MORAY COUNCIL

CORPORATE RISK REGISTER AS AT AUGUST 2023

SUMMARY OF PRINCIPAL RISKS			
Nature of Risk	**Main issues**	**Risk Score**	**Risk Movement**
1. Collaborative Leadership	Leadership challenges remain. Central relationships and decision making processes can be strained and ineffective; Risk is unchanged.	**20**	⟷
2. Financial	Demand for services outstrips available budget. Council is unable to make savings or generate income that meets expectations of government, citizens or regulators. Financial settlements for councils remain uncertain in the longer term. Current position is unsustainable; risk remains very high.	**20**	⟷
3. HR (Staffing)	Inability to recruit and retain well qualified or experienced staff across a number of service areas, staff workloads are unsustainable. Additional pressures associated with pandemic resulting in increased absenteeism and reduced staff morale. Suite of measures developed in mitigation, but residual risk still assessed as very high.	**20**	⟷
4. Regulatory	Expected governance standards are unmet. Statutory or regulatory breaches occur. Council is subject to censure. Governance systems and processes mitigate; and upon review, the overall assessment is that this risk has diminished.	**9**	⬇
5. Environmental	Impact of climate change including severe weather events. Clear route map to zero established and approved. Lessons learned from response to storm events of winter 2021/22 and action plans developed. Limited capacity to drive forward multiple initiatives is evident. Latest assessment is that progress necessary to meet plan targets will require significant external funding; this risk score has increased.	**16**	⬆
6. Reputational	Council decisions result in litigation/judicial review; expectations from external inspections and of service users are not met; performance targets set at levels not aligned to capacity to deliver. While reputational issues remain likely to occur from time to time given the range and scale of services delivered; the impact of same is typically localised; this risk score has reduced.	**10**	⬇
7. Operational Continuity and Performance	Council performance falls below targeted levels for sustained period; impacts of the pandemic and the need to focus on priorities; transformational change impacts on service delivery. While this risk cannot be entirely separated from other risks	**9**	⬇

	identified, increasingly there is a greater understanding of the environment in which the council operates in and a need to manage expectations; in this context the risk score is reduced with likelihood and impact assessed as possible and moderate respectively.		
8. IT (Technological)	Major disruption in continuity of ICT operations; new ways of working create added pressures for ICT staff; data security is compromised. With ICT systems integral to the effective delivery of most if not all services, the impact from disruption to services is at the highest level and notwithstanding risk mitigation measures in place, the potential for disruption e.g. from external threats remains likely. The risk level here is unchanged.	20	⬌
9. Economic Recovery/ Sustainability	The council has delivered its economic recovery plan post the pandemic and refreshed with partners the Moray Economic Strategy. Growth Deal projects are progressing as planned; but challenges remain post pandemic including inflationary pressures and a tight labour market; in overall terms, this risk is unchanged.	16	⬌

RISK CLASSIFICATION

RISK RATING	LOW	MEDIUM	HIGH	VERY HIGH
RISK MOVEMENT	DECREASE ↓	NO CHANGE ↔	INCREASE ↑	

The process for managing risk is documented separately in the council's risk policy, strategy and guidance notes. The risk rating is calculated by reference to assessed likelihood and impact (on a scale of 1 to 5) for each identified risk. The minimum score (lowest risk) being 1x1=1, the maximum (highest risk) 5x5 =25. Scores of 3 and below are ranked low, green; between 4 and 6 medium, yellow; between 8 and 12 high, amber; and 15 and above very high, red, as per the table below.

LIKELIHOOD

		1 Minimal	2 Minor	3 Moderate	4 Major	5 Catastrophic
Almost certain	5	5	10	15	20	25
Likely	4	4	8	12	16	20
Possible	3	3	6	9	12	15
Unlikely	2	2	4	6	8	10
Remote	1	1	2	3	4	5

IMPACT

1.

Description of Risk: Collaborative Leadership.
A lack of collaborative working between councillors/councillors and councillors/officers creates the risk that:
- The Council's strategic priorities are not fully achieved.
- The Council's decision making processes are less effective with decisions being delayed or avoided.
- Staff time resources are not optimised on council priorities
- Partnership working is not as effective as it could be.

Lead: Elected Members / Council Administration / Chief Executive / Corporate Management Team
As this is a collective risk it is important that the views of councillors are considered as part of this risk assessment and review. Views of senior councillors are sought in in updating the risk.

Risk Rating: low/medium/high/very high

VERY HIGH
Likelihood 4 x Impact 5 = Score 20

Rationale for Risk Rating:
Leadership risk has been a theme running through council Best Value Assurance Reports for some time with the latest progress report March 2022 calling for committed decisive leadership and for the council to aim for a positive culture in which members and senior officers work effectively together. The May 2022 elections saw a 58% turnover of councillors and, following a change in senior councillor positions in August 2022, there has been a period of settling in of new council. Since then there is evidence of cross party working being re-established (both in and out of the council chamber). Addressing the Council's budget gap will be a challenge for this cross party working. Tensions between councillors and officers are evident in some committee meetings and can impede progress on key areas of council business.

Risk Movement: increase/decrease/no change

Risk Appetite:
There is a strong appetite for the council to be successful in delivering best value services for its citizens against a challenging background of increasing demand and diminishing resources and a need to identify service priorities. Political stability is key to this success.

Controls:	Current and Proposed Mitigating Actions:
Ongoing elected member induction training programme delivered post 2022 election. Council's Best Value Action plan (under development) addresses collaborative leadership. Ten year strategic plan - Moray 2027 (the Local Outcomes Improvement Plan) being delivered jointly by the council and its community planning partners. Corporate Plan consultation is underway setting out high level council priorities and aligning these to the budget setting process. Plans emphasise prevention and resilience to reduce partner interventions and aid securing of sustainable outcomes. Suite of Governance Documents in place and regularly updated; Remit of Audit and Scrutiny Committee including Scrutiny Guide reviewed and considered by Council Engagement at councillor and officer level with government, COSLA and audit bodies re political challenges facing the council. Political group leaders meet regularly to discuss areas of risk and determine areas of consensus and disagreement as an aid to collegiate working.	This risk has been consistently rated at 20 (likelihood 4, impact 5) for a number of years. A newly formed forum for cross party working had been convened. This is called the "members sounding board" and replaces the previous group "political group leaders". Work has taken place from July to September 2023, with external expertise, to diagnose the issues which need to be addressed. Further activity has been planned around collaborative leadership to help councillors and officers work more effectively together. It is expected that this planned activity will reduce the risk likelihood although the risk impact, given its strategic nature, should remain at its current level. Maintaining and regularly reviewing this risk on the Council's Corporate Risk Register and Best Value Action plan will focus attention on reducing the risk.
Current performance: The framework for political governance has been affirmed using the controls outlined above. The Council has been alerted to the significant challenges it faces from both internal and external pressures as it seeks to continue to deliver Best Value services to the community it serves.	**Comments:** Leadership risks can be mitigated to some extent by structures and processes that regulate the workings of the council and these continue to be developed. However, risks remain likely in the current economic climate and as a consequence of the political balance of the council.

2.

Description of Risk: *Financial:* There is a risk of financial failure with demand outstripping available budget. While a budget has been agreed for 2023/24, risks highlighted previously by the Chief Financial Officer remain, including uncertain levels of government funding in future years, price inflation, the potential for further increases in interest rates leading to higher borrowing costs, and pay award settlements unknown. Ring fenced funding, in particular for teachers and pupil support staff, also limits the council's ability to manage workforce numbers and associated budgets.

Savings targets required for 2023/24 have been identified as likely to be particularly challenging, with improvement and modernisation of services a key priority for the council to take forward. This has the potential to impact on all sectors of the community, particularly so on those who are most disadvantaged, and the council recognises its duty to minimise inequality by targeting support towards those who need it most. Financial risk is being actively managed with financial monitoring and reporting undertaken throughout the year.

Lead: Corporate Management Team/ Senior Management Team/ Chief Financial Officer (Section 95 Officer)

Risk Rating: low/medium/high/very high	Rationale for Risk Rating:
VERY HIGH **Likelihood 5 x Impact 4 = Score 20**	The Council has consistently delivered significant savings in recent years but the need to make further savings remains undiminished, and the challenge of continuing to do so while meeting service demands will be increased given the factors outlined above. Likelihood risk remains at the highest level. The impact remains at high noting that the council is committed to protecting the most vulnerable and disadvantaged when any changes in service delivery are proposed.
Risk Movement: increase/decrease/no change	**Risk Appetite:** The council has no risk appetite for financial failure given its statutory requirement to manage its resources in a responsible and prudent manner and to continue to deliver statutory services. However it also recognises, as a consequence of financial constraints, that services being curtailed are likely to result in a diminution of performance. Expectations of service users will require to be managed. There is also a recognition that public finances generally are constrained with uncertainty around future financial settlements, noting that full details of the 'New Deal' that seeks to reset the relationship between councils and the Scottish Government will not be available until later in 2023/24 financial year.

Controls:	Current and Proposed Mitigating Actions:
Financial plan in place with budget projections in place for current and next two financial years. Financial pressures identified. Short to medium term financial strategy under review. Regular budget monitoring reports (on capital and revenue) presented to council Financial regulations in place and regularly reviewed. Property Asset Management Plan established, including Capital Strategy Treasury Management strategy. Procurement Policies and Practice Energy Monitoring. Internal and External Auditing Plans in place for participatory budgeting Regular reporting of ongoing short to medium term financial planning to committee Annual pricing review on charges for services.	Continued development of short to medium term financial strategy and supporting actions to drive and secure savings for 24/25. Financial plan reporting to ensure council oversight and visibility of progress to addressing the budget gap Production of a Medium to Long Term Financial Plan being planned in tandem with consideration of the role of transformation and what the future council will look like in the context of the Council's finances. Work of the 'Transforming the Council' and Programme Boards including the BVAR and the Improvement and Modernisation Programme to inform further change and potential for redesign of services. Optimise, to the extent possible within available resources, access to additional funding streams from government and other external sources, in the form of specific grants or other ring fenced funding. Asset base requires sustainable rationalisation with the Smarter Working and Depot Review projects moving forward as well as school estate strategy. Community Engagement/Public Consultations planned as appropriate. .
Current performance: Despite the challenges outlined above an agreed budget for 2023/24 has been secured. The Annual Accounts for 2022/23 have been prepared and published in draft and are currently subject to audit. Financial monitoring of capital and revenue spend continues.	**Comments:** Financial risk is likely to remain very high for the foreseeable notwithstanding controls in place and planned mitigating actions.

3.

Description of Risk: *Human Resources (People):* Effect of planned staffing reductions on services, both on staff directly affected and on workloads of staff in teams where staff numbers are reduced. The flexible working policy has in part alleviated service pressures but with small teams, competing demands and a need to develop capacity for change, staff morale can be affected. High staff turnover and resultant vacancies also increases the risk of being unable to meet service demands, resulting in a focus on short term requirements to the detriment of planning for longer term service improvement.

Inability to recruit and retain well qualified or experienced staff, staff unprepared for change, lack of staff engagement, inadequate health and safety arrangements. With staff the council's most important resource, there is a need to ensure employees are equipped to embrace change and deliver services in different and innovative ways that as far as possible are sustainable at a time when resources are reducing. This will prove challenging given that further budget reductions are required, with potential workforce implications. There is also an increased risk that corporate and service plan targets will not be met, leading to reduced service quality and performance, a failure to deliver Best Value and less than satisfactory reports from inspectorates and other agencies.

Lead: Depute Chief Executive (Education, Communities and OD); Head of HR, ICT and OD.

Risk Rating: low/medium/high/very high	**Rationale for Risk Rating:**
VERY HIGH **Likelihood 5 x Impact 4 = Score 20**	Reduced ability of smaller teams to deal with competing and complex demands and to forward plan across a wider Council agenda and be ready with a strategic response. Difficult to recruit in a range of areas including certain subject teachers; vehicle technicians; specialist professional posts; senior management; clerical and administrative roles; temporary and relief staff; and community care employees. Staff turnover leads to loss of expertise and 'corporate memory' but workforce planning is used to offset this, especially for key roles. Inability to meet service demands and secure continuous improvement. Staff morale and productivity is adversely affected as a consequence of residual issues arising from the pandemic. Given the foregoing issues the risk rating remains at a very high level with current staffing challenges almost certain to continue, leading to a likelihood score of 5 with consequential moderate to high impacts in service areas directly affected.

Risk Movement: increase/decrease/no change	Risk Appetite:
	The council as a responsible employer has a duty to provide a safe, attractive and rewarding place to work, with employees central to the successful delivery of the council's strategic and service priorities. Accordingly, while acknowledging challenges in aspects of public sector recruitment and necessary changes to working practices post pandemic and to secure efficiencies, there remains a strong appetite to ensure staff morale and motivation is maintained at a high level and that the council is seen as an attractive place to work.
Controls: Corporate Workforce Plan, (reviewed and updated annually) in place Leadership Development Programme established Moray Management Methods promote consistency Employee Review and Development Programmes in place for teaching and non - teaching staff Employee Communications & Engagement Framework (including Interchange bulletins, senior manager visits and manager forums) Health and Work Policy Health and Safety Policies and Annual Report. Absence Management Policy Living Wage Employer accreditation secured to support recruitment strategies. Flexible working policy refreshed and rolled out as part of Smarter Working Initiative. Fire risk assessments completed in line with planned schedule. Mental health and wellbeing Pulse Survey results used to inform improvement actions	**Current and Proposed Mitigating Actions:** Continue to monitor senior management capacity to ensure it is sustainable and sufficient to deliver the transformational change programme required to secure financial stability, in addition to 'business as usual'. Annual Review of Workforce Strategy and Plan completed and activity to address the main themes of: Leadership capacity and development; ensuring leaders, managers and supervisors are equipped with skills and behaviours necessary for new ways of working. Supporting the workforce through a period of change including active management of vacancies and maintaining good employee relations. Organisational Development, with the workforce empowered and enabled to embrace change through a range of in-person and on-line training opportunities Reviewing recruitment and retention strategies to make the council an attractive place to work, continuing with apprenticeships and training programmes, and developing succession planning, where appropriate. Health and Wellbeing initiatives being taken forward to support staff in the workplace with linked objectives of proactively supporting attendance at work and reducing absenteeism.

Current performance: HR (staffing) risks were manifold for the duration of the pandemic with a reactive and adaptive response often required to maintain service continuity. Now in the recovery stage, the updated workforce plan gives new focus and direction to the HR service by establishing clear priorities. These are designed to provide both management and staff with the knowledge, skills and disciplines necessary to meet the council's transformation agenda.	Comments: This risk is being actively managed but may be impacted upon further should staffing arrangements or levels be subject to change in the incoming period.

4.

Description of Risk: *Regulatory:* Expected governance standards are unmet. Council is subject to censure.   The council is heavily regulated by statute, by national guidance and through local policy and procedures and, within its systems, has established checks and balances to support delivery of intended outcomes. Adapting council priorities and plans to accommodate new duties is key to limiting the risk of regulatory failure with elected members, on the advice of senior officers, being responsible for creating capacity to accommodate changes to policy and service delivery revisions.
Lead: Corporate Management Team/ Chief Financial Officer/ Monitoring Officer/ Heads of Service

Risk Rating: low/medium/high/very high	**Rationale for Risk Rating:**
HIGH **Likelihood 3 x Impact 3 = Score 9**	Governance arrangements have been developed over many years and are subject to regular oversight and monitoring. Systems and processes are subject to on-going review and development within the council and its services. Corporate support and review in relation to performance, audit, and inspection. Change increases the risk of system breakdown and non-compliance with regulatory requirements. In the current economic climate and having regard to the challenges facing the wider public sector a neutral scoring has been allocated with a regulatory breach not likely but possible and the impact potentially in the range from significant to minor dependent on the circumstances presenting.
Risk Movement: increase/decrease/no change	**Risk Appetite:**
	The council has zero appetite for regulatory failure and takes seriously its responsibility to ensure all services are in compliance with statutory regulations and standards. A robust approach is taken to securing governance arrangements which includes suitable systems of internal control, albeit capacity issues can emerge where new duties are placed on the council.

Controls:	Current and Proposed Mitigating Actions:
Governance statement prepared annually in line with best practice guidance. Monitoring officer oversees governance processes. Constitutional documents available to direct good governance. External scrutiny and inspection programme Internal and external audit arrangements Suite of Governance and Scrutiny documents in place and regularly updated.	Continue to monitor likely impacts from new policy initiatives that have the potential to require significant council resource inputs. Consider statutory duties and other directions when updating strategic plans acknowledging these when developing council priorities. Ensure capacity to deliver new duties is fully considered and anticipate and report on any implications that have potential to lead to non-compliance. Complete delivery of actions in Best Value action plan. Pro-active management response to issues raised in inspection reports. Continued active participation in delivery of joint services with statutory and other partners as appropriate.
Current performance: The council considers its current governance arrangements to be generally fit for purpose, acknowledging that these need to remain under active management and review to meet any revised regulatory challenges the council may face.	**Comments:** The public sector is highly regulated with legislation and best practice guidance adopted both corporately and within services to ensure openness and accountability for the use of public funds. Established practices remain likely to be challenged by change and by expectations of service users.

5.

Description of Risk: *Environmental:* Ability of the council to respond to climate change emergency, to keep up with the pace of changing carbon reduction, waste and environmental targets. Impact of climate change and severe weather events; ability to deal with unforeseen emergencies is compromised by inadequate resilience. The council continues to invest in projects to address climate change issues, to manage energy use and ensure it is well placed to respond to crisis situations in conjunction with the emergency services and other partners.

Lead: Depute Chief Executive (Economy, Environment and Finance), Head of Environmental and Commercial Services

Risk Rating: low/medium/high/very high	**Rationale for Risk Rating:**
HIGH **Likelihood 4 x Impact 4 = Score 16**	This risk, although multi-faceted and challenging, has been partially mitigated by progress made to reduce current and future threats through the development of clear action plans, noting that longer term achievement of climate targets will only be feasible if additional external funding is secured. Given this and wider economic challenges, the likelihood of targets slipping has been increased, and thus impact will also increase should plans for achieving net zero be delayed. The situation remains under close review by the Climate Change team. It also remains the case that any reduction in workforce from budget balancing exercise could impact on the council's ability to respond to emergency environmental situations arising from adverse weather events.
Risk Movement: increase/decrease/no change	**Risk Appetite:**
	Proportionality is reflected in risk appetite such that the development and application of preventative measures mitigates risks to pre-determined and achievable levels recognising it is neither feasible nor affordable to eliminate every environmental risk that may be faced.

Controls:	Current and Proposed Mitigating Actions:
Climate Change Strategy for 2020-2030 in place Climate change route map to zero updated and subject to ongoing monitoring Climate change and energy teams in place Recycling awareness promoted and high rates achieved. Residual waste no longer sent to landfill but processed through energy from waste plant. Street light replacement programme completed to reduce carbon emissions and energy costs. Electric pool cars introduced as part of council fleet de-carbonisation together with cycling/walking initiatives. Housing investment programme which aims to achieve energy efficiency standards Moray Development Plan considers climate change issues Council part of North of Scotland Regional Resilience Partnership Council Co-ordination Centre established and operational; crisis communications secured Emergency response co-ordinators and support staff identified and trained.	Growth Deal –Bus Revolution being implemented to improve access to greener travel. Coastal erosion/ protection – strategy under development Smarter Working policy developed and Depot Review being progressed– both contributing to de-carbonisation through reduced staff travel and smaller portfolio of buildings to service and maintain. Route map to zero monitoring and reporting. Supporting locally sourced procurement to limit environmental impacts. Planning for emergency disruption from extreme weather events continues. Continue working with partners where appropriate to secure additional funding that will support climate change mitigation initiatives e.g. Just Transition Fund
Current performance: Existing controls and mitigating actions seek to maintain and enhance Moray's reputation as a thriving area and a great place to live. The practicalities and costs of achieving the climate change commitments will remain challenging throughout delivery of the programme to secure net zero. The latest data available indicates that 2030 remains in the range of possible dates when net zero will be met; this however is dependent on the council committing to an aspirational approach to reducing carbon emissions in key areas, while accepting that the ability to implement such an approach is currently uncertain unless significant external funding is secured.	**Comments:** Climate change targets and associated costs are significant and will impact on all Council services.

6.

Description of Risk: *Reputational:* Not meeting agreed performance targets (e.g. on educational attainment); Not delivering on key projects within Improvement and Modernisation Programme, over spending or failing on a school build; failure on Best Value delivery plan; Major adult or child protection failure: Missing a major policy direction or funding opportunity because resources are so tight.

The council provides services to all sectors of the community and while committed to high service standards, the diversity of service provision and the expectations of the public may increase the risk that the council's reputation could be called into question. This risk generally is considered to be managed through performance management, organisational development, the application of codes of conduct, complaints procedures and similar, however any reduction in services to any individual or group of individuals may justly or otherwise impact on the Council's reputation.

Lead: Corporate Management Team/ Heads of Service/

Risk Rating: low/medium/high/very high	Rationale for Risk Rating:
HIGH **Likelihood 5 x Impact 2 = Score 10**	The risk rating has regard to established systems, procedures and controls designed to prevent adverse reputational damage, and how updated policies increasingly reference the need for prioritisation of scarce resources. This recognises that at a time of service reduction and curtailment the likelihood of increased criticism of council services remains at the highest level albeit the impact following consideration has been reduced. In part this is based on it being evident that service delivery challenges apply across the public sector and through various mechanisms including community engagement, media reports nationally and locally, and complaints responses there is an increased understanding of the challenges faced. As such the impact from any reputational damage the council may face has been reduced from moderate to minor.
Risk Movement: increase/decrease/no change	**Risk Appetite:**
	The council endeavours to avoid reputational risk and is committed to continuous improvement in the delivery of services either on its own or with partners. It seeks to deliver these services having regard to its equality duty and has set targets for doing so through a customer charter. However it is accepted that reputational damage is a potential consequence of service reduction or cessation.

Controls:	Current and Proposed Mitigating Actions:
A suite of policy, strategy, governance, organisational development, project management and performance management measures are in place to enable delivery of the services to a standard which mitigates the risk of significant damage to the council's reputation. Consultation protocols established and range of consultation and engagement with public and workforce carried out over period of time. Customer charter in place and customer focus strategy developed to improve citizen engagements and provide a consistent experience across services Formal complaints procedures in place Performance management reporting framework updated Corporate Management Team monitors external inspection processes and outcomes. Freedom of Information processes. Risks fully considered in committee reports requiring a decision. Suite of Governance and Scrutiny Documents in place and regularly updated.	Ongoing review, redesign and implementation of policy, strategy governance, organisational development, project management and performance management. Regular meetings with officers and inspection agencies to support and challenge progress towards improvement. Effectiveness of customer focus strategy to be monitored Means of communicating changes impacting service users to be monitored Improved outcome reporting of service delivery and linked performance indicator measures Progress Improvement and Modernisation Programme to optimise service delivery arrangements
Current performance: It is unlikely the risk of reputational damage can ever be fully eliminated given the breadth of services the council provides, nonetheless, the council takes its obligation to mitigate risk through the establishment and application of controls detailed above.	**Comments:** A range of measures are in place to regulate how the council interacts with citizens and to address any issues where recipients of services are dissatisfied with outcomes.

7.

Description of Risk: *Operational Continuity and Performance:* The council is unable to deliver services or performance falls below acceptable levels for a sustained period; insufficient business continuity planning; changes in working practices impact on service delivery. Going forward it is recognised that operational continuity and performance may be affected as a consequence of service re-design and changes in service delivery and challenges remain to ensure alignment of available resources to service delivery standards.

Lead: Corporate Management Team/ Heads of Service

Risk Rating: low/medium/high/very high	**Rationale for Risk Rating:**
HIGH **Likelihood 3 x Impact 3 = Score 9**	The risk rating is an aggregate of various factors, business continuity work is ongoing to strengthen resilience and plan as appropriate to minimise disruption; experience of adapting to new ways of working has increased service flexibility yet threats of disruption e.g. from extreme weather events, remain. Performance is actively monitored but is likely to diminish in certain areas should services be scaled back due to changes in policy priorities; in such circumstances this risk will require active management. Overall the position is assessed as having improved since the prior review with likelihood and impact assessed as possible and moderate respectively.
Risk Movement: increase/decrease/no change	**Risk Appetite:** The risk appetite acknowledges the responsibility the council has to maintain delivery of statutory services and ensure the needs of the vulnerable service users are met.
Controls: List of critical functions agreed by Corporate Management Team Programme for updating business continuity plans in place for critical services. Organisational Development Team promoting workforce and leadership development Communication strategy for informing service users of impending changes to services developed. Improvement and Modernisation Programme	**Current and Proposed Mitigating Actions:** Update service risk registers. Update Business continuity procedures and plans to take into account staff changes and service reconfigurations Ensure clear links between identified risks and service plans are maintained. Review Performance Management Framework to ensure it aligns appropriately to revisions to service provision.

Current performance: A range of measures is in place to secure operational continuity and performance for current service provision, with it being recognised that these measures may need to be revisited as a consequence of change. The focus remains on ensuring that key and vital services are provided as a priority.	Comments: Developments under this risk category are predicated on change with risks around operational continuity and performance dependent on the nature and scale of services delivered in future periods.

8.

Description of Risk: *IT (Technological)* Major disruption in continuity of ICT operations; data security is compromised. Changes in working practices post pandemic more reliant on ICT infrastructure, capacity and support. The risk of cyber-attacks remains and cannot be eliminated, with attacks being nuanced over time and requiring the council to constantly be alert to new threats. The prevalence of working from home results in greater isolation, and increases the risk of malicious emails and data breaches.

Lead: Corporate Management Team/ Depute Chief Executive (Education, Communities and OD)/ Head of HR, ICT and OD

Risk Rating: low/medium/high/very high	**Rationale for Risk Rating:**
VERY HIGH **Likelihood 4 x Impact 5 = 20**	A recurring theme from senior management relative to their experiences during the course of the pandemic is that the success of their services in many respects is predicated on the availability of robust and adaptable ICT systems. This creates an elevated risk that has been recognised centrally, albeit it brings with it a number of challenges in terms of resourcing changed ways of working both to infrastructure and in terms of staffing to support that change in a timely manner. Meanwhile cyber security continues to have a high profile and the ICT service has a suite of controls in place to mitigate known risks in this area. Intelligence in relation to recent successful cyber-attacks has highlighted that the disruption to the affected organisations can be widespread, and the recovery process is likely to take a significant amount of time to restore business operations fully.

Risk Movement: increase/decrease/no change	**Risk Appetite:**
	There is zero appetite for service interruption or data loss, as this has the potential for catastrophic impact on service delivery and the cost of system disruption or data protection breaches can run to hundreds of thousands of pounds. The security and continuity of ICT services is therefore of vital importance and this is reflected in the range of controls in place.

Controls:	**Current and Proposed Mitigating Actions:**
Corporate Information Security Policy. Senior Information Risk Officer. External accreditation processes for Network Security(Public Services Network, Cyber Essentials Plus) Environmental Controls for Data Centre (cooling, fire, flood and backup power) Boundary Firewalls and Internet Gateways (email and web filtering) Data control enhanced through network controls Malware Protection Cyber resilience standards aligned to SG Cyber Resilience Framework	Information Security Policy review /update underway Computer Use Policy to be refreshed Assess controls as part of plans for continuing development of digital services. Penetration testing for applications implemented to deliver digital services Participation in the Scottish Government Cyber Resilience Programme Extend accreditation process to include the Education ICT network Continue with implementation of programme of work to address awareness raising, e-learning and phishing campaigns to educate

Cyber Incident Response Plan Patch management (Applications and Infrastructure) Third Party Maintenance Agreements (Applications and Infrastructure) Main financial system supported in-house Information Assurance Group Records Management Policy Data breach reporting arrangements Working from home policy/guidance	users of ICT systems– attempting to mitigate and reduce the 'human error' element. Complete the review of the ICT Business Continuity Plan Cyber Resilience – ongoing monitoring and application of emerging best practice Continue to monitor feasibility of insurance cover for cyber-attacks.
Current performance: The risks associated with the delivery of ICT are constantly evolving, and the controls outlined above together with on-going vigilance are necessary to prevent disruption to critical services.	**Comments:** The suite of controls in place reflects the council's commitment to securing data held and used in the effective delivery of modern council services.

Description of Risk: Economic Sustainability. Risk of prolonged economic downturn following the pandemic and exit from European Union. Higher inflation and increases in interest rates have the potential to an impact on capital projects including the Moray Growth Deal. The cost of doing business and higher energy costs adversely impact on the business community. Increased strain on household incomes /budgets may impact on council tax revenues and income from council house rents; business failures may create similar pressures on business rates. There is increased demand for welfare benefits and money advice services. Many of these are factors outside the control of the council, but continue to have an influence on how it reacts and plans for the future.

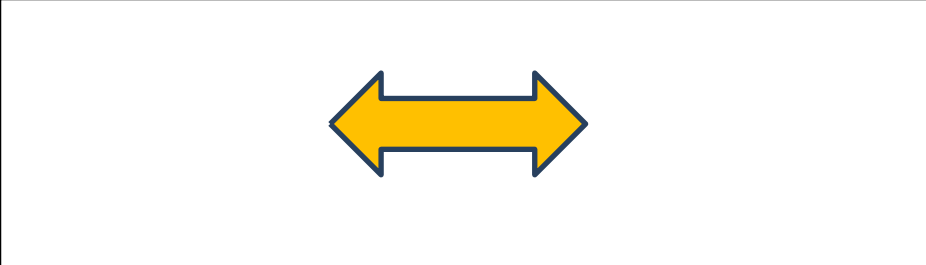**Lead:** Corporate Management Team/ Depute Chief Executive (Economy, Environment and Finance)

Risk Rating: low/medium/high/very high	Rationale for Risk Rating:
HIGH **Likelihood 4 x Impact 4 = 16**	The risk rating is unchanged. While progress has been made in delivering an economic recovery plan prepared in response to the circumstances presenting since the pandemic, challenges remain. The cost of living crisis, a reduction in the working age population, housing, and childcare are significant barriers to economic growth. These are reflected in an updated Moray Economic Strategy, which has clear links to the Local Outcomes Improvement Plan.
Risk Movement: increase/decrease/no change	Risk Appetite:
	The Local Outcomes Improvement Plan developed with partners includes as its priorities; a diverse, inclusive and sustainable economy; building a better future for the young; and improving well-being of our population; all of which are dependent on a strong and flourishing economy. As such the council has an appetite for positive risk taking where the implications of doing so are known and understood, while avoiding adverse impacts on activity across all sectors of the economy.

Controls:
Moray Growth Deal - Funding for Growth Deal being progressed bringing total investment to the area of over £100m.
Growth deal governance arrangements in place and elements of programme being delivered in line with timetable
Moray Economic Strategy ten year strategy refreshed post pandemic and aligned to LOIP outcomes
Partnership working with Highlands and Islands Enterprise, Moray College UHI, Skills Development Scotland and others.

Current and Proposed Mitigating Actions:
Progress Growth Deal projects in line with programme.
Continue work with partners to develop and deliver support aligned to economic strategy objectives that include:
- Increasing employment levels and number of companies
- Ensuring alignment between skills provision and the changing economy
- Increased productivity leading to growing wages and contributing to closing the gender pay gap
- A labour market that provides the required numbers of workers to take advantage of available opportunities-notably attraction and retention of those aged 16-29
- Maximising the environmental, social and economic benefits of the transition to net zero and Community Wealth Building.

	• Continue to seek out opportunities to access ring fence funding for levelling up projects i.e. through the UK Shared Prosperity Fund, Just Transition Funding and Strategic Priorities Fund as appropriate.
Current performance: Strategic Community Plans including the recently refreshed Moray Economic Strategy and a new Community Wealth Building strategy present a clear vision of what is needed to improve economic well – being, with a clear framework in place to monitor actions and delivery plans. Alongside the Growth Deal, the council and its partners are well placed to support economic activity in the area.	**Comments:** With work to support the economic recovery post - pandemic substantially complete, the focus now is on delivering the various strands of the revised economic strategy that underpins a key priority of the Local Outcomes Improvement Plan – Developing a Diverse, Inclusive and Sustainable Economy, and Building a Better future for Young People.