / experienced staff. There is an on-going Transformation programme workstream focusing on property rationalisation as a means of reducing the financial burden of the estate through reducing overall area occupied (aligned to carbon reductions). Post Incident reviews and lessons learned exercises with actions undertaken where feasible to do so. Risk based property reviews are underway to examine, on a property by property basis, where property risks have the potential to impact service delivery. The information gathered influences both investment plans and business continuity plans. This work is on-going in respect of the school estate and is being rolled-out to other services' assets.	4	5

Status	Risk Score	Heat Map		Change in Score	Approach
Increasing	20			New Risk	Tolerate

Strategic Risk Action Plan			Date Updated	08-Feb-2024
Analysis of Effectiveness of Controls	**Further Action Required**	**Target Date for Completion**	**Officers Responsible**	**Current Status: RAG**
CC&M team within PMI managing reactive maintenance and statutory compliance.	Team resources stretched; however, restricted budgets are principal risk.	Ongoing	Russell McCutcheon	🟢
Asset management team within PMI collecting asset condition information and leading prioritisation of lifecycle investment.	Improved asset management system is being investigated; however, restricted budgets are principal risk.	Ongoing	Russell McCutcheon	🟢
Property rationalisation programme	Locality based property review work currently underway to increase scale and pace of implementation.	Ongoing	Russell McCutcheon	🟢
Risk based property review process	Requires up to date property information, including client information and cross service buy-in to be effective.	Ongoing	Russell McCutcheon	🟢