The Highland Council

Agenda Item	**5**
Report No	**AC/3/26**

Committee:	**Audit Committee**
Date:	**4 February 2026**
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 as summary of the current corporate risks which have been assessed to date.

2.   Recommendations

2..1   The Committee is asked to:

i. **scrutinise** and **note** the Corporate Risk Register provided at **Appendix 1**.
ii. **consider** and **note** the risk profile at **Appendix 2**.

3.   Implications

3.1   <u>Resource</u> - 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   <u>Legal</u> - The Corporate Risk Register supports the Chief Audit Executive (the Strategic Lead (Corporate Audit)) 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   <u>Risk</u> - The corporate risk management process reduces the Council's exposure to risk by ensuring that corporate risks are identified and monitored regularly.

3.4   <u>Health and Safety (risks arising from changes to plant, equipment, process, or people)</u>
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.   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   This 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.

6.   Review of the Corporate risks

6.1   The Corporate Risk Register was reviewed during 2024 to determine which risks should continue to be managed as Corporate risks and reported to the Audit Committee.

6.2   This 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.

6.3   Many of the mitigating actions are associated with the Projects within the Operational Delivery plan. Members can review the details of the progress against these actions in the Council's Performance and Risk Management System and through the regular reports which are presented to Strategic Committees.

6.4   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.

Risk No.	Risk Name
HCR1	Financial Sustainability
HCR2	Provision of 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 – Severe Weather
HCR8	Civil Contingencies – Pandemic Diseases
HCR9	Net Zero Targets

6.5   Updates to risks and mitigating actions

6.5.1   Provision of Safe and Effective Property (HCR2)
There have been a number of updates to the risk mitigation actions within the Reconfiguring our Asset Base Portfolio. This was reported to the Housing and Property Committee on 28th January 2026. Where the ragging has changed since the last report to the Audit Committee, this has been shown below.

HCR2.1 – Improve Asset Condition/ Reduce Risk for General Fund Assets – This project remains amber because of the financial constraints and the level of the backlog of maintenance works which exists.

HCR2.2 – Migration of Property Assets and Property Resources – this is ragged as amber as there have been challenges in identifying and transferring budgets from respective services to the Property Service to enable oversight.

HCR2.3 – Strategic Asset Management – This project is rated red this is due to the challenges in achieving the scale of targeted savings. A range of measures are being deployed to accelerate area asset reviews and opportunities for rationalisation savings which will move the project to an amber rating. Alongside the Strategic Asset Management Board being considered for approval at the 28 January Housing & Property Committee, a programme has been developed for reporting Area Reviews to all Ward Business Meetings across Highland, and asset options are being developed and delivered that will achieve savings, and maximise the benefits of projects near completion.

HCR2.4 – Single Public Estate – New Area Community Pods – This project has been ragged as amber (previously green) while the project delivery programmes and budget costs are updated.

HCR2.5 – Trades Framework – This project is marked as amber as there has been some slippage with the tendering process. This was previously ragged as green.

6.5.2   Sustainability of the Workforce (HCR3)
This risk is being reviewed and updated following the completion of the Council's Senior Management structure. The updated risk will be reported to the next Committee meeting.

6.5.3   Civil Contingencies Risks (HCR4 – HCR8)
The main action associated with these risks relates to the Council's business continuity plans. All plans have now been drafted with 2 waiting to be signed off by senior management. It is expected that this will be completed by the end of January 2026.

As a result of the above delays, the date for the completion of business continuity plan testing has been pushed back to 30th April 2026. Therefore, the ragging of these actions have been changed from green to amber.

6.5.4   Net Zero Programme (HCR9)
A number of the actions under this risks are showing as amber. In November, the Net Zero, Energy Investment & Innovation Portfolio Board agreed that a report should be prepared for the Corporate Management Team detailing where gaps exist in the current approach and governance; addressing Members' concerns about cross-cluster integration and reporting; and clarifying how the model aligns with the Council's Net Zero Strategy and supports whole-Council ownership of climate outcomes. A review of Programme milestones and measures of success will also be undertaken. This will be reported to the Climate Change Committee on 28th January 2026.

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

Designation: Assistant Chief Executive - Corporate

Date: 19th January 2026

Author: Miles Watters, Corporate Information Governance Manager

Background Papers: Report to Audit Committee on 24/01/24

Appendices:
Appendix 1 – Corporate Risk Register report
Appendix 2 – Corporate Risk profile

No: HCR1	Title: Financial Sustainability			Risk Rating	
				Residual	**Target**
Risk Owner: Assistant Chief Executive - Corporate	**Risk Type:** Financial	Likelihood	3	**9**	**4**
		Impact	3		

Risk Details:

There is a risk that we will fail to maintain financial sustainability in the medium term (3 years). This is due to:

- A failure to achieve the 3-year strategy of savings and income targets that is designed to plug the forecast budget gap.
- Failure to operate within agreed revenue budget during each financial year.
- Wider-economic pressures or events out with the Council's control, which could include inflation, pay award and interest rates.
- The failure of partnerships to support service delivery and investment potential.

This may result in:

- Failure to achieve our Delivery Plan goals and financial targets.
- Failure to deliver within our agreed revenue budget.
- The need to make additional savings or cuts to address the financial risk.
- Failure to provide statutory services.
- Impact on affordability of council investment plans.
- An inability to take advantage of long-term revenue-generating activities that require capital to implement.

Controls:

- Council agreed a medium term financial plan and three-year budget in March 2025 to address the forecast budget gap.
- Council agreed a 3 year savings plan to run till 2027/28, which should deliver £36.7m of savings over that period.
- Council agreed other measures including fiscal flexibilities, use of reserves, and council tax to also address the budget gap.
- 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.
- The Council agreed a reserves strategy in December 2023. The Council's level of reserves exceeds its minimum level per that strategy.
- The Council has carried out engagement with staff and the public to shape these budget proposals.
- 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.
- Section 95 Officer, Delivery Plan Portfolio Boards and Officer Budget Review Group.
- Council has adopted the CiPFA Financial Management (FM) Code.

Mitigating Actions:

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	March 2026 (Q3 reporting cycle)	G
HCR1.4	Develop, monitor and maintain financial indicators and report to Members.	Chief Officer – Corporate Finance	March 2026	G
HCR1.5	Implement and monitor budget controls and monitoring improvements in 2025/26, including the development by Services of Budget Recovery Plans and appropriate monitoring and reporting via Strategic Committees.	Chief Officer – Corporate Finance	June 2026	G
Notes:				

No:	Title:			Risk Rating	
HCR2	Risk to provision of Safe and Effective Property			Current	Target
Risk Owner: Assistance Chief Executive - Place	**Risk Type:** Compliance & regulatory	Likelihood 3 Impact 5		15	4

Risk Details:

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:

- A lack of maintenance.
- Fabric deterioration.
- Changes in building regulations and other statutory requirements.
- Changing business needs/ Council policy.
- Impacts of climate change.
- Insufficient budget to address works identified by condition surveys

This may result in the following:

- Loss/injury through unsafe conditions,
- Impact to provision of services to the required standards,
- Loss of income to the Council,
- A reduction in the value of the Council's property assets.

Controls:

- Service contracts are in place for cyclical statutory inspections and maintenance.
- Periodic structural surveys are undertaken of aging building components/systems.
- Purchase of Computer Aided Facilities Management and Integrated Workplace Management systems.
- Maintenance requests can be logged through a helpdesk.
- Maintenance performance reports.
- Rolling reinspection programme of Asbestos containing materials is in place.
- There is a 5-year rolling programme of building surveys in place.
- A Corporate Fire Risk Assessment programme is in place.
- Targeted insurance inspections are undertaken by the Council's insurer.
- Climate change adaptation measures as identified in the Council's Climate Change Adaptation Strategy (in development).

Mitigating Actions:

No.	Details	Responsible Officer	Target Date	RAG
HCR2.1	Improve Asset Condition/ Reduce Risk for General Fund Assets • Key Milestone – Develop data driven programme of works for targeted condition improvements	Service Lead - Corporate Property	April 2029	A
HCR2.2	Migration of Property Assets and Property Resources • Key Milestone – Single Property Service Model Reviewed	Service Lead - Corporate Property	March 2026	A
HCR2.3	Strategic Asset Management • Key Milestone – Plan approved and deployed	Service Lead – Asset Management & Commercial Property	June 2025	R
HCR2.4	Single Public Estate - New Area Community Pods • Key Milestone – Pre-construction activities across multiple sites	Service Lead – Capital Planning & Estate Strategy	December 2025	A
HCR2.5	Trades Framework • Key Milestone – Invitation to tender process - Housing	Strategic Lead - Housing & Customer Services	December 2025	A
HCR2.6	Develop Learning Estate Strategy • Key Milestone – Learning Estate Strategy Approved – March 2025 • Key Milestone – Implementation of methodology	Service Lead – Capital Planning & Estate Strategy	December 2026	G

Notes:

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 – The target dates provided relate to the Key Milestone, while the RAG rating is that of the overall project as agreed by the Portfolio Board.

HCR2.1 – Project status is amber as a result of challenges in recruitment and the risk of there being insufficient budget to address works identified by condition surveys
HCR2.3 – Strategic Asset Management plan to be reported to January 2026 Housing & Property Committee

No: HCR3	Title: Sustainable & Adaptable Workforce			Risk Rating	
				Residual	Target
Risk Owners: Assistant Chief Executive – Corporate and Assistant Chief Executive - People	**Risk Type:** Operational & service delivery	Likelihood 4 Impact 4		16	9

Risk Details:

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:
- Existing staff lacking required skills.
- Inflexible organisational design which hampers recruitment or moving resource within all levels of the Council.
- Pressure on resources that prevents recruitment either to new posts or to fill vacancies and the lack of skilled potential external candidates.

This may result in:
- A failure to meet service demand.
- A failure to deliver statutory services.
- The inability to achieve all of the savings and efficiencies outlined in the Council's operational Delivery Plan.

Controls:
- Senior staff recruitment requirements are monitored to ensure stability in the organisation at an executive level.
- Change management arrangements are in place through the organisational restructure in order to minimise impact on individuals in the organisation.
- A workforce planning cycle is in place that includes tools for services to develop succession plans
- 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	Through collaboration with the Workforce North Partnership to deliver My Future Highland, we aim to enable more effective talent attraction to the Highland Area to address recruitment challenges.	Senior HR Business Partner	Mar 2026	G
HCR3.3	Through collaboration with the Workforce North Partnership to deliver My Future Highland, we will build accelerated pathways to qualifications with partners and employers to enable more effective area wide workforce planning – links to projects: School Curriculum and Business Links, Foundation & Modern Apprenticeships, and Accelerated Degree Pathways	Senior Lead Manager (Performance & Improvement)	June 2026	G
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 2026	G
HCR3.5	Workforce North Partnership – contribute to delivering priority Industry Skills Boards in the region – links to project: Employer Engagement & Job Opportunities.	Service Lead – Economy and Regeneration	Mar 2026	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.

No:	Title:			Risk Rating	
HCR4	Civil Contingencies – Cyber Attack			**Current**	**Target**
Risk Owner: Assistance Chief Executive - Corporate	**Risk Type:** Operational & Service Delivery	Likelihood 3 Impact 4		**12**	**9**

Risk Details:

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.

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.

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.

Controls:

- Separate networks between devices at different trust levels with firewalls between them.
- Quarterly scans of infrastructure.
- Annual ICT Health Check.
- Cloud managed endpoint virus and malware protection.
- Cloud managed internet filtering.
- Threat intelligence and proactive vulnerability remediation with regular patching.
- Centralised device management applying security policies.
- Move to cloud telephony.
- Termination of personal device risk.
- Migration to cloud hosted and SAAS services for some line of business applications.
- Offsite backup storage migrated from tape to immutable cloud storage.
- Internal Audit activities.
- Training and awareness activities.

Mitigating Actions:

No.	Details	Responsible Officer	Target Date	RAG
HCR4.1	Strategic ICT Transformation projects	Chief Officer - Business Solutions	April 2027	G

HCR4.2	Business as usual security improvements to address operational gaps	ICT Operations Manager	April 2027	**G**
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	December 2025	**A**
HCR4.4	All Services to ensure that Business Continuity Plans are tested	Chief Officers	April 2026	**A**

Notes:

Controls – the controls listed primarily reduce the likelihood of an incident occurring. By building resilience they can also reduce the impacts to the organisation.

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.

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.

	Title:			Risk Rating	
No: HCR5	Civil Contingencies – National Power Outage			**Current**	**Target**
Risk Owner: Assistance Chief Executive - Corporate	**Risk Type:** Operational & Service delivery	Likelihood 3 Impact 4		**12**	**9**

Risk Details:

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, which are predicted to increase in severity and frequency due to the impacts of climate change. 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.

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 &

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.

Controls:

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 6th 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 & 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.

Mitigating Actions:

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	December 2025	**A**
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	**C**
HCR5.3	All Services to ensure that Business Continuity Plans are tested.	Chief Officers	April 2026	**A**

Notes:

No:	Title:		Risk Rating	
HCR6	Civil Contingencies – Flooding		**Current**	**Target**

Risk Owner: Assistance Chief Executive - Corporate	**Risk Type:** Operational & Service delivery	Likelihood 3 Impact 3	**9**	**9**

Risk Details:

There is a risk that flooding could disrupt delivery of the Council's critical functions which are predicted to increase in severity and frequency due to the impacts of climate change. 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. The likelihood of landslides will increase due to heavy and intense rainfall events causing displacement of earth and surface erosion.

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.

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. Consideration and implementation of climate change adaptation measures as identified in the Council's Climate Change Adaptation Strategy (in development).

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	December 2025	**A**
HCR6.2	All Services to ensure that Business Continuity Plans are tested.	Chief Officers	April 2026	**A**

Notes:

No: HCR7	Title: Civil Contingencies – Severe Weather		Risk Rating	
			Current	**Target**
Risk Owner: Assistance Chief Executive - Corporate	**Risk Type:** Operational & Service Delivery	Likelihood 4 Impact 3	**12**	**9**

Risk Details:

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 (high and low), which are predicted to increase in severity and frequency due to the impacts of climate change. Severe weather events will also increase the risk of landslides, wildfires and droughts. These conditions can last over several days and sometimes weeks.

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 & 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.

Controls:

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 & Islands Local Resilience Partnership and work assigned to the Partnerships and member organisations to maintain an appropriate level of preparedness. Consideration and implementation of climate change adaptation measures as identified in the Council's Climate Change Adaptation Strategy (in development).

Mitigating Actions:

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	December 2025	**A**
HCR7.2	All Services to ensure that Business Continuity Plans are tested.	Chief Officers	April 2026	**A**

Notes:

No: HCR8	Title: Civil Contingencies – Pandemic Diseases			Risk Rating	
				Current	**Target**
Risk Owner: Assistance Chief Executive - Corporate	**Risk Type:** Operational & Service Delivery	Likelihood 4 Impact 4		**16**	**9**

Risk Details:

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. Pandemic diseases and risks of novel pathogens are predicted to increase due to the impact of climate change.   Impacts can be long-lasting.

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

Controls:

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 & Islands Local Resilience Partnership and work assigned to the Partnerships and member organisations to maintain an appropriate level of preparedness. Consideration and implementation of climate change adaptation measures as identified in the Council's Climate Change Adaptation Strategy (in development).

Mitigating Actions:

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	December 2025	A
HCR8.2	All Services to ensure that Business Continuity Plans are tested.	Chief Officers	April 2026	A

Notes:

No: HCR9	Title: Net Zero Programme			Risk Rating	
				Current	**Target**
Risk Owner: Assistance Chief Executive - Place	**Risk Type:** Financial	Likelihood 4 Impact 4		16	9

Risk Details:

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.

There is a financial 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.

Controls:

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.

Mitigating Actions:

No.	Details	Responsible Officer	Target Date	RAG
HCR9.1	Carbon budgets and emissions reduction targets to be established and adopted for all services.	Climate Change Manager	Jun 2026	G

HCR9.3	Integrate Net Zero into financial decision-making frameworks.	Climate Change Manager	Nov 2025	**A**
HCR9.4	Develop contingency funding strategies to address resource gaps.	Climate Change Manager	Sep 2025	**A**
HCR9.5	Establish regular performance reviews of each service cluster to assess alignment with Net Zero targets.	Climate Change Manager	Nov 2025	**A**
Notes:				

Appendix 2 – Corporate Risk profile

Likelihood
1 – Highly unlikely
2 – Unlikely
3 – Possible
4 – Likely
5 – Highly likely

Impact
1 – Insignificant
2 – Minor
3 – Moderate
4 – Major
5 – Catastrophic