












MORAY COUNCIL

CORPORATE RISK REGISTER AS AT MARCH 2024

SUMMARY OF PRINCIPAL RISKS			
Nature of Risk	Main issues	Risk Score	Risk Movement
1. Collaborative Leadership	External support has provided pointers for improvement in collaborative working, relationships, and organisational culture. These have been assimilated into a consolidated best value action plan. Closer cross-party working has been evident on a number of issues; notably in setting priorities in the updated Corporate Plan and on reaching a consensus on the budget setting for the current financial year. The risk score (see matrix at foot of this summary) was previously 20 (likelihood 4 x impact 5); this has been reduced to 15 (likelihood 3 x impact 5)	15	
2. Financial	Council is unable to make savings or generate income that meets expectations of government, citizens, or regulators. Financial settlements for councils remain challenging in the current economic climate. The current position has been recognised as unsustainable with short, medium, and long-term financial plans developed notwithstanding financial settlements from Scottish Government are for one year only. The setting of a balanced budget for 2024/25 has only been possible through use of reserves. A particular pressure is evident in respect of the council's funding contribution to Moray Integration Joint Board where an overspend is projected for 2023/24. Longer-term financial planning projections note that significant further savings will be required going forward. For this reason, this risk is now elevated to the highest risk score of 25, (both likelihood and impact scoring 5).	25	
3. HR (Staffing)	Inability to recruit and retain well qualified or experienced staff across several service areas, staff workloads are unsustainable. A workforce plan is in place designed to enhance leadership capacity, provide development opportunities to equip staff for change; aid staff health and well-being; and promote the council as an employer of choice. The plan is being progressed noting that priorities will continue to be influenced by the budget and financial planning as well as significant capacity issues within HR.. The assessed risk score is unchanged at 20, (likelihood 5 and impact 4).	20	
4. Regulatory	Council operates in a heavily regulated environment and maintains multiple policies to aid in securing appropriate governance standards. Oversight of these comes from regulators and inspectors both external and internal to the	9	

	<p>organisation. Recommendations made are used as learning points and applied, subject to resource constraints, to secure continuous improvement. Where expected standards are unmet context is important, some services will not be resourced in the way council would wish (having determined priorities through corporate and service planning). The risk was previously given a neutral rating (likelihood 3 x impact 3). This assessment remains unchanged.</p>		
5. Environmental	<p>Council’s commitment to addressing climate change remains undiminished. A number of initiatives have been taken forward aimed at mitigating adverse impacts These include work on promoting active travel, improved biodiversity and rationalisation and decarbonisation of council buildings. Work with others is also taking place on future use of hydrogen to fuel vehicles and to secure external funding and expand the number of charging points for electric vehicles. There remains an elevated likelihood of extreme weather events occurring. The previously reported risks of capacity to drive forward change and the cost of doing so still apply. This risk score remains unchanged with likelihood 4 and impact 4.</p>	16	
6. Reputational	<p>Reputation depends on consistent application of the Standards in Public Life. The council is committed to meeting these standards, notably in promoting Codes of Conduct for both Members and Officers, in being open and transparent around its decision-making processes, and in adopting effective consultation with citizens and service users. Equality impact assessments are used to inform policy decisions as appropriate. 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 is unchanged with likelihood scoring 5 and impact remaining at 2.</p>	10	
7. Operational Continuity and Performance	<p>Council performance falls below targeted levels for sustained period; performance reporting is delayed. transformational change does not proceed at pace due to capacity issues. Services determined as lower priority are reduced or no longer provided. While this risk cannot be entirely separated from other risks 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 unchanged with likelihood scoring 3 and impact3 .</p>	9	

8. IT (Technological)	<p>Major disruption in continuity of ICT operations; changes to systems and processes and 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 possible. The service has recently reviewed and updated its ICT and Digital Strategy and Plan to guide service activity and development for the next three years. The risk level here is unchanged with a risk score of 20, (likelihood 4 and impact 5).</p>	<p style="text-align: center;">20</p>	
9. Economic Sustainability	<p>The recently updated Corporate Plan has as one of its three objectives the building of a stronger, greener, vibrant economy. This links to separate policies on climate change, biodiversity, and community wealth building, and aligns with the Moray Economic Strategy developed on a multi-agency partnership basis. The Strategy sets out an ambitious vision and programme of work designed to support economic development in Moray over a ten-year period. The Moray Growth Deal forms an integral part of the Strategy and is being taken forward alongside other projects being delivered through the levelling up fund and the future plan for Elgin. A significant volume of work lies ahead and alongside the risks to be managed by the council, there are risks in partnership working with dependencies on both UK and Scottish Governments and other agencies involved. Given the clarity of vision and purpose, and the progress with the Growth Deal thus far the overall risk scoring from a council perspective has been reduced from 16 to 12 (likelihood 3 and impact 4).</p>	<p style="text-align: center;">12</p>	

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

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
		1	2	3	4	5
		Minimal	Minor	Moderate	Major	Catastrophic

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


Risk Rating: low/medium/high/very high

VERY HIGH
Likelihood 3 x Impact 5 = Score 15

Rationale for Risk Rating:

Leadership risk has been a theme running through council Best Value Assurance Reports for some time. The council has secured external expertise to support improvements in strategic leadership and decision-making processes. This has been evident in the development of a new corporate plan and in the setting of the budget for 2024/25. There is also closer working across political groups and with non-aligned members to build better working relationships and secure consensus where possible. The direction of travel is positive enabling the likelihood score to be reduced albeit the impact remains potentially high until implemented changes working fully bed in, noting also the impending changes in senior leadership positions.

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:
<p>Ten-year strategic plan - Moray 2027 (the Local Outcomes Improvement Plan) being delivered jointly by the council and its community planning partners.</p> <p>Corporate Plan consultation completed -new corporate plan agreed for 2024/26 out high-level council priorities and aligning these to the budget setting process.</p> <p>Suite of Governance Documents in place and regularly updated.</p> <p>Best Value Action plan addresses collaborative leadership, with external support secured.</p> <p>Remit of Audit and Scrutiny Committee including Scrutiny Guide reviewed and considered by Council.</p> <p>'Members' sounding board' established as a forum for cross party working.</p>	<p>A series of briefings on scrutiny is being delivered to strengthen understanding of how scrutiny activity complements the role Elected Members currently exercise in meetings of the Council and in policy/service committees.</p> <p>Controls established are assessed as having reduced the risk likelihood although the risk impact, given its strategic nature, should remain at its current level.</p> <p>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 further.</p>

2.

Description of Risk: *Financial:* There is a risk of financial failure with demand outstripping available budget. While a budget has been agreed for 2024/25, 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. Uncertainties around the council's current and future funding obligations to the Moray Integration Joint Board add to this risk.

Savings targets required for 2025/26 have been identified as likely to be particularly challenging, with transformation 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)

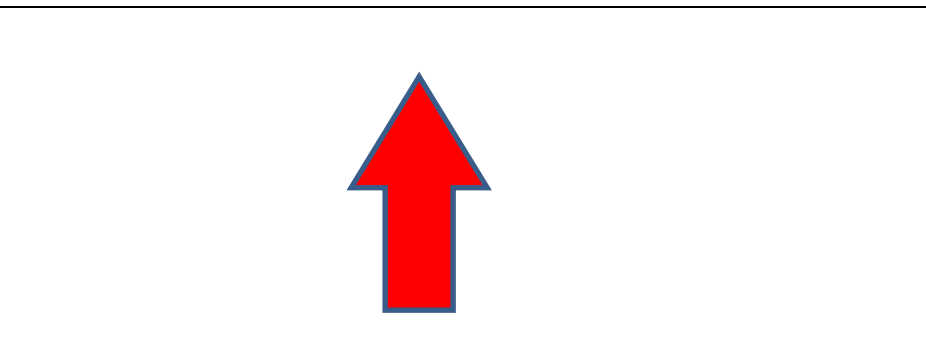
Risk Rating: low/medium/high/very high

VERY HIGH
Likelihood 5 x Impact 5 = Score 25

Rationale for Risk Rating:

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 and impact risk has also been raised given the anticipated level of savings required in future years.

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 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. It is also of note that public finances generally are constrained with uncertainty around future financial settlements that will be allocated to Local Government.

Controls:

Financial plan in place with budget projections in place for current and next two financial years.
 Financial pressures identified.
 Short medium long term financial plans developed.
 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 agreed and monitored.
 Procurement Policies and Practice.
 Energy Monitoring and Reporting.
 Internal Auditing; External Audit and Inspection
 Annual pricing review on charges for services.

Current and Proposed Mitigating Actions:

Financial plan reporting to ensure council oversight and visibility of progress to addressing the budget gap.
 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.
 Working closely with and seeking assurances from the Moray Integration Joint Board to ensure, so far as is practicable, that the financial contribution to be made from Council resources does not exceed budget projections.
 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.
 School estate engagement in Forres and Buckie Area school groups progressed.
 Community Engagement/Public Consultations planned as appropriate.
 Further work on participatory budgeting planned as resources allow.

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

VERY HIGH
Likelihood 5 x Impact 4 = Score 20

Rationale for Risk Rating:

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'. 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 affected as a consequence of smarter working arrangements.
 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.

<p>Risk Movement: increase/decrease/no change</p>	<p>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 changes to working practice 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.</p>
	<p>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, continuing with apprenticeship 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. Support consistent application of employee review and development programme to aid workforce development.</p>
<p>Controls: Corporate Workforce Plan, (reviewed and updated annually) in place Leadership Development Programme established. Moray Management Methods promote consistency. 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</p>	

4.	
<p>Description of Risk: <i>Regulatory:</i> 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.</p>	
<p>Lead: Corporate Management Team/ Chief Financial Officer/ Monitoring Officer/ Heads of Service</p>	
<p>Risk Rating: low/medium/high/very high</p>	<p>Rationale for Risk Rating: 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.</p>
<p style="text-align: center;">HIGH Likelihood 3 x Impact 3 = Score 9</p>	
<p>Risk Movement: increase/decrease/no change</p>	<p>Risk Appetite: The council has zero appetite for regulatory failure and takes seriously its responsibility to ensure all services are following 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.</p>
	

Controls:

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.

Current and Proposed Mitigating Actions:

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.

5.	
<p>Description of Risk: <i>Environmental:</i> 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.</p>	
<p>Lead: Depute Chief Executive (Economy, Environment and Finance), Head of Environmental and Commercial Services</p>	
<p>Risk Rating: low/medium/high/very high</p>	<p>Rationale for Risk Rating: 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 the budget balancing exercise could impact on the council's ability to respond to emergency environmental situations arising from adverse weather events.</p>
<p style="text-align: center;">HIGH Likelihood 4 x Impact 4 = Score 16</p>	
<p>Risk Movement: increase/decrease/no change</p>	<p>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 for the council while recognising the collective societal effort that will be required to address environmental risks.</p>
	

Controls:

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.
Energy efficiency measures built into new school building programmes.
Emergency response co-ordinators and support staff identified and trained.
Growth Deal –Bus Revolution being implemented to improve access to greener travel.
Just Transition Funding secured to support feasibility studies aiding transition to a zero-carbon economy.

Current and Proposed Mitigating Actions:

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.
Investigation of hydrogen as a fuel for heavy vehicles and plant
Continue working with partners where appropriate to secure additional funding that will support climate change mitigation initiatives.

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, overspending 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

HIGH
Likelihood 5 x Impact 2 = Score 10

Rationale for Risk Rating:

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 with service reduction and curtailment, the likelihood of increased criticism of council services remains at the highest level while the potential impact is also unchanged at the present time.. 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..

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:

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

Current and Proposed Mitigating Actions:

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



<p>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.</p>	<p>monitored. Improved outcome reporting of service delivery and linked performance indicator measures. Progress Improvement and Modernisation Programme to optimise service delivery arrangements</p>
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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

HIGH
Likelihood 3 x Impact 3 = Score 9

Rationale for Risk Rating:

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 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.

Current and Proposed Mitigating Actions:

Review Performance Management Framework to ensure it aligns appropriately to revisions to service provision in the Corporate Plan.
Consider reintroduction of the Public Service Improvement Framework to optimise delivery of continuing services.
Review timetable for performance reporting aligning with reporting framework for data collected as statutory performance information as appropriate.
Progress Transformation Programme.

8.	
<p>Description of Risk: <i>IT (Technological)</i> 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.</p>	
<p>Lead: Corporate Management Team/ Depute Chief Executive (Education, Communities and OD)/ Head of HR, ICT and OD</p>	
<p>Risk Rating: low/medium/high/very high</p>	<p>Rationale for Risk Rating: 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.</p>
<p>VERY HIGH Likelihood 4 x Impact 5 = 20</p>	
<p>Risk Movement: increase/decrease/no change</p>	<p>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.</p>
	
<p>Controls: 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</p>	<p>Current and Proposed Mitigating Actions: 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</p>



<p>Framework 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</p>	<p>awareness raising, e-learning and phishing campaigns to educate 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.</p>
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9.

Description of Risk: Economic Sustainability. 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. 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)

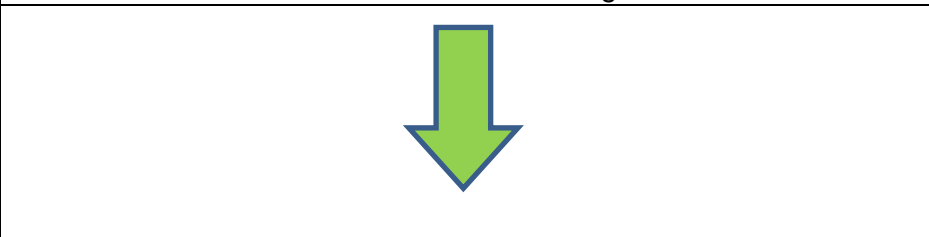
Risk Rating: low/medium/high/very high

HIGH
Likelihood 3 x Impact 4 = 12

Rationale for Risk Rating:

While the cost-of-living crisis, a reduction in the working age population, housing, and childcare remain as potential impediments to economic growth, both the council and its partners are working to address these issues. The importance of doing so is evident in the latest iteration of the council's Corporate Plan and this is aligned with the longer term (ten-year) Moray Economic Strategy. While some of the initiatives being taken forward will take time to complete, the direction of travel is assessed as positive, allowing the risk score to be reduced.

Risk Movement: increase/decrease/no change



Risk Appetite:

The need to maintain a vibrant economy is prominent in both community and council strategic plans and there is a strong appetite to create conditions that make Moray an attractive place to do business.

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 developed with partners and aligned to council strategic plans.
Partnership working with Highlands and Islands Enterprise, Moray College UHI, Skills Development Scotland and others.
Oversight of programmes using ring fenced funding from the UK Shared Prosperity Fund, Just Transition Funding, and the Strategic Priorities Fund.
Expansion of pre-school provision.

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.



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| | <ul style="list-style-type: none">• Maximising the environmental, social, and economic benefits of the transition to net zero and Community Wealth Building. |
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