

# The Highland Council

Agenda Item	7
Report No	AC/31/24

**Committee:**                    **Audit Committee**

**Date:**                         **28 November 2024**

**Report Title:**                **Review of Corporate Risks**

**Report By:**                  **Assistant Chief Executive - Corporate**

## **1. Purpose/Executive Summary**

- 1.1 The Corporate Risk Register identifies the Council's key strategic risks and the actions being taken to mitigate these. This has been discussed and reviewed with the relevant Risk Owners. It is presented to each meeting of the Audit Committee for scrutiny.
- 1.2 Following the adoption of the Council's new Risk Management Policy, Officers have been assessing the Council's corporate risks using the new analysis template, taking account of the Council's risk appetite. The report presents a summary of the current corporate risks which have been assessed to date.

## **2. Recommendations**

- 2.1 The Committee is asked to:
  - i. scrutinise the Corporate Risk Register provided at **Appendix 1**.
  - ii. consider the risk profile at **Appendix 2**.

## **3. Implications**

- 3.1 Resource - Having a robust approach to risk management will continue to help the Council minimise future financial risks and implications. It will also prevent reputational damage.
- 3.2 Legal - The Corporate Risk Register supports the Chief Audit Executive (the Strategic Lead (Corporate Audit & Performance)) to provide an annual internal audit opinion that concludes on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.
- 3.3 Risk - The corporate risk management process reduces the Council's exposure to risk by ensuring that corporate risks are identified and monitored regularly.
- 3.4 Health and Safety (risks arising from changes to plant, equipment, process, or people) Health and safety risks are identified in number of corporate risks and with associated mitigating actions.

3.5 Gaelic - There are no Gaelic implications identified at this time.

#### **4. Impacts**

4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.

4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.

4.3 This is an update report and therefore an impact assessment is not required.

#### **5. Updated Risk Management Process**

5.1 Under the Council's Risk Management Policy, the likelihood and impact of a risk is assessed in stages and the residual risk is reviewed against the Council's agreed risk appetite to ascertain if further mitigating actions are required.

5.2 The new approach integrates risk management, operational management and reporting so that actions and their impact can be measured once and reported to different audiences. This reduces the burden associated with risk management and reporting.

5.3 Council officers are now in the process of reassessing existing service risks and the risks associated with each of the projects within the Council's Operational Delivery Plan 2024-27 using the new process. Updates on management of the Delivery Plan risks will be reported to the relevant portfolio boards.

#### **6. Review of the Corporate risks**

6.1 The Corporate Risk Register has been reviewed in order to determine which risks will continue to be managed as Corporate risks and reported to the Audit Committee.

6.2 This has resulted in a smaller set of Corporate risks, where the mitigating actions are directly linked to the ongoing work of the Council. This includes the Operational Delivery Plan, the ICT Strategy and the work of the Emergency Planning Team in association with the Local Resilience Partnership. These have been renumbered to reflect the new register and start with the prefix HCR.

6.3 Corporate risk register

**Appendix 1** provides the details of the Corporate risks which have been agreed to date and the table below provides a list of those risks on the register.

<b>Risk No.</b>	<b>Risk Name</b>
HCR1	Financial Sustainability
HCR2	Safe and Effective Property
HCR3	Sustainability of the Workforce
HCR4	Civil Contingencies – Cyber Attack

HCR5	Civil Contingencies – National Power Outage
HCR6	Civil Contingencies – Flooding
HCR7	Civil Contingencies – Sever Weather
HCR8	Civil Contingencies – Pandemic Diseases
HCR9	Net Zero Targets

#### 6.4 New risks

Since the previous report a new risk around the Council's Net Zero Targets (HCR9) has been added to the register. This reflects the need for all parts of the Council to engage with the Net Zero agenda to ensure that the targets can be met. It is linked to the activity of the Net Zero Programme within the Operational Delivery Plan.

#### 6.5 Changes to mitigating actions

A number of mitigating actions within the Sustainability of the Workforce risk (HCR3) have been marked as amber. These actions come from the Workforce for the Future workstream within the Delivery Plan. This workstream is being reviewed with new tasks and milestones to be agreed. Once the review has been completed the risk will be re-assessed and updated.

#### 6.6 Risk profile

The Council's risk profile is provided as **Appendix 2**. This currently shows three risks, HCR3, HCR8 and HCR9 are all ragged as red with residual scores of 16.

Designation: Assistant Chief Executive - Corporate

Date: 8<sup>th</sup> November 2024

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Background Papers: [Report to Audit Committee on 24/01/24](#)

Appendices:

Appendix 1 – Corporate Risk Register report

Appendix 2 – Corporate Risk profile

**Appendix 1 – Corporate Risk Register report**

<b>No:</b> HCR1	<b>Title:</b> Financial Sustainability	<b>Risk Rating</b>		
		<b>Residual</b>	<b>Target</b>	
<b>Risk Owner:</b> Assistant Chief Executive - Corporate		<b>Risk Type:</b> Financial	9	4
<p><b>Risk Details:</b></p> <p>There is a risk that we will fail to maintain financial sustainability in the medium term (3 years). This is due to:</p> <ul style="list-style-type: none"> <li>• A failure to achieve the 3-year strategy of savings and income targets that is designed to plug the forecast £113m budget gap.</li> <li>• Failure to operate within agreed revenue budget during each financial year.</li> <li>• Wider-economic pressures or events out with the Council’s control, which could include inflation, pay award and interest rates.</li> <li>• The failure of partnerships to support service delivery and investment potential.</li> </ul> <p>This may result in:</p> <ul style="list-style-type: none"> <li>• Failure to achieve our Delivery Plan goals and financial targets.</li> <li>• Failure to deliver within our agreed revenue budget.</li> <li>• The need to make additional savings or cuts to address the financial risk.</li> <li>• Failure to provide statutory services.</li> <li>• Impact on affordability of council investment plans.</li> <li>• An inability to take advantage of long-term revenue-generating activities that require capital to implement.</li> </ul> <p><b>Controls:</b></p> <ul style="list-style-type: none"> <li>• Council agreed a medium term financial plan and three-year budget in February 2024 to address the forecast £113m budget gap.</li> <li>• Council agreed a 3 year savings plan to run till 2026/27, which should deliver £54m of savings over that period.</li> <li>• Council agreed other measures including fiscal flexibilities, use of reserves, and council tax to also address the £113m budget gap.</li> <li>• The budget includes funding to address key budget pressures and risks, and plans for capital investment and use of reserves to support change and transformation.</li> <li>• The Council agreed a reserves strategy in December 2024. The Council’s level of reserves exceeds its minimum level per that strategy.</li> <li>• The Council has carried out engagement with staff and the public to shape these budget proposals.</li> <li>• The Delivery Plan 2024 – 2027 directly relates to our financial challenges and will help to address them by increasing revenue and implementing work targeted at Council-approved financial savings.</li> <li>• Section 95 Officer, Delivery Plan Portfolio Boards and Officer Budget Review Group.</li> <li>• Council has adopted the CiPFA Financial Management (FM) Code.</li> </ul>				
<b>Mitigating Actions:</b>				



No.	Details	Responsible Officer	Target Date	RAG
HCR1.1	Regular reporting of Delivery Plan progress to Committee will take place, which will encompass saving progress and delivery. Giving a greater clarity on progress, and any risks and mitigating actions associated with the Delivery Plan and linked savings.	Assistant Chief Executives	November 2024 (Q2 reporting cycle)	<b>G</b>
HCR1.2	Review of and additions to the level of accounting team resource is underway, based on budget pressure funding agreed by Council. This will increase and improve the level of resource, supporting both business as usual financial management activity, but also allowing for value-added activity and developments to be supported going forward.	Chief Officer – Corporate Finance	March 2025	<b>G</b>
HCR1.3	<p>CiA, the new corporate financial system went live April 2024. A number of opportunities exists in the system, and developments are being taken forward which will:</p> <ul style="list-style-type: none"> <li>– Improve the consistency and visibility of budgets which will be built from within the system, not on separate spreadsheets;</li> <li>– Provide drill down details on actual and budgeted staff costs on a per post/per person basis, an improvement over the previous system;</li> <li>– Provide improved dashboard reporting for budget holders, utilising graphical, tabular and drill down features to enhance the access, readability and usability of financial reports.</li> </ul>	Chief Officer – Corporate Finance	March 2025	<b>G</b>
<b>Notes:</b>				

<b>No:</b> HCR2	<b>Title:</b> Risk to provision of Safe and Effective Property	<b>Risk Rating</b>		
		<b>Current</b>	<b>Target</b>	
<b>Risk Owner:</b> Assistance Chief Executive - Place		<b>Risk Type:</b> Compliance & regulatory	<b>15</b>	<b>4</b>
<p><b>Risk Details:</b></p> <p>There is a risk that our properties will become unsafe and/or unsuitable for the delivery of the Council services for which they are intended. This is caused by:</p> <ul style="list-style-type: none"> <li>• A lack of maintenance.</li> <li>• Fabric deterioration.</li> <li>• Changes in building regulations and other statutory requirements.</li> <li>• Changing business needs/ Council policy.</li> </ul> <p>This may result in the following:</p> <ul style="list-style-type: none"> <li>• Loss/injury through unsafe conditions,</li> <li>• Impact to provision of services to the required standards,</li> <li>• Loss of income to the Council,</li> <li>• A reduction in the value of the Council's property assets.</li> </ul> <p><b>Controls:</b></p> <ul style="list-style-type: none"> <li>• Service contracts are in place for cyclical statutory inspections and maintenance.</li> <li>• Periodic structural surveys are undertaken of aging building components/systems.</li> <li>• Purchase of Computer Aided Facilities Management and Integrated Workplace Management systems.</li> <li>• Maintenance requests can be logged through a helpdesk.</li> <li>• Maintenance performance reports.</li> <li>• Rolling reinspection programme of Asbestos containing materials is in place.</li> <li>• There is a 5-year rolling programme of building surveys in place.</li> <li>• A Corporate Fire Risk Assessment programme is in place.</li> <li>• Targeted insurance inspections are undertaken by the Council's insurer.</li> </ul>				

<b>Mitigating Actions:</b>				
No.	Details	Responsible Officer	Target Date	RAG
HCR2.1	A programme of preventative maintenance activities to be resourced and implemented. [This action forms part of the Highland Investment Plan workstream project to “Improve Asset Condition/ Reduce Risk for General Fund Assets”]	Chief Officer - Property and Assets	April 2025	G
HCR2.2	The Reconfiguring our Asset Base portfolio is designed to mitigate this risk through the Highland Investment Plan and the Single Property Service.	Chief Officer - Property and Assets	April 2026	G
<b>Notes:</b>				
Controls – the controls listed above reduce the likelihood of an incident occurring, but do not reduce the impacts. The cost to replace a large primary school or a secondary school, for example, far exceeds the £20M financial risks threshold.				
Mitigating Actions – data for these mitigating actions will come from the relevant delivery plan project milestones. These projects will mitigate the remaining impacts should the risk to our properties occur.				

No:	Title:	Risk Rating	
		Residual	Target
HCR3	Sustainable & Adaptable Workforce		
<b>Risk Owners:</b> Assistant Chief Executive – Corporate and Assistant Chief Executive - People		<b>Risk Type:</b> Operational & service delivery	
		16	9
<b>Risk Details:</b>			
There is a risk that we will not have the staff required to meet demand for services and achieve organisational outcomes. This is due to:			
<ul style="list-style-type: none"> <li>Existing staff lacking required skills.</li> <li>Inflexible organisational design which hampers recruitment or moving resource within all levels of the Council.</li> <li>Pressure on resources that prevents recruitment either to new posts or to fill vacancies and the lack of skilled potential external candidates.</li> </ul>			
This may result in:			
<ul style="list-style-type: none"> <li>A failure to meet service demand.</li> <li>A failure to deliver statutory services.</li> <li>The inability to achieve all of the savings and efficiencies outlined in the Council’s operational Delivery Plan.</li> </ul>			
<b>Controls:</b>			
<ul style="list-style-type: none"> <li>Senior staff recruitment requirements are monitored to ensure stability in the organisation at an executive level.</li> <li>Change management arrangements are in place through the organisational restructure in order to minimise impact on individuals in the organisation.</li> <li>A workforce planning cycle is in place that includes tools for services to develop succession plans</li> </ul>			

- We are supporting 'grow your own' initiatives and Modern Apprenticeship provision, while working with managers to find funding opportunities.
- We support managers to maintain effective absence management and address OHSW concerns/challenges by monitoring them at the Central Safety Committee, and daily management through OHSW team.
- The social work relief pool has been embedded and expanded, with additional relief workers hired, and is now part of the wider Workforce Strategy.
- We have worked with UHI to explore the introduction of a new Social Work course.
- Social work and HR have implemented an enhanced recruitment strategy to boost the recruitment of qualified social workers.

**Mitigating Actions:**

No.	Details	Responsible Officer	Target Date	RAG
HCR3.1	We will work with partners to enable more effective talent attraction to the Highland area to address recruitment challenges. [Meeting our Council's Future Workforce Needs project within the Workforce for the Future Portfolio]	Senior HR Business Partner	Dec 2024	A
HCR3.2	We will structure career pathways to reflect industry demand on a sector-by-sector basis. [Industry Engagement project within the Workforce for the Future Portfolio]	Service Lead – Economy and Regeneration	Oct 2024	A
HCR3.3	We will build accelerated pathways to qualifications with partners and employers to enable more effective area wide workforce planning. [Pathways, Packages and Partnerships project within the Workforce for the Future Portfolio]	Chief Officer - Education (Secondary)	Sep 2024	A
HCR3.4	The Developing the Workforce project within the Person-Centred Solutions Portfolio will help to address the acute issues stemming from difficulties recruiting Social workers, which have serious, high-level impacts and are currently likely to occur due to national and local staffing shortages.	Strategic Lead – Child Health	June 2025	G

**Notes:**

Controls – the controls listed above focus on work the Council has done internally to lower the impact & likelihood of this risk occurring, with policies in place to support resilience in the workforce, address key areas such as the Social Work staffing pool, and support the organisation dealing with changing demographics. However, additional work is required particularly in areas of external pressures such as a lack of skills availability to address specific recruiting challenges.

Mitigating Actions - these will come from the relevant Delivery Plan project milestones. The projects listed in the Delivery Plan and referenced in our mitigating actions here address the areas of impact and likelihood that come from external recruitment challenges by increasing the pathways for individuals in the Highlands to gain the skills needed for the workforce, and increasing the Council's ability to recruit people to the Highlands who already have the skills we need.



<b>No:</b> HCR4	<b>Title:</b> Civil Contingencies – Cyber Attack	<b>Risk Rating</b>		
		<b>Current</b>	<b>Target</b>	
<b>Risk Owner:</b> Assistance Chief Executive - Corporate		<b>Risk Type:</b> Operational & Service Delivery	<b>12</b>	<b>9</b>
<p><b>Risk Details:</b></p> <p>There is a risk that a cyber-attack will occur affecting the confidentiality, integrity, and availability of our information and access to our ICT systems.</p> <p>This would be due to threat actors taking advantage of gaps in our technical security controls or staff actions, inadvertent or planned, leading to exploitation of vulnerabilities.</p> <p>Should this occur, it may result in financial, operational, and reputational impacts. It could result in loss of trust in the Highland Council from partner organisations and the public, there could be fines issued relating to data breaches, legal liabilities, and disruption to normal business operations.</p> <p><b>Controls:</b></p> <ul style="list-style-type: none"> <li>• Separate networks between devices at different trust levels with firewalls between them.</li> <li>• Quarterly scans of infrastructure.</li> <li>• Annual ICT Health Check.</li> <li>• Cloud managed endpoint virus and malware protection.</li> <li>• Cloud managed internet filtering.</li> <li>• Threat intelligence and proactive vulnerability remediation with regular patching.</li> <li>• Centralised device management applying security policies.</li> <li>• Move to cloud telephony.</li> <li>• Termination of personal device risk.</li> <li>• Migration to cloud hosted and SAAS services for some line of business applications.</li> <li>• Offsite backup storage migrated from tape to immutable cloud storage.</li> <li>• Internal Audit activities.</li> <li>• Training and awareness activities.</li> </ul>				

<b>Mitigating Actions:</b>				
No.	Details	Responsible Officer	Target Date	RAG
HCR4.1	Strategic ICT Transformation projects	Chief Officer - Business Solutions	April 2027	<b>G</b>
HCR4.2	Business as usual security improvements to address operational gaps	ICT Operations Manager	April 2027	<b>G</b>
HCR4.3	All Services to ensure their Business Continuity Plans include adequate arrangements to allow for the continuation of critical functions (as far as possible) in the event of a cyber attack. Service BCPs may also be tested against a cyber attack.	Chief Officers	June 2025	<b>G</b>
<p><b>Notes:</b></p> <p>Controls – the controls listed primarily reduce the likelihood of an incident occurring. By building resilience they can also reduce the impacts to the organisation.</p> <p>Mitigating Actions – ICT Transformation projects and business as usual activities aim to mitigate the remaining impacts should a cyber-attack occur as well as reduce the likelihood.</p> <p>Detail of the controls and the mitigating actions is not provided here on the basis that publicly providing that detail may actually increase the risk.</p>				

<b>No:</b> HCR5	<b>Title:</b> Civil Contingencies – National Power Outage	<b>Risk Rating</b>		
		<b>Current</b>	<b>Target</b>	
<b>Risk Owner:</b> Assistance Chief Executive - Corporate		<b>Risk Type:</b> Operational & Service delivery	12	9
<p><b>Risk Details:</b></p> <p>There is a Risk that a National Power Outage could disrupt delivery of the Council’s critical functions. Due to a total national blackout affecting the entire National Electricity Transmission System, taking between 5-14 days to recover and affecting all consumers. A National Power Outage can occur at any time, however, they are more likely to happen during winter due to increased load on the transmission networks or repair work being hampered by severe weather conditions. There would be a number of cascading effects, creating additional emergency situations in the wider community, including lack of lighting, refrigeration, cooking facilities, water distribution, inability to pump fuel, etc.</p> <p>This may result in limited communications to speak with anyone, including family and friends, emergency services, staff and management. No heat or light for Council buildings, businesses and private homes, with a loss of other utilities such as water. Food supplies will perish quickly. Schools and public buildings closed. Severe staff absence due to transport disruption and schools closure. Inability to use power processes or equipment. Impact on travel, no traffic lights, road information signs and fuel disruption. Use of Council fleet and private cars significantly restricted. Severe disruption to community and health, welfare and security of buildings and residents, employees. Health &amp; Safety issues for staff responding to the incident. Displaced people unable to complete their journeys in need of temporary accommodation. Payments and other customer financial services disrupted. Civil unrest enhanced by lack of street lighting and CCTV. Significant impact on health care and limited capacity in hospitals. Reputational risk where Council not seen to be responding adequately. Legislative requirement to respond and support the Local Resilience Partnership under the Civil Contingencies Act 2004.</p>				
<p><b>Controls:</b></p> <p>Services are required to have Business Continuity Plans in place to mitigate the impacts of a National Power Outage. In accordance with the Council’s Business Continuity Policy, these BCPs should be reviewed and updated every 2 years or when key circumstances change. The Policy further states that Service BCPs should be exercised annually. Service BCPs are supported by the Council’s Corporate Business Continuity Plan and the Council’s General Emergency Plan. The Council also has a Power Resilience Contingency Plan (in draft). A number of National Power Outage awareness sessions have been held for Senior Managers, including a National Electricity Transmission System Failure Workshop on 6<sup>th</sup> November 2023. Capability gaps in the response to a National Power Outage are regularly assessed by the North of Scotland Regional Resilience Partnership and the Highland &amp; Islands Local Resilience Partnership and work assigned to the Partnerships and member organisations to maintain an appropriate level of preparedness. Considerable multi-agency planning activities have taken place in the last 2 years, with further exercises scheduled for 2024.</p>				

<b>Mitigating Actions:</b>				
No.	Details	Responsible Officer	Target Date	RAG
HCR5.1	All Services to ensure their Business Continuity Plans include adequate arrangements to allow for the continuation of critical functions (as far as possible) in the event of a National Power Outage. Service BCPs may also be tested against a National Power Outage scenario.	Chief Officers	June 2025	<b>G</b>
HCR5.2	Council participation in forthcoming multi-agency exercises to validate current contingency arrangements, identify gaps and demonstrate where additional support at Government-level is required.	Resilience Team and Chief Officers	December 2025	<b>G</b>
<b>Notes:</b>				

No:	Title:	Risk Rating	
		Current	Target
HCR6	Civil Contingencies – Flooding		
<b>Risk Owner:</b> Assistance Chief Executive - Corporate		<b>Risk Type:</b> Operational & Service delivery	
<b>Risk Details:</b>		<b>9</b>	<b>9</b>
<p>There is a Risk that flooding could disrupt delivery of the Council’s critical functions. Due to coastal flooding caused by sea surges, high tides and/or gale force winds, and river and flash flooding caused by heavy rain and melting snow or a combination of factors. This may result in flooding of Council property, businesses and private homes. Flooded roads and bridges, leading to transport disruption. Risk to life, people and animals. Increased demand on Roads for reopening transport routes. Public expectation that Highland Council will provide sandbags to protect private property. Evacuation and/or isolation of residents. Emergency accommodation for those evacuated, including from Council-owned properties, which may be needed for medium to long term. Disruption of utilities. Damage to Council and private property, agricultural land and general infrastructure, and associated economic loss. Pollution and contamination of the local environment. Long term restoration and recovery issues for those affected. Potential unrecoverable damage to businesses. Legislative requirement to respond and support the Local Resilience Partnership under the Civil Contingencies Act 2004.</p>			

**Controls:**

Services are required to have Business Continuity Plans in place to mitigate the impacts of flooding. In accordance with the Council's Business Continuity Policy, these BCPs should be reviewed and updated every 2 years or when key circumstances change. The Policy further states that Service BCPs should be exercised annually. Service BCPs are supported by the Council's Corporate Business Continuity Plan and the Council's General Emergency Plan. Information and warnings issued by the Met Office and SEPA are distributed to relevant staff by the Resilience Team. Exercises are held every 2 years to test the deployment of flood gates on the River Ness Flood Alleviation Scheme. A flooding exercise involving Council Senior Managers was held on 18th September 2023. Capability gaps in the response to flooding are regularly assessed by the North of Scotland Regional Resilience Partnership and the Highland & Islands Local Resilience Partnership and work assigned to the Partnerships and member organisations to maintain an appropriate level of preparedness. The Council has a program of risk based water course assessment and carries out emergency inspections of structures following severe weather warnings and after severe weather.

**Mitigating Actions:**

No.	Details	Responsible Officer	Target Date	RAG
HCR6.1	All Services to ensure their Business Continuity Plans include adequate arrangements to allow for the continuation of critical functions (as far as possible) in the event of flooding. Service BCPs may also be tested against a flooding scenario.	Chief Officers	June 2025	<b>G</b>

**Notes:**

<b>No:</b> HCR7	<b>Title:</b> Civil Contingencies – Severe Weather	<b>Risk Rating</b>	
		<b>Current</b>	<b>Target</b>
<b>Risk Owner:</b> Assistance Chief Executive - Corporate		<b>Risk Type:</b> Operational & Service Delivery	
		<b>12</b>	<b>9</b>
<b>Risk Details:</b>			
<p>There is a Risk that severe weather could disrupt delivery of the Council's critical functions. Due to heavy snow, heavy rain, storm force winds or extreme temperatures. These conditions can last over several days and sometimes weeks.</p> <p>This may result in disruption to utilities (power, gas, water, tele-communications) in Council buildings (including offices, schools, depots, children's care homes, etc.), as well as private homes, businesses and providers to the Council. Closure of schools, resulting in absence of Council staff who have childcare responsibilities. Limited or delayed transport availability and unsafe travelling conditions preventing staff reaching the workplace and disrupting services which depend on transport, e.g. waste collection, children's social care visits. Health &amp; Safety issues for staff travelling to work and staff responding to the incident. Displaced people unable to complete their journeys in need of temporary accommodation. Increased demand on Roads winter maintenance and pressure on salt stocks. Increased demand on Roads for repairing and reopening roads (e.g. frost damage, fallen tree clearance). Vulnerable people exposed to health threatening temperatures, leading to increased demand on healthcare services and financial/welfare support for those most at risk. Structural damage to Council property and infrastructure in urban and rural areas and associated economic losses. Communities isolated in rural areas. Reputational risk where roads and/or pavements go untreated, or Council not seen to be responding adequately. Legislative requirement to respond and support the Local Resilience Partnership under the Civil Contingencies Act 2004.</p>			
<b>Controls:</b>			
<p>Services are required to have Business Continuity Plans in place to mitigate the impacts of severe weather. In accordance with the Council's Business Continuity Policy, these BCPs should be reviewed and updated every 2 years or when key circumstances change. The Policy further states that Service BCPs should be exercised annually. Service BCPs are supported by the Council's Corporate Business Continuity Plan and the Council's General Emergency Plan. Remote working is an embedded practice. Information and warnings issued by the Met Office and SEPA are distributed to relevant staff by the Resilience Team. Council salt stocks are maintained ahead of winter and carefully monitored. Capability gaps in the response to severe weather are regularly assessed by the North of Scotland Regional Resilience Partnership and the Highland &amp; Islands Local Resilience Partnership and work assigned to the Partnerships and member organisations to maintain an appropriate level of preparedness.</p>			

<b>Mitigating Actions:</b>				
No.	Details	Responsible Officer	Target Date	RAG
HCR7.1	All Services to ensure their Business Continuity Plans include adequate arrangements to allow for the continuation of critical functions in the event of severe weather. Service BCPs may also be tested against a severe weather scenario.	Chief Officers	June 2025	<b>G</b>
<b>Notes:</b>				

No:	Title:	Risk Rating	
		Current	Target
HCR8	Civil Contingencies – Pandemic Diseases	<b>16</b>	<b>9</b>
<b>Risk Owner:</b> Assistance Chief Executive - Corporate		<b>Risk Type:</b> Operational & Service Delivery	
<b>Risk Details:</b>			
<p>There is a Risk that a new virus emerges for which people have little or no immunity and for which there is no vaccine. Due to an epidemic occurring worldwide, or over a very wide area, crossing international boundaries, and affecting a large number of people. A pandemic can cause severe illness and spread easily from one person to the next. A pandemic event can happen at any time and exist for a prolonged period of time. Impacts can be long-lasting.</p> <p>This may result in staff unable or unwilling to attend work impacting the delivery of critical functions. High levels of anxiety in the workforce. Children, teaching and support staff unable to attend school, with potential temporary closure of school buildings. Temporary closure of other Council buildings. Increased demand on healthcare services. Increased demand on bereavement services. Increased demand for financial/welfare support for vulnerable people and other residents. Support for businesses impacted. Requirement to respond to changes in societal behaviour (e.g. influx of staycation visitors). Requirement to comply with emergency legislation and adapt business practices accordingly. Reputational risk where Council not seen to be responding adequately or in contravention of guidelines. Legislative requirement to respond and support the Local Resilience Partnership under the Civil Contingencies Act 2004</p>			
<b>Controls:</b>			
<p>Services are required to have Business Continuity Plans in place to mitigate the impacts of a future pandemic. In accordance with the Council's Business Continuity Policy, these BCPs should be reviewed and updated every 2 years or when key circumstances change. The Policy further states that Service BCPs should be exercised annually. Service BCPs are supported by the Council's Corporate Business Continuity Plan and the Council's General Emergency Plan. Remote working is an embedded practice. Capability gaps in the response to a pandemic are regularly assessed by the North of Scotland Regional Resilience Partnership and the Highland &amp; Islands Local Resilience Partnership and work assigned to the Partnerships and member organisations to maintain an appropriate level of preparedness.</p>			
<b>Mitigating Actions:</b>			

No.	Details	Responsible Officer	Target Date	RAG
HCR8.1	All Services to ensure their Business Continuity Plans include adequate arrangements to allow for the continuation of critical functions in the event of a pandemic. Service BCPs may also be tested against a pandemic scenario.	Chief Officers	June 2025	G
<b>Notes:</b>				

No:	Title:	Risk Rating	
		Current	Target
HCR9	Net Zero Programme	16	9
<b>Risk Owner:</b> Assistance Chief Executive - Place		<b>Risk Type:</b> Financial	
<b>Risk Details:</b>			
<p>The Net Zero Programme is critical for embedding sustainable practices across the Highland Council, aiming to ensure the council is climate-ready and aligned with corporate targets for emissions reduction.</p> <p>There is a risk that services fail to engage in aligning budget expenditures with Net Zero goals. If financial support and prioritisation are insufficient, due to competing financial demands, economic pressures and the continued approach being business as usual will hinder progress toward achieving the council's Net Zero ambitions and meeting approved corporate targets.</p>			
<b>Controls:</b>			
<p>Net Zero Strategy ratified (June 2023).  Integration of the Net Zero Energy Investment and Innovation (NZEII) Portfolio into the operational delivery plan.  Reporting, monitoring, and governance across all services through the Climate Change Committee.</p>			

<b>Mitigating Actions:</b>				
No.	Details	Responsible Officer	Target Date	RAG
HCR9.1	Carbon budgets and emissions reduction targets to be established and adopted for all services.	Net Zero Project Manager	April 2025	A
HCR9.2	Enhance service engagement through clear accountability and ownership.	Net Zero Project Manager	June 2024	A
HCR9.3	Integrate Net Zero into financial decision-making frameworks.	Net Zero Project Manager	September 2024	R
HCR9.4	Develop contingency funding strategies to address resource gaps.	Net Zero Project Manager	September 2024	R



HCR9.5	Establish regular performance reviews of each service cluster to assess alignment with Net Zero targets.	Net Zero Project Manager	June 2024	A
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**Notes:**  
A suitable carbon budgeting system is required.  
The slippage in the actions above was previously reported to the Climate Change Committee on 07/11/24.

## Appendix 2 – Corporate Risk profile

