
NORTH AYRSHIRE COUNCIL

27 September 2022

Audit and Scrutiny Committee

Title: Strategic Risk Register 2022/23

Purpose: To inform the Committee of the Council's agreed Strategic Risk Register for 2022/23.

Recommendation: That Committee notes the Strategic Risk Register.

1. Executive Summary

- 1.1 The Strategic Risk Register has been reviewed and updated for 2022/23.
- 1.2 Six of the eight previous risks remain on the Strategic Risk Register at their existing risk scores and titles – Financial Environment, Inequalities, Cyber Security, Transformation, Climate Change and Community Capacity Building & Empowerment.
- 1.3 Financial Sustainability of the Health and Social Care Partnership has reduced in risk score from 16 to 12 as a result of further positive corrective actions improving the partnerships financial position.
- 1.4 A risk relating to the impact of Covid-19 was tabled at Cabinet in March 2020 as the pandemic emerged. This risk has been renamed 'Operating Environment' and updated to take account of the challenges of recovery and the uncertain operating environment.
- 1.5 The Strategic Risk Register was agreed by Cabinet on 7 June 2022.
- 1.6 It is noted that there are emerging risks associated with the creation of a National Care Service and officers are currently working to incorporate this into the next update to the Strategic Risk Register.

2. Background

- 2.1 North Ayrshire Council is committed to ensuring that it is proactive in identifying and managing the risks impacting on the authority. The Council recognises that a certain amount of risk is inevitable if the organisation is to achieve its objectives.
- 2.2 The aim of risk management is to reduce the likelihood and/or impact of risk by identifying and controlling risks to the Council. If risk is to be managed appropriately, and Services are aware of these risks, risk management can contribute positively

towards the organisation's decision-making processes, making the Council more innovative and effective in its approach to service delivery.

- 2.3 The most significant risks are identified through the Council's Strategic Risk Register (SRR), recognising the challenges facing the Council and demonstrating the arrangements in place to manage these risks.
- 2.4 The Strategic Risk Register has been reviewed and updated for 2022/23 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 Six risks remain on the Strategic Risk Register at their existing risk scores – Financial Environment, Inequalities, Cyber Security, Transformation, Climate Change and Community Capacity Building and Empowerment.
- 2.7 Financial Sustainability of the Health and Social Care Partnership has reduced risk score from 16 to 12 which is a continuous line of improvement following a reduction from 20 to 16 in 2021/22.
- 2.8 A risk relating to the impact of Covid-19 was tabled at Cabinet in March 2020 as the pandemic emerged and wording subsequently formulated. This risk has now been renamed 'Operating Environment' and updated to consider the challenging emerging risks. This considers a number of proximate and relevant risks such as recovery, living with covid, Inflation impacts - cost of living and supply chain/construction inflation.
- 2.9 Very High Risks
- **Financial Environment** - this risk reflects the ongoing financial challenge faced by the Council. (risk score 20)
 - **Inequalities** - this highlights the socio-economic inequalities faced in North Ayrshire. (risk score 20)
 - **Emergent Operating Environment** – this risk reflects the challenges the Council and its partners are facing as we move out of a covid control environment requiring agile strategy. (risk score 20)

High Risks

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

2.10 Council Services have identified high level strategic actions within their planning for 2022/23 to help the Council mitigate against its strategic risks. These actions are detailed in summary format in the Risk Management Action Plans following each Risk within Appendix 1. These actions will assist with performance monitoring and reporting on the strategic risks.

2.11 The Council's Internal Audit Plan 2022/23 was approved at the Audit and Scrutiny Committee on 8 March 2022 and is risk-based with clear links in place between the audit plan and key risks the Council faces.

3. Proposals

3.1 Committee is requested to note the Strategic Risk Register 2022/23.

4. Implications/Socio-economic Duty

Financial

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

Human Resources

4.2 None.

Legal

4.3 None.

Equality/Socio-economic

4.4 The risk to the Council is that North Ayrshire residents, and in particular certain groups, will experience increasing levels of poverty and its effects. Current control measures fall into two categories - measures to address the root causes of socio-

economic inequalities - income through employment or benefits – and mitigation measures to minimise the impacts of poverty.

Climate Change and Carbon

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

Key Priorities

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

Community Wealth Building

- 4.7 None.

5. Consultation

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

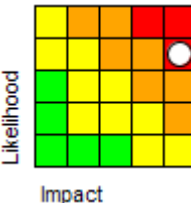
Mark Boyd
Head of Service (Finance)





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

Background Papers


None.

Appendix 1 - Strategic Risk Report 2022/23

Risk Code	SRR2223_R01	Risk Title	Financial Environment		Latest Note Date	20-Feb-2022	
Risk Owner		Mark Boyd					
Risk Proximity Factors		Consequences / Impact		Existing Risk Control Measures		Likelihood	Impact
<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. Although the 2022/23 local government settlement represents an increase of 0.90% in core grant funding, this has to continue to be looked at within the context of financial pressures facing the council including pay, contractual and demographic pressures over the short, medium and long term and more recently through the significant inflationary pressures faced by the council. 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.</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>		Funding not keeping pace with demand and cost means that there will be a reduction in some service areas potentially resulting in higher risks for service users.		<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 Council approved a balanced budget for 2022/23 on 2 March 2022. Further funding of £3.209m was announced by SG on 27 January 2022, taking the settlement to a 0.90% increase from last year. A range of additional finance pressures have been identified including additional national insurance contributions, energy cost inflation, contractual commitments as well as significant construction inflation coming through the capital programme.</p> <p>Based on the outturn position in 2021/22 for the IJB, the annual debt repayment to the Council of £1.497m will again be achieved and it anticipated the debt will reduce from £3.807m to £2.310m at 31 March 2022. This position is further supported by the creation of an unearmarked reserve currently sitting at over £4m.</p>		4	5
Status		Risk Score	Heat Map	Likelihood		Change in Score	Approach
Stable		20				No change	Treat

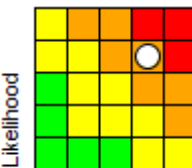
Strategic Risk Action Plan			Date Updated	20-Feb-2022
Analysis of Effectiveness of Controls	Further Action Required	Target Date for Completion	Officers Responsible	Current Status: RAG
Regular financial monitoring of Revenue and Capital Budgets	20 February 2022: Bi-monthly monitoring	31-Mar-2024	Mark Boyd	
Deliver balanced Budget for 2022/23	20 February 2022: Budget delivered for 2022	02-Mar-2022	Mark Boyd	
Maintain Financial Governance Arrangements for IJB	20 February 2022: Bi-monthly monitoring.	31-Mar-2024	Mark Boyd	
Progress dialogue via COSLA with Scottish Government on a range of areas including fair funding, multi-year settlements, reduction in levels of ring-fenced resources, true costs of SG policy areas and financial flexibilities	20 February 2022: Regular engagement through Directors of finance group	31-Mar-2024	Mark Boyd	





Risk Code	SRR2223_R02	Risk Title	Inequalities		Latest Note Date	16-Feb-2022
Risk Owner		Audrey Sutton/Caroline Amos				
Risk Proximity Factors		Consequences / Impact	Existing Risk Control Measures	Likelihood	Impact	
<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>Tackling inequalities is a strategic priority of the Community Planning Partnership (CPP), the Council and the HSCP.</p> <p>Current poverty-related controls fall into two categories: measures to address the root causes of socio-economic inequalities – income through employment or benefits – and mitigation measures to minimise the impacts of poverty. A range of strategies are in place: Fair for All, Children’s Services Plan, the Child Poverty Action Plan, Economic Renewal Strategy, Community Wealth Building, the Ayrshire Growth Deal.</p> <p>The HSCP tackles inequalities in areas of economy, health and community. Through the HSCP strategic plan, the Partnership sets out actions to tackle inequality through its Partnership Pledge and across its strategic priorities.</p> <p>The Alcohol and Drug Partnership has a focus on drug and alcohol misuse, with a focus on reducing the numbers of drug related deaths.</p> <p>The ‘Housing First’ programme provides tenancies for the most vulnerable homeless people in North Ayrshire, initially targeting households with addiction and mental health issues on discharge from prison.</p> <p>Through Covid-19 responses a whole system approach is being developed to support residents through a place based model of locality hubs and multi-agency locality working.</p> <p>We continue to progress work to fulfil our commitment in equality of opportunity in employment for all our employees. The Council’s pioneering Community Wealth Building Strategy focuses on five pillars to reduce inequalities and work is well underway on procurement, land and assets and fair employment.</p>	5	4	
Status		Risk Score	<div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><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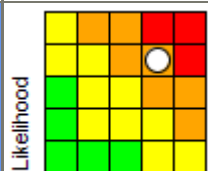
Strategic Risk Action Plan			Date Updated	11-Feb-2022
Analysis of Effectiveness of Controls	Further Action Required	Target Date for Completion	Officers Responsible	Current Status: RAG
Many of the current controls are in early to medium stages of implementation: Fair for All (ongoing) Children's Services Plan (new plan) Child Poverty Action Plan (new annual plan) HSCP Strategic Plan (new plan) Economic Renewal Strategy (new strategy) Community Wealth Building (in delivery) Ayrshire Growth Deal (launched and underway) New Ayrshire Regional Economic Strategy under development underpinned by a CWB approach to create an inclusive economy Recovery & Renewal Strategy	11 February 2022: Each of these strategies, taken together, and further developed and implemented, should make a significant contribution to inequalities. Actions are being progressed and remain within the Target date for completion. Commissioning commenced in Feb 22.	31-Mar-2024	Audrey Sutton/Caroline Amos; Caroline Cameron	


Risk Code	SRR2223_R03	Risk Title	Financial Sustainability of the Health and Social Care Partnership		Latest Note Date	08-Feb-2022
Risk Owner		Caroline Cameron				
Risk Proximity Factors		Consequences / Impact	Existing Risk Control Measures	Likelihood	Impact	
<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.</p> <p>There remains uncertainty around Covid-related costs and how these ongoing costs will be funded in the longer-term.</p> <p>In earlier years, the HSCP did not manage to contain spend within the delegated budget, but surpluses were achieved in 20-21 and 21-22. Outstanding debt to the Council is currently £2.321m following repayments 20/21 and 21/22. A further repayment of £1.486m will be made at the end of 22/23.</p> <p>Current Scottish Government proposals to introduce a National Care Service (NCS) by 2026 will significantly impact on the IJB. A consultation on the NCS closed in November 2021 and legislation will be developed by Summer 2022.</p> <p>Significant inflationary pressures across employee pay and contractual costs will increase the financial challenges for 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>Funding levels increase the requirement to transform services at scale and pace.</p> <p>In 2020-21 and 2021-22, the Partnership was in an underspend position.</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 Plan for 2022-25 has been presented to the March 2022 IJB. 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 reserves of £4.151m (at 01/04/21) and this position is expected to improve at the end of 21/22. It is anticipated that uncommitted reserves will be towards the lower end of the good practice target of 2%-4%.</p> <p>Significant funding has been provided to IJBs for the Covid-19 response, supported by regular financial returns to the Scottish Government. Costs were fully funded in 20/21 and 21/22 and funding was received late in 21/22 which has been carried forward into 22/23 to support ongoing Covid-related costs.</p> <p>The Scottish Government recently announced additional funding for the areas below which support the sustainability of the HSCP: : Enhanced Care at Home capacity : Interim Care : Multi-Disciplinary Teams; and : Mental Health Recovery and Renewal</p> <p>The Partnership has a Transformation Board overseeing the programme of service re-design.</p>	3	4	
Status		Risk Score	<div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><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Strategic Risk Action Plan			Date Updated	08-Feb-2022
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.	8 February 2022: No additional actions planned at this time but will keep under review	31-Mar-2024	Caroline Cameron; Paul Doak	
Corrective Action – Transformation Board is effective	8 February 2022: No additional actions planned at this time but will keep under review.	31-Mar-2024	Caroline Cameron; Paul Doak	



Risk Code	SRR2223_R04	Risk Title	Cyber Security		Latest Note Date	03-Feb-2022
Risk Owner		Fiona Walker				
Risk Proximity Factors		Consequences / Impact	Existing Risk Control Measures	Likelihood	Impact	
<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>The ongoing response to the Covid-19 pandemic has resulted in the remote and mobile working by staff as effectively being the normal working practice. This is likely to continue as a hybrid approach becomes the new normal. Such a distributed work force increases the complexity of protecting against cyber and data protection risks.</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	
Status		Risk Score		Change in Score	Approach	
Stable		16		No change	Treat	

Strategic Risk Action Plan			Date Updated	03-Feb-2022
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.	3 February 2022: In progress – Documenting and embedding of specific response procedures has still to be completed. Revised target date of 31 st December 2022 taking cognisance of ongoing recruitment process for a replacement cyber security lead.	31-Dec-2022	Fiona Walker	
	3 February 2022: In progress – A joint procurement of a Managed Security Operations Centre (SOC) service with other local authorities is being taken forward by the Digital Office. The intention is to have this agreed by April 2022 and implemented by the end of 2022.	31-Dec-2022	Fiona Walker	
	3 February 2022: In progress – The investigation of potential options and quotes is still underway with Aon. The risk assessment is complete and will now be used in discussions to establish whether it is possible to broker for quotes. Revised target date of 31 st December 2022 taking cognisance of ongoing recruitment process for a replacement cyber security lead.	31-Dec-2022	Fiona Walker	
Training and Awareness – The pandemic has impacted on the cyber training programme with the long-term cancellation of all classroom-based training. However, a new online course was launched to compensate for this.	3 February 2022: In progress – Review of effectiveness still to be undertaken. Revised target date of 31 st December 2022 taking cognisance of ongoing recruitment process for a replacement cyber security lead.	31-Dec-2022	Fiona Walker	






Risk Code	SRR2223_R05	Risk Title	Transformation			Latest Note Date	20-Feb-2022
Risk Owner		Mark Boyd					
Risk Proximity Factors		Consequences / Impact		Existing Risk Control Measures		Likelihood	Impact
There is an overarching risk that transformation and change management activities, which are core to the future delivery models and long-term financial sustainability of both the Council and Health and Social Care Partnership, fail to deliver.		Failure to deliver transformational change will impact on the Council’s financial sustainability, effectiveness of service delivery and delivery of the outcomes set out in the Council Plan 2019-24 and the Local Outcome Improvement Plan (LOIP). Failure to deliver the HSCP Transformation programmes across the Partnership, involving North Ayrshire Council (NAC) and NHS Ayrshire & Arran (NHSAA) services may lead to the identified outcomes not being delivered; resulting in financial instability, reduced performance, deteriorating patient outcomes, and reputational damage within North Ayrshire Health and Social Care Partnership (NAHSCP). Failure to embed cultural transformation activities may lead to difficulties in building future workforce capacity and in ensuring we have an engaged, skilled and knowledgeable workforce to meet service demand.		The transformation programme aligns to the Council Plan and is monitored via the Executive Leadership Team (ELT) and the Transformation Board. Workstreams have been developed across Transport and Travel, Accessing our Council, Land and Property, Our Future Working Environment and Sustainable energy. A Benefits Tracking monitoring tool is being developed to ensure financial and wider outcomes, aligned to our Transformation plan, are captured. 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 will approve budget and Strategic Plan for 2022-23 which will align financial plans with transformational strategic change ambitions. Cultural transformation activities continue to evolve to support the Council’s transformation and improve effectiveness and capability. This includes sharing learning and skills, engagement, design experiments and a whole systems approach to transformation and change. Our workforce planning approach utilises a variety of tools and techniques, such as career development, succession planning, vacancy management, redeployment and early release schemes to ensure our workforce requirements for the future, in terms of skills and capabilities, are planned. Each Head of Service has a workforce plan, and these are monitored six-monthly with continued HR support and guidance to ensure service review and redesign of the workforce is on track.		4	4
Status		Risk Score	Heat Map			Change in Score	Approach
Stable		16				No change	Treat

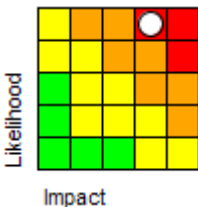
Strategic Risk Action Plan			Date Updated	20-Feb-2022
Analysis of Effectiveness of Controls	Further Action Required	Target Date for Completion	Officers Responsible	Current Status: RAG
Existing project level governance and controls remain effective and are constantly reviewed.	20 February 2022: Transformation has recently moved to the Finance Service and continues to progress existing plans as well as integrating into the service and associated workstreams.		Mark Boyd	

Risk Code	SRR2122_R06	Risk Title	Climate Change		Latest Note Date	22-Feb-2022
Risk Owner		David Hammond				
Risk Proximity Factors		Consequences / Impact	Existing Risk Control Measures	Likelihood	Impact	
<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 rise 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>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>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.</p> <p>The third iteration of the Environmental Sustainability & Climate Change Strategy was approved by Cabinet in May 2021, providing a road map to achieve the net zero carbon emissions by 2030 target. Climate Change Adaptation has been included as a workstream within the new strategy, utilising Adaptation Scotland’s Capability Framework to ensure North Ayrshire takes a strong, proactive approach to adapting to climate change. Officers are participating in the Sustainable Scotland Network’s ‘Adaptation Scotland Benchmarking Group’ to learn and share best practice with other local authorities.</p> <p>The Flood Risk Management Strategy has been developed into a 6-year plan which began in 2016. A second plan, which will follow on, is in development.</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>	4	4	
Status		Risk Score	<div><div><div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div></div><div>Likelihood</div><div>Impact</div></div><div>Heat Map</div></div>	Change in Score	Approach	
Stable		16		No change	Treat	

Strategic Risk Action Plan			Date Updated	22-Feb-2022
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.</p> <p>We have seen a reduction in overall carbon emissions in the first half of 2021/2022 from 9,918tCO2 to 9,706 tCO2.</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>22 February 2022:</p> <p>Continuing the Implementation of the 3rd Environmental Sustainability & Climate Change Strategy, which Includes a Roadmap with actions towards achieving the target. The ESCCS 3 contains workstreams:</p> <ul style="list-style-type: none"> • Affordable Warmth • Green Economy • Transport and Travel • Natural Environment • Sustainable Operations • Carbon Absorption • Climate Change Adaptation, which follows Adaptation Scotland's Capability Framework, to build a climate resilient North Ayrshire. <p>Significant progress has been made in 2021/22 and this will be built on in 2022/23. Actions are being progressed and remain within the Target date for completion.</p>	31-Mar-2023	David Hammond	
<p>The Flood Risk Management Strategy:</p> <p>This has been developed into a multi-year plan which began in 2016. The strategy involves taking a proactive approach to flood protection, using modelling to identify vulnerable assets. Assets will then be protected on a prioritised basis taking financial damages and other impacts such as danger to life and disruption into account.</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 2030 target.</p>	<p>22 February 2022:</p> <p>We will continue the implementation of the flood risk management strategy and develop the next flood risk plans. Adaptation to the impacts of climate change can be seen in the Flood Protection Schemes being developed and delivered in the Upper Garnock Valley and Millport. This is a continuous risk based and cyclical process.</p>	31-02-2024	David Hammond	

Risk Code	SRR2122_R07	Risk Title	Community Capacity Building and Empowerment		Latest Note Date	20-Feb-2022
Risk Owner		Rhona Arthur				
Risk Proximity Factors		Consequences / Impact	Existing Risk Control Measures	Likelihood	Impact	
<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>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>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>	3	4	
Status		Risk Score	Heat Map	Change in Score		Approach
Stable		12		No change		Tolerate

Strategic Risk Action Plan			Date Updated	20-Feb-2022
Analysis of Effectiveness of Controls	Further Action Required	Target Date for Completion	Officers Responsible	Current Status: RAG
Implementation of CEA: Existing controls remain effective and are keep under review to monitor the impact of Covid-19.	22 February 2022: Strategic CLD Plan 2021-2024 identifies priorities for capacity building and the programme of community support is addressing needs. New larders and Community Cafes are being supported by the NA Food System. All other actions are being progressed and remain within the Target date for completions.	31-Mar-2024	Rhona Arthur	
Implementation of CEA: Existing controls remain effective and are keep under review to monitor the impact of Covid-19.	20 February 2022: Action ongoing to test current community priorities with recent consultation on the Local Outcome Improvements Plan.	30-Mar-2022	Rhona Arthur	
Staff capacity: Existing controls remain effective and are keep under review to monitor the impact of Covid-19.	20 February 2022: Staffing capacity increased with CAT Start Up Fund June 2021.	31-Mar-2024	Rhona Arthur	
Alignment of engagement: Existing controls remain effective and are adapting to respond to the impact of Covid-19.	20 February 2022: Actions are being progressed and remain within the Target date for completion.	31-Mar-2024	Rhona Arthur	
Consultation: Existing controls remain effective and are adapting to respond to the impact of Covid-19.	20 February 2022: Actions are being progressed and remain within the Target date for completion.	31-Mar-2024	Rhona Arthur	

Risk Code	SRR2223_R08	Risk Title	Operating Environment			Latest Note Date	24-Feb-2022
Risk Owner		Mark Boyd					
Risk Proximity Factors		Consequences / Impact		Existing Risk Control Measures		Likelihood	Impact
<p>Residual societal impacts from ongoing ‘background’ waves of the pandemic and new strains emerging. As the population mixes again dormant infections such as norovirus outbreaks will rise.</p> <p>There are ongoing and interrelated strategic risks caused or exacerbated by the pandemic ranging from increased technology/cyber risk, financial (multiple impacts), supply chain – particularly ICT and specialist equipment, inequalities to how this affects our transformation ambitions.</p> <p>The war in Ukraine is having indirect costs and affecting market confidence. It is also causing supply chain issues.</p> <p>A significant risk is inflation which is affecting the cost of living and construction projects. Partly accelerated by factors including Brexit and Covid, as well as general inflationary pressures, there is a significant risk of construction cost inflation impacting on capital investment plans, including the Ayrshire Growth Deal.</p> <p>Other factors may increase constriction cost, such as low carbon development solutions.</p> <p>Concurrent’ resilience risks such as Cyber Security and ‘Blackstart’ power resilience risks add a layer of complexity.</p>		<p>Delays to key plans, objectives and projects.</p> <p>Consequences from this period including financial loss, backlogs, socioeconomic, health and mental health impacts on our staff and communities.</p> <p>The disruption to proactive work in the community has been detrimental to inequalities, poverty, socio-economic and health workstreams.</p> <p>The impact of construction cost inflation is starting to materialise and project development is requiring to adapt and often descope to this.</p> <p>Largely the issue will be a future issue that will impact on construction projects that do not have a completed build tender process in place to restrict movement of material price.</p>		<p>Strategic, tactical and operational response groups formed.</p> <p>Effective internal and external digital communication strategy in place.</p> <p>Established but developing hub model North Ayrshire and Anchor Community Partners.</p> <p>The ‘North Ayrshire Food System’ has been developed to ensure enhanced resilience.</p> <p>Ongoing interpretation of guidance, involvement with national and local resilience partners and horizon scanning.</p> <p>Increased work on concurrent resilience risk planning.</p> <p>Refreshing the approach to Business Continuity Management.</p> <p>Redesigning project scope to reduce what can be delivered to meet inflated costs</p> <p>Identification of additional budget to support Business Continuity measures</p> <p>Negotiation with funders to seek either of the above, where applicable.</p> <p>Robust financial planning through the Medium term financial Plan and 10 Year Capital programme to recognise impact of inflation on budgets.</p>		5	4
Status		Risk Score			Change in Score	Approach	
Uncertain		20			Revised risk	Treat	

Strategic Risk Action Plan			Date Updated	24-Feb-2022
Analysis of Effectiveness of Controls	Further Action Required	Target Date for Completion	Officers Responsible	Current Status: RAG
<p>There is ongoing work to develop business continuity processes and ensure constant horizon scanning for emerging risks.</p> <p>The Capital Programme Asset Group and Ayrshire Growth Deal Governance board will continue to assess this emerging environment.</p>	<p>24 February 22:</p> <p>This risk will be monitored as the Council emerges from covid related controls through the period of increasing inflation and update on relevant actions at mid-year update.</p>	-	-	