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# NORTH AYRSHIRE COUNCIL

14 November 2023

## Audit and Scrutiny Committee

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**Title:** Strategic Risk Register 2023/24: Mid-year Update

**Purpose:** To provide the Audit and Scrutiny Committee with an update on the progress with actions related to the Strategic Risk Register.

**Recommendation:** That the Committee notes the mid-year update on the 2023/24 Strategic Risk Register.

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### 1. Executive Summary

- 1.1 The Council's most significant risks are identified through the Strategic Risk Register, which is refreshed annually and was last approved by Cabinet in March 2023.
- 1.2 This report, together with Appendix 1, demonstrates progress made by the Council in mitigating against the potential impact of the strategic risks.

### 2. Background

- 2.1 The Council's most significant risks are identified through the Strategic Risk Register, recognising the challenges facing the Council within the current financial year and demonstrating the arrangements in place for managing those risks.
- 2.2 The Strategic Risk Register is refreshed annually and was last approved by Cabinet in March 2023; thereafter it was reported to the Audit and Scrutiny Committee in May as this Committee has a remit for monitoring key risks.
- 2.3 The register is attached at Appendix 1 and provides update on that approved by Cabinet in March. The next full refresh of the risk register will take place early in the new year, be taken to Cabinet for approval in March 2024 and thereafter reported to the Audit and Scrutiny Committee.
- 2.4 Where relevant, key actions from the Council Plan have been linked to the risks and progress shown at the end of September. These actions are more strategic in nature. Some risks are managed as 'Business as Usual', through the appropriate operational plans within Services or through current controls.

#### Very High Risks

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

**Financial Environment (risk score 20)** – this risk reflects the ongoing financial challenge faced by the Council.

**Inequalities (risk score 20)** – this highlights the socio-economic inequalities faced in North Ayrshire.

### High Risks

2.6 There are six strategic risks classed as 'High' (scoring 10-16):

**Cyber Security (risk score 16)** – this reflects the ongoing risk from external cyber-attack which is being faced by all organisations.

**Climate Change (risk score 16)** – this risk has been on the Strategic Risk Register following the declaration by the Council of a Climate Change Emergency during 2019.

**Financial Sustainability of the Health and Social Care Partnership (risk score 12)** – this reflects the ongoing financial challenges faced by the Partnership and the risk these present to the Council.

**Transformation (risk score 12)** – this reflects the wider risks associated with delivering the current Transformation Programme and developing a pipeline of future initiatives.

**Community Capacity Building and Empowerment (risk score 12)** – this highlights the challenges associated with community empowerment.

**National Care Service (risk score 12)** – this risk reflects the challenges and uncertainty the Council faces with a major reorganisation of one of its most significant and important functions. This risk was proposed as very high at the start of the year, however, it is proposed to reduce the risk from a score of 20 to 12.

### Longer-term risks and horizon scanning

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

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

## **3. Proposals**

3.1 It is proposed that the Committee notes the mid-year update on the 2023/24 Strategic Risk Register.

## **4. Implications/Socio-economic Duty**

### **Financial**

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

### **Human Resources**

- 4.2 None.

### **Legal**

- 4.3 None.

### **Equality/Socio-economic**

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

### **Climate Change and Carbon**

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

### **Key Priorities**

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

### **Community Wealth Building**

- 4.7 The Council has an ongoing commitment to community empowerment and locality partnerships, together with an enabling approach with community partners and support with third sector interface to build capacity and identify opportunities for growth and sustainability.

## **5. Consultation**

- 5.1 The Strategic Risk Register has been reviewed in consultation with the Executive Leadership Team.

Mark Boyd  
Head of Service (Finance)

For further information please contact **Laura Miller, Senior Manager (Audit, Fraud, Safety and Risk)**, on **01294 324524**.

## **Background Papers**

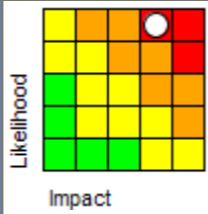
Cabinet Report – Strategic Risk Register 2023/24 – 21 March 2023

Appendix 1 - Strategic Risk Report 2023/24: Mid-Year Update

<b>Risk Code</b>	SRR2324_R01	<b>Risk Title</b>	Financial Environment	<b>Latest Note Date</b>	11-Sep-2023
<b>Risk Owner</b>	Mark Boyd				
<b>Risk Proximity Factors</b>	<b>Consequences / Impact</b>	<b>Existing Risk Control Measures</b>		<b>Likelihood</b>	<b>Impact</b>
<p>The risk is that the level of funding from Scottish Government to local government will require the Council to take increasingly difficult and challenging decisions, potentially operating with increased levels of risk to ensure service delivery and investment in assets align with available resources. The 2023/24 local government settlement represents an increase of 0.33% in core grant funding, this has to continue to be looked at within the context of financial pressures facing the council including pay, significant inflationary, contractual and demographic pressures over the short, medium and long term.</p> <p>Additional challenges are being faced where Scottish Government is ringfencing increasing areas of the budget settlement, and this is further exacerbated by the inclusion of some elements of the 2023/24 budget being conditional on certain criteria being met.</p> <p>The Budget gap for 2024/25 was projected at £16.7m, however, this position will be subject to change. The continuation of single year settlements makes effective medium and long term financial planning challenging. It is recommended that following the settlement and within the wider financial pressure context, the risk score remains unchanged at this time. Any consideration to change this will only occur following a sustained period of annual growth in core revenue funding, however, this will also have to be considered within the context of inflation and the resultant cost pressures.</p> <p>The Council is exposed to financial risk as a result of underlying cost pressures within the IJB; more detail on this is set out at risk SRR03.</p>	<p>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.</p>	<p>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.</p> <p>To assist financial planning The Long Term Financial Outlook (LTFO) to 2030/31 was approved at Council on 16 December 2020 - this is the cornerstone of the Council's financial planning in the medium to long term.</p> <p>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.</p>		4	5
<b>Status</b>	<b>Risk Score</b>	<b>Heat Map</b>		<b>Change in Score</b>	<b>Approach</b>
Stable	20			No change	Treat

Strategic Risk Action Plan				Date Updated	11-Sep-2023
Analysis of Effectiveness of Controls	Further Action Required	Target Date for Completion	Officers Responsible	Current Status: RAG	
Regular financial monitoring of Revenue and Capital Budgets	<p><b>25 January 2023:</b> Bi-monthly monitoring</p> <p><b>11 September 2023:</b> No further update at this time.</p>	31-Mar-2024	Mark Boyd	●	
Deliver balanced Budget for 2023/24 and outline Medium Term Financial Plan	<p><b>1 March 2023:</b> 23/24 Budget approved 1 March 2023</p> <p><b>11 September 2023:</b> No further update at this time.</p>	01-Mar-2023	Mark Boyd	●	
Maintain Financial Governance Arrangements for IJB	<p><b>25 January 2023:</b> Bi-monthly monitoring.</p> <p><b>11 September 2023:</b> No further update at this time.</p>	31-Mar-2024	Mark Boyd	●	
Progress dialogue via COSLA with Scottish Government on a range of areas including fair funding, multi-year settlements, reduction in levels of ring-fenced resources, true costs of SG policy areas, financial flexibilities and a New Deal partnership with SG and local Govt	<p><b>25 January 2023:</b> Regular engagement through Directors of finance group</p> <p><b>11 September 2023:</b> No further update at this time.</p>	31-Mar-2024	Mark Boyd	●	
Continue progress with SG on Verity House agreement. Areas of council tax flexibility and tourist visitor levy being progressed.	<p><b>11 September 2023:</b> Regular engagement through Directors of finance group, COSLA and SG</p>	31-Mar-2024	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	<p><b>11 September 2023:</b> Progress via ELT and member engagement</p>	28-Feb-2024	Mark Boyd	●	

<b>Risk Code</b>	SRR2324_R02	<b>Risk Title</b>	Inequalities	<b>Latest Note Date</b>	29-Sep-2023
<b>Risk Owner</b>	Audrey Sutton/Caroline Cameron				
<b>Risk Proximity Factors</b>	<b>Consequences / Impact</b>	<b>Existing Risk Control Measures</b>		<b>Likelihood</b>	<b>Impact</b>
<p>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.</p> <p>Health inequality is closely linked to poverty, employment and people's earliest experiences as children, and will increase.</p> <p>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).</p>	<p>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.</p> <p>Demand for HSCP and Council Services will increase.</p> <p>As reductions in resources increase, early intervention and prevention activities are at risk, thus increasing the potential for an increase in costly crisis interventions.</p> <p>The local economy will be impacted by reduced spending power by economically inactive residents.</p>	<p>The HSCP re-affirmed its commitment to Tackling Inequalities by continuing to consider it a key priority with the Partnership's Strategic Plan.</p> <p>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:</p> <p>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.</p> <p>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.</p> <p>Working closely with Housing colleagues to support transitions from care and ensuring care experienced young people can access a positive and stable housing destination.</p> <p>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.</p> <p>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.</p> <p>Investment in early intervention teams and approaches in Children's Services to support vulnerable families, including in Child Protection and Whole Family Support.</p> <p>The Council considers reducing inequalities to be at the heart of its work.</p> <p>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 CIF funded initiatives are also focused on a range of inequalities, including poverty, age-related inequalities and digital inequalities.</p> <p>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:</p> <ul style="list-style-type: none"> <li>• No Wrong Door – access to services</li> <li>• Employability</li> <li>• Food</li> </ul>		5	4

		<ul style="list-style-type: none"> <li>• Islands</li> <li>• Childcare</li> </ul> <p>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.</p> <p>Progress has been made with partners through a series of 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.</p> <p>The Child Poverty Early Intervention Fund is being used to address gaps in current planning and provision.</p> <p>The Scottish Government has provided a second year of funding to address inequalities on the islands.</p> <p>The commitment to reducing inequalities is also reflected in the Communities and Education Directorate plans:</p> <ul style="list-style-type: none"> <li>• The Educational Service Improvement Plan</li> <li>• Connected Communities strategic plans and</li> <li>• Facilities Management plans.</li> </ul> <p>Examples of actions to reduce inequalities:</p> <ul style="list-style-type: none"> <li>• Deployment of Scottish Attainment Challenge funding to reduce the poverty related attainment gap in schools</li> <li>• Use of the Pupil Equity Fund to ensure equity of pupil experience in schools, at the discretion of head teachers</li> <li>• Cost of the School Day actions to reduce, for example, the cost of school uniforms and clothing, food and outings</li> <li>• Support for care experienced young people, both in schools and through youth services</li> <li>• The Fairer Food Network, with 14 community larders which support the needs of individual communities</li> <li>• A network of warm spaces and events to mitigate energy use and social isolation</li> <li>• Work to support “New Scots,” in schools, with families and in community settings through language support and capacity building, including women’s groups</li> <li>• LGBT support groups for young people and those over 18</li> <li>• Mentoring support for young people in secondary schools through a partnership with MCR Pathways</li> </ul> <p>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.</p>		
<b>Status</b>	<b>Risk Score</b>	<b>Heat Map</b>  <p>Likelihood</p> <p>Impact</p>	<b>Change in Score</b>	<b>Approach</b>
Stable	20		No Change	Treat



Strategic Risk Action Plan				Date Updated	25-Sep-2023
Analysis of Effectiveness of Controls	Further Action Required	Target Date for Completion	Officers Responsible	Current Status: RAG	
<p>Child poverty data 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.</p> <p>Although unemployment has reduced, it continues to be a driver of poverty, with in-work poverty a key factor.</p> <p>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.</p>	<p><b>12 October 2023:</b></p> <p>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.</p> <p>Actions are being progressed and remain within the target dates for completion.</p>	31-Mar-2024	Audrey Sutton; Caroline Cameron	●	

<b>Risk Code</b>	SRR2324_R03	<b>Risk Title</b>	Financial Sustainability of the Health and Social Care Partnership	<b>Latest Note Date</b>	29-Sep-2023
<b>Risk Owner</b>	Caroline Cameron				
<b>Risk Proximity Factors</b>	<b>Consequences / Impact</b>	<b>Existing Risk Control Measures</b>		<b>Likelihood</b>	<b>Impact</b>
<p>Uncertainty of future funding against growing demand and demographic pressures.</p> <p>Resources have not kept pace with the demand for and cost of social care services. The budget settlement for 23-24 is extremely challenging with a gap of around £7.5m across the IJB.</p> <p>There remains uncertainty around Covid-related costs with no additional funding for these beyond the end of 22-23.</p> <p>In earlier years, the HSCP did not manage to contain spend within the delegated budget, but surpluses were achieved in 20-21 to 22-23. Current projections at Q1 are that the Partnership will overspend by circa £4.6m in 23-24.</p> <p>Outstanding debt to the Council was cleared at the end of 22-23 financial year.</p> <p>Current Scottish Government proposals to introduce a National Care Service (NCS) by 2026 will significantly impact on the IJB.</p> <p>Significant inflationary pressures across employee pay and contractual costs will increase the financial challenges for the Partnership</p> <p>Low-volume high-cost care packages and care placements continue to present a financial challenge to the Partnership.</p>	<p>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.</p> <p>An in-year overspend position poses a financial risk to the Council and NHS Board as funding bodies.</p> <p>Funding levels increase the requirement to transform services at scale and pace.</p> <p>The impact of the National Care Service will become clearer as legislation is progressed.</p>	<p>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.</p> <p>There is an integrated approach to managing the totality of NHS and Council resources delegated to the IJB. The Medium Term Financial Outlook for 2023-26 was presented to the IJB in March 2023. Previous financial settlements have seen both partners meet the Scottish Government settlement conditions with any additional resources passed to the IJB.</p> <p>The IJB had uncommitted financial reserves of £6.448m at the beginning of April 2023, which equated to around 2.3% of the budget. This is 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 current projected overspend to £2.6m.</p> <p>The Partnership has a Transformation Board overseeing the programme of service re-design and the Transformation Plan for 24-26 is under development. There is £2.2m of earmarked reserves set aside to support service change and re-design.</p>		3	4
<b>Status</b>	<b>Risk Score</b>	<b>Heat Map</b>		<b>Change in Score</b>	<b>Approach</b>
Stable	12			Remain at 12	Tolerate

Strategic Risk Action Plan				Date Updated	29-Sept-2023
Analysis of Effectiveness of Controls	Further Action Required	Target Date for Completion	Officers Responsible	Current Status: RAG	
Budget Monitoring - Regular budget monitoring reports to IJB are effective.	<p><b>29 September 2023:</b></p> <p>Following presentation of Budget Monitoring report to the IJB in August 2023, Financial Recovery plan being developed to address in-year projected overspend of £2.6m for 23-24, to be presented to IJB in September 2023 and will be monitored closely.</p>	31-Mar-2024	Caroline Cameron; Paul Doak	●	
Corrective Action – Transformation Board is effective	<p><b>23 January 2023:</b></p> <p>No additional actions planned at this time but will keep under review.</p> <p><b>29 September 2023:</b></p> <p>No further update at this time.</p>	31-Mar-2024	Caroline Cameron; Paul Doak	●	

<b>Risk Code</b>	SRR2324_R04		<b>Risk Title</b>	Cyber Security		<b>Latest Note Date</b>	27-Sep-2023	
<b>Risk Owner</b>	Fiona Walker							
<b>Risk Proximity Factors</b>	<b>Consequences / Impact</b>		<b>Existing Risk Control Measures</b>			<b>Likelihood</b>	<b>Impact</b>	
<p>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.</p> <p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>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).</p>		<p>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.</p> <p>The Council takes a sociotechnical approach to reducing risk by continually developing protective measures through technical, organisational and people-focused controls.</p> <p>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.</p> <p>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.</p>			4	4	
<b>Status</b>	<b>Risk Score</b>	<b>Heat Map</b>					<b>Change in Score</b>	<b>Approach</b>
Stable	16						No change	Treat

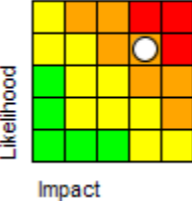
Strategic Risk Action Plan				Date Updated	27-Sep-2023
Analysis of Effectiveness of Controls	Further Action Required	Target Date for Completion	Officers Responsible	Current Status: RAG	
<p>Incident Detection and Response – Recent cyber-attacks on public sector organisations highlight the need for robust 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.</p>	<p><b>27 September 2023:</b></p> <p>In progress – A joint procurement of a Managed Security Operation Centre (SOC) service with other local authorities is being taken forward by the Digital Office.</p> <p>Following a change in resource at the Digital Office, progress of the joint procurement has been extremely slow with no procurement timescales currently set. As such the Council will consider alternatives to the national procurement.</p>	31-Mar-2025	Fiona Walker	●	
	<p><b>27 September 2023:</b></p> <p>In progress – Work is ongoing to implement a security information and event management (SIEM) solution to allow log collection and detection by a Managed Security Operation Centre (SOC).</p> <p>A proof of concept with managed SOC provider NCC (National Computing Centre) took place to demonstrate the benefits of a managed SOC service leveraging Microsoft's SIEM product Sentinel.</p> <p>Given the delays to the national SOC procurement project, the Council is also considering other SOC and Manage Detect &amp; Response (MDR) services.</p> <p>The Council has implemented Security Event Manager (SEM) solution to centrally manage security logs from servers and Firewalls. This can be leveraged by any procured SOC or MDR service.</p>	31-Mar-2025	Fiona Walker	●	
<p>Training and Awareness – The pandemic has impacted on the cyber training programme with the long-term cancellation of all classroom-based training. However, a new online course was launched to compensate for this.</p>	<p><b>27 September 2023:</b></p> <p>In progress – Face to face training has resumed with sessions being organised to tackle the backlog caused by the pandemic.</p> <p>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.</p> <p>Phishing simulations have also been restarted and will continue to be ran to test the effectiveness of training and raise awareness.</p>	Ongoing	Fiona Walker	●	

<b>Risk Code</b>	SRR2324_R05	<b>Risk Title</b>	Transformation		<b>Latest Note Date</b>	11-Sep-2023
<b>Risk Owner</b>	Mark Boyd					
<b>Risk Proximity Factors</b>	<b>Consequences / Impact</b>	<b>Existing Risk Control Measures</b>			<b>Likelihood</b>	<b>Impact</b>
There is an overarching risk that transformation and change management activities, which are core to the future delivery models and long-term financial sustainability of both the Council and Health and Social Care Partnership, fail to deliver.	<p>Failure to deliver transformational change will impact on the Council's financial sustainability, effectiveness of service delivery and delivery of the outcomes set out in the Council Plan 2019-24 and the Local Outcome Improvement Plan (LOIP).</p> <p>Failure to deliver the HSCP Transformation programmes across the Partnership, involving North Ayrshire Council (NAC) and NHS Ayrshire &amp; 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).</p> <p>Failure to embed cultural transformation activities may lead to difficulties in building future workforce capacity and in ensuring we have an engaged, skilled and knowledgeable workforce to meet service demand.</p>	<p>The transformation programme aligns to the Council Plan and is monitored via the Transformation Board.</p> <p>Workstreams have been developed across Transport and Travel, Accessing our Council, Land and Property and Sustainability.</p> <p>HSCP have an established Transformation Board to closely monitor progress with plans, regular updates on programme to the IJB and regular meetings with the Chief Executive and S95 Officer to review progress and mitigation plans. IJB approved budget and Strategic Plan for 2022-23 which align with financial plans with transformational strategic change ambitions.</p> <p>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.</p> <p>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.</p>			4	4
<b>Status</b>	<b>Risk Score</b>	<b>Heat Map</b>			<b>Change in Score</b>	<b>Approach</b>
Stable	16				No change	Treat

Strategic Risk Action Plan				Date Updated	25-Jan-2023
Analysis of Effectiveness of Controls	Further Action Required	Target Date for Completion	Officers Responsible	Current Status: RAG	
Existing project level governance and controls remain effective and are constantly reviewed.	<p><b>25 January 2023:</b> Progress on Transformation projects continues to be governed and monitored via the Transformation Board which is chaired by the Chief Executive. Meeting at the end of March will consider the next phase of projects required for delivery to address the significant financial challenges in 2024/25.</p> <p><b>11 September 2023:</b> No further update at this time.</p>	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	<p><b>11 September 2023:</b> Governance arrangements via the Transformation Board will be reviewed in respect of land and property workstream.</p>	October 2024	Mark Boyd / Chief Executive and Executive Directors	●	

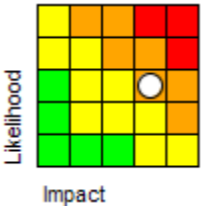
<b>Risk Code</b>	SRR2324_R06	<b>Risk Title</b>	Climate Change		<b>Latest Note Date</b>	22-Sept-2023
<b>Risk Owner</b>	David Hammond					
<b>Risk Proximity Factors</b>	<b>Consequences / Impact</b>	<b>Existing Risk Control Measures</b>	<b>Likelihood</b>	<b>Impact</b>		
<p>Climate change is expected to 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.</p> <p>More frequent and intense heavy rainfall events increase the risk of soil erosion and flooding.</p> <p>Rises in mean sea level increases risks of coastal erosion, flooding, saltwater intrusion and soil salinisation (risk to agricultural land and freshwater habitats).</p> <p>Severe weather is already affecting public services across Scotland, with operational, reputational, financial and legal consequences.</p> <p>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.</p> <p>There is now a biodiversity crisis in Scotland, with only half of the historic land-based biodiversity retained. Protecting and regenerating biodiversity is key to mitigation and adapting to climate change.</p> <p>A decline in biodiversity will exacerbate the climate crisis, whilst climate change will accelerate the rate of biodiversity loss.</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Decreasing biodiversity impacts food production and security through insect pollination in farming and horticulture and our fishing industry, which depends on resilient and productive seas. Biodiversity contributes to wellbeing, providing recreation, relaxation and a sense of place. Healthy biodiversity protects soil from eroding, purifies water and helps prevent and mitigate flooding.</p> <p>The role biodiversity plays in addressing and mitigating the impact of climate change is vital. Globally, when they are functioning well, ocean and land ecosystems remove around 50% of human-made carbon dioxide emissions each year. However, increasing global temperatures places more stress on ecosystems, triggering accelerated warming and extreme weather events.</p>	<p>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.</p> <p>The third iteration of the Environmental Sustainability &amp; Climate Change Strategy 2021-23 provides a road map to achieve the net zero carbon emissions by 2030 target. The next iteration of this strategy is being developed to incorporate action on both the Climate and Nature Emergencies.</p> <p>Climate Change Adaptation has been included as a workstream within the strategy, utilising Adaptation Scotland's Capability Framework to ensure North Ayrshire takes a strong, proactive approach to adapting to climate change. The Council has undertaken Year 1 of the framework, assessing a baseline of activity and implementing an action plan to improve resilience.</p> <p>The Flood Risk Management Plan (2021), and the Ayrshire Local Flood Risk Management Plan have been developed to show how flooding will be managed in the 6-year planning cycle, between 2022 and 2028, building on the success of the previous plan.</p> <p>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.</p> <p>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.</p> <p>The Council also complies with the Scottish Biodiversity Duty, to further the conservation of biodiversity. The recently published Scottish Biodiversity Strategy to 2045 aims to halt biodiversity loss by 2030 and becoming Nature Positive. The Council's LBAP will align with these targets and the delivery plan actions, which are currently being consulted on.</p>	4	4		



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

Strategic Risk Action Plan				Date Updated	22-Sep-2023
Analysis of Effectiveness of Controls	Further Action Required	Target Date for Completion	Officers Responsible	Current Status: RAG	
<p>Reducing Carbon Emissions:</p> <p>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.</p> <p>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.</p> <p>Since the baseline year of 2005/06, Council estate emissions have reduced by 68.9%, from 67,719 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) to 20,940 tCO<sub>2</sub>e (a reduction of 854 tCO<sub>2</sub>e from the previous year). Area-wide emissions are published by BEIS two years in arrears. Total emissions have reduced across North Ayrshire by 43%, from 1,453 kilotonnes of carbon dioxide (ktCO<sub>2</sub>) in 2005 to 835 ktCO<sub>2</sub> in 2019.</p> <p>To ensure North Ayrshire Council can develop a leading, cross-sector and community led approach we established a Climate Change Steering Group (CCSG) in 2021. The CCSG is chaired by the Cabinet Member for Economy and Climate Change and brings together young people, local businesses and community organisations from across North Ayrshire.</p> <p>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.</p>	<p><b>22 September 2023:</b></p> <p>Continuing the Implementation of the 3rd Environmental Sustainability &amp; Climate Change Strategy, which Includes a Roadmap with actions towards achieving the target. The ESCCS 3 contains workstreams:</p> <ul style="list-style-type: none"> <li>• Affordable Warmth</li> <li>• Green Economy</li> <li>• Transport and Travel</li> <li>• Natural Environment</li> <li>• Sustainable Operations</li> <li>• Carbon Absorption</li> <li>• Climate Change Adaptation, which follows Adaptation Scotland's Capability Framework, to build a climate resilient North Ayrshire.</li> </ul> <p>Across seven thematic workstreams (Affordable Warmth, A Green Economy, Transport &amp; Travel, Natural Environment, Sustainable Operations, Carbon Absorption and Climate Change Adaptation), 65 actions have been identified and progressed over the course of the ESCCS 3 period. Updates on progress are provided through the Council's performance reporting system, Pentana, on a quarterly basis. These actions are designed to be directly and indirectly responsible for carbon reduction and deliver other socio-economic benefits.</p> <p>Development of the 4th Environmental Sustainability &amp; Climate Change Strategy (Sustainable North Ayrshire) is underway, including a series of consultation events across each locality and with the CCSG.</p>	31-Dec-2023	David Hammond	●	

Strategic Risk Action Plan				Date Updated	22-Sep-2023
Analysis of Effectiveness of Controls	Further Action Required	Target Date for Completion	Officers Responsible	Current Status: RAG	
<p>Flood Risk Management Plan:</p> <p>Cycle 2 of the Ayrshire Local Flood Risk Management Plan has been developed and published on 31<sup>st</sup> December 2022.</p> <p>Studies and modelling will be undertaken to identify and prioritise vulnerable areas where financial damage and risk to life are most likely.</p> <p>There is an ongoing programme of monthly inspections of debris screens which have been installed to prevent vulnerable culverts from blocking and causing flooding. CCTV inspections of culverts are also undertaken to identify blockages and deterioration of assets that might cause flooding. This has been effective in reducing flooding, although there are capacity issues which this process cannot address.</p> <p>The Upper Garnock Valley FPS has been completed and is currently providing flood protection.</p>	<p><b>22 September 2023:</b></p> <p>We will undertake the actions outlined in cycle 2 of the Ayrshire Local Flood Risk Management Plan. We will continue to look for opportunities to implement Natural Flood Management and we will develop a range of further flood protection measures which can be put forward as schemes for inclusion in cycle 3 of the ALFRMP.</p> <p>We will complete the Millport Coastal FPS and the Mill Burn FPS.</p> <p>Inspections and CCTV surveys of culverts and screens will continue, including prioritised maintenance. Efforts will be made to continue to identify unknown culverts and add them to the ongoing inspection and maintenance process.</p>	30-06-2028	Thomas Reaney	●	

<b>Risk Code</b>	SRR2324_R07	<b>Risk Title</b>	Community Capacity Building and Empowerment		<b>Latest Note Date</b>	20-Jan-2023
<b>Risk Owner</b>	Rhonda Leith					
<b>Risk Proximity Factors</b>	<b>Consequences / Impact</b>		<b>Existing Risk Control Measures</b>		<b>Likelihood</b>	<b>Impact</b>
<p>Unrealistic timescales for implementation of aspects of legislation of the Community Empowerment Act (Scotland) 2015, such as Community Asset Transfer.</p> <p>Pressure to support community capacity building and the variation of needs within a reducing workforce.</p> <p>Duplication of effort across HSCP and Locality Partnerships to foster community participation and deliver engagement activities.</p> <p>Complying with the complex consultation legislation in service redesign.</p> <p>Rising energy and utility costs relating to property management.</p> <p>Budget savings and pressure on property maintenance budgets.</p>	<p>Where the risk is not managed effectively the potential benefits of community capacity building and empowerment may be lost.</p> <p>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.</p> <p>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.</p> <p>Accelerating asset transfer risks losing services and facilities.</p> <p>Over-engagement carries disengagement and engagement fatigue.</p> <p>Increased property costs can be a deterrent for organisations engaging and completing the CAT process.</p> <p>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.</p>		<p>Ongoing commitment to community empowerment and locality partnerships from CPP.</p> <p>Six locality partnerships and alignment with HSCP locality arrangements.</p> <p>Leadership of the CPP Senior Officers' Group.</p> <p>Enabling approach with community partners and support with third sector interface to build capacity and identify opportunities for growth and sustainability.</p> <p>Reviewed guidance and processes relating to asset transfer, allotment and Community Councils.</p> <p>Participatory budgeting approach local grants, commitment to PB with partners and leading practice in mainstreaming participatory approaches</p> <p>External funding bid help for groups through regular meetings with third sector, funders and funding officers.</p> <p>Membership of The Consultation Institute.</p> <p>Additional investment of £1m for a Community Asset Transfer Start Up Fund, prioritising additional staffing capacity to support CAT in Connected Communities and TACT.</p> <p>A collaboration and shared resource approach across Connected Communities Teams will be taken to ensure the Service deliver on this priority.</p>		3	4
<b>Status</b>	<b>Risk Score</b>	<b>Heat Map</b>			<b>Change in Score</b>	<b>Approach</b>
Stable	12				No change	Tolerate

Strategic Risk Action Plan				Date Updated	12-Oct-2023
Analysis of Effectiveness of Controls	Further Action Required	Target Date for Completion	Officers Responsible	Current Status: RAG	
<p>Implementation of CEA: Existing controls remain effective and are kept under review.</p>	<p><b>23 January 2023:</b> Strategic CLD Plan 2021-2024 identifies priorities for capacity building and the programme of community support is addressing needs. Community ladders and Community Cafes are being supported by the NA Food System and Connected Communities staff to ensure the network can be sustained and develop further. All other actions are being progressed and remain within the target date for completions.</p> <p><b>12 October 2023:</b> No further update at this time.</p>	31-Mar-2024	Rhonda Leith	●	
<p>Implementation of CEA: Existing controls remain effective and are kept under review to monitor impact and performance.</p>	<p><b>23 January 2023:</b> A New Local Outcomes Improvement Plan for 22-30 was approved by the CPP Board in March 2022. Work is now being undertaken to develop and implement the LOIP action plan to continue to work to improve outcomes for our communities across North Ayrshire.</p> <p><b>12 October 2023:</b> No further update at this time.</p>	31-Mar-2024	Rhonda Leith	●	
<p>Staff capacity: Existing controls remain effective and are kept under review, Recruitment remains a challenge.</p>	<p><b>23 January 2023:</b> Ongoing review and monitoring on progress of CAT applications.</p> <p><b>12 October 2023:</b> No further update at this time.</p>	31-Mar-2024	Rhonda Leith	●	
<p>Alignment of engagement: Existing controls remain effective.</p>	<p><b>23 January 2023:</b> Actions are being progressed and remain within the target date for completion. Ongoing focus to ensure the right balance of time and resource to community / stakeholder engagement aligning to the Consultation Institute frameworks.</p> <p><b>12 October 2023:</b> No further update at this time.</p>	31-Mar-2024	Rhonda Leith	●	
<p>Consultation: Existing controls remain effective and hybrid engagement models have been implemented post covid to encourage and provide greater access to participation.</p>	<p><b>23 January 2023:</b> Actions are being progressed and remain within the target date for completion. Ongoing focus to consultation and engagement.</p> <p><b>12 October 2023:</b> No further update at this time.</p>	31-Mar-2024	Rhonda Leith	●	

<b>Risk Code</b>	SRR2324_R08	<b>Risk Title</b>	National Care Service	<b>Latest Note Date</b>	13-Oct-2023
<b>Risk Owner</b>	Craig Hatton				
<b>Risk Proximity Factors</b>	<b>Consequences / Impact</b>	<b>Existing Risk Control Measures</b>		<b>Likelihood</b>	<b>Impact</b>
<p>The proposals for a National Care Service represent one of the largest reorganisations in local government since the creation of local authorities in 1995/96.</p> <p>Uncertainty around future delivery models and the scope of the National Care Service..</p> <p>The arrangements for Children's Services are still to be determined, but if these are removed from the local authority there are risks arising from the arm's length proximity to Education.</p> <p>Tight timescales for implementation by the end of the current Parliamentary term in 2026, when boundaries and service scope are uncertain.</p>	<p>Delays in the implementation of existing priorities and commitments as a result of diverted resource.</p> <p>Potential loss of 'whole service' approach within local government that benefitted from shared leadership and links across essential services.</p> <p>Risk to the ongoing work and service delivery by the Council into Children's Services if these are removed from the local authority.</p>	<p>Engagement within the Health &amp; Social Care Partnership with lead professionals, input by Senior Managers within the HSCP and consideration by the Partnership Senior Management Team on the Scottish Government's proposals for the National Care Service.</p> <p>Responding to national consultations directly and through the appropriate professional bodies and engagement via the National Care Service Forum.</p>		4	3
<b>Status</b>	<b>Risk Score</b>	<b>Heat Map</b>		<b>Change in Score</b>	<b>Approach</b>
Decreasing	12			<p>Likelihood 5→4</p> <p>Impact 4→3</p> <p>= 20 → 12</p>	Treat

Strategic Risk Action Plan				Date Updated	13-Oct-2023
Analysis of Effectiveness of Controls	Further Action Required	Target Date for Completion	Officers Responsible	Current Status: RAG	
<p>Further actions will be identified and undertaken once details are known around the scope of the National Care Service and timescales for implementation.</p> <p>A detailed response plan will be prepared which will detail the preparations required in order to mitigate any risk.</p>	<p><b>27 January 2023:</b> Actions will be identified and progressed in due course.</p> <p><b>13 October 2023:</b> No further update at this time.</p>	31-Mar-2026	Caroline Cameron/Mark Boyd/Craig Hatton	●	