

**FINANCE AUDIT AND RISK COMMITTEE**

8 January 2025

**\*PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: REPORT ON RISK MANAGEMENT GOVERNANCE (MID-YEAR UPDATE)**

REPORT OF: THE SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: FINANCE AND IT

COUNCIL PRIORITY: ALL

**1. EXECUTIVE SUMMARY**

To provide the Committee with an update on the effectiveness of the Risk Management Governance arrangements at the Council. The review is referred on to Cabinet and the Committee can make recommendations on how we can improve our risk management arrangements.

The highest strategic risks are the three over-arching risks of financial sustainability, resourcing and cyber, as well as the project risks for waste and street cleansing contract, Churchgate and leisure centre decarbonisation. All Corporate Risks have been reviewed during the 6 month period and there have been updates to the mitigation work completed and the work that is planned. However there have not been any change in the risk scores.

**2. RECOMMENDATIONS**

- 2.1. That Finance, Audit and Risk Committee note and provide recommendations to Cabinet on this mid-year Risk Management governance update.
- 2.2. That Finance, Audit and Risk Committee comment on the changes to the Risk Management Framework and recommend to Cabinet that they approve the changes.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1. The responsibility for ensuring the management of risks is that of Cabinet.
- 3.2. This Committee has responsibility to monitor the effective development and operation of Risk Management.

**4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1. There are no alternative options that are applicable.

## **5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS**

- 5.1. Consultation has been undertaken with the Leadership Team and the Risk and Performance Management Group (RPMG). The Executive Member for Finance and IT (as Risk Management Member Champion), the Chair of Finance, Audit and Risk Committee and the Chair of Overview and Scrutiny are all invited to RPMG, as well as key Officers. Lead Officers discuss risks with the relevant Executive Member.

## **6. FORWARD PLAN**

- 6.1 This report does not contain a recommendation on a key Executive decision so has not been referred to in the Forward Plan.

## **7. BACKGROUND**

- 7.1 In March 2022, Cabinet agreed that risks impacting on the delivery of the Council Plan and linked projects would be reported to the Overview and Scrutiny (O&S) Committee, along with details of projects and associated performance indicators. This forms part of the now established process in relation to the Council Delivery Plan, along with performance monitoring arrangements. This Committee will focus on its role (as set out in the Constitution) of “monitor[ing] the effective development and operation of risk management”. To achieve this, the Committee receives a mid-year (in December/January) and end of year (in June) report.
- 7.2 The Executive Member for Finance and IT in their role as the Member Risk Management Champion is a regular attendee at the quarterly RPMG meetings. The items discussed at these meetings informed the content of the committee reports.
- 7.3 The RPMG is chaired by the Service Director – Resources, the Officer Champion for Risk Management, who is responsible for the risk management function at a strategic and operational level. This function is delivered by the Controls, Risk and Performance Manager and the Performance and Risk Officer, including the provision of training and support to Officers and Members.
- 7.4 Hertfordshire County Council (HCC) delivers the Council’s insurance services and their Risk and Insurance Manager attends RPMG meetings. This enables the Council to obtain an insight into emerging risks and issues at both HCC and other Hertfordshire local authorities. The SIAS Client Audit Executive also attends RPMG meetings, helping to inform the group’s understanding of wider risk issues.
- 7.5 These reports provide a wider commentary on Risk, the broader risks and mitigations, and to provide assurance that risk governance arrangements are working, and that effective risk management processes are in place.
- 7.6 When the Committee considered the end of year report for 2023/24 (at their June meeting, there was a request for more information on risk mitigations. This is included in paragraph 8.2.6.

## **8. RELEVANT CONSIDERATIONS**

### **8.1 RISK MANAGEMENT GOVERNANCE**

8.1.1 The Councils Risk Management Framework (RMF) requires us to:

- Identify and document key risks in all areas of our business, understand them and seek to proactively manage them.
- Assess each risk, identify existing controls, and further actions required to reduce the risk.
- Have Business Continuity Plans in place for each of our service areas, which identify the key functions, what the risks are and how they can be mitigated to allow them to continue operating.
- Develop capacity and skills in identifying, understanding, and managing the risks facing the Council.
- Regularly review the Risk Management Framework and update it in line with statutory and best practice requirements.

8.1.2 The Risk Management Framework has been reviewed and the following changes are recommended:

| Framework Document and Section                                                                       | Proposed Change                                                                                                                                                                                                                                                                                |
|------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Policy Statement                                                                                     | No changes proposed.                                                                                                                                                                                                                                                                           |
| Policy (throughout document)                                                                         | References to Pentana Risk changed to Ideagen Risk Management, following a change to the system's name.                                                                                                                                                                                        |
| Policy (5.4)                                                                                         | Updated to reference the recently introduced standard paragraph for the Risk Implications section of committee reports. Now reinforces report writers' responsibility for identifying key risks in reports.                                                                                    |
| Policy (5.7)                                                                                         | Updated to reference that Corporate Risks (risks included in the Council Delivery Plan) now go to Overview and Scrutiny Committee, while changes to the framework still go to FAR.                                                                                                             |
| Policy (links)                                                                                       | Links at the end of the document updated. Link for the Risk Management e-learning now directs to the Learning Management System login screen. Also references that the e-learning is now mandatory for managers. Link for the Risk Management intranet page now directs to the latest version. |
| Strategy (throughout document)                                                                       | References to Pentana Risk changed to Ideagen Risk Management, following a change to the system's name.                                                                                                                                                                                        |
| Strategy (throughout document)                                                                       | Any references to the <i>Risk Management Group</i> updated to the <i>Risk and Performance Management Group</i> , to reflect the change of name.                                                                                                                                                |
| Strategy (Page 7, first full paragraph)                                                              | Updated to highlight that Corporate Risks are those included in the Council Delivery Plan.                                                                                                                                                                                                     |
| Strategy (Page 8, Roles in the Risk Management Process)                                              | For <i>All Employees</i> , deleted the <i>Undertake risk management e-learning</i> bullet point, as e-learning currently only mandatory for and available to managers.                                                                                                                         |
| Strategy (Page 9, Roles in the Risk Management Process)                                              | For <i>Service Managers / Project Managers</i> added <i>Complete mandatory risk management e-learning</i> .                                                                                                                                                                                    |
| Strategy (Page 10, Objective 4)                                                                      | Updated <i>Local Code of Corporate Governance</i> link to direct to the latest version.                                                                                                                                                                                                        |
| Strategy (Page 10, Objective 4, Project Management)                                                  | Updated link to direct to the current Project Management Guide.                                                                                                                                                                                                                                |
| Strategy (Page 10, Objective 4, Business Continuity)                                                 | Updated link to direct to the current Business Continuity Process intranet page.                                                                                                                                                                                                               |
| Strategy (Page 10, Objective 4, Information Governance)                                              | Pending an updated link to direct to the current Information Security Policy.                                                                                                                                                                                                                  |
| Strategy (Page 12, Objective 5, Corporate Risks)                                                     | Various updates to reflect current reporting arrangements and changes to what is reported where.                                                                                                                                                                                               |
| Strategy (Page 13, Objective 5, Corporate Risks, Diagram representing the review of Corporate Risks) | Diagram updated to reflect current reporting arrangements.                                                                                                                                                                                                                                     |
| Strategy (Page 13, Objective 6, second paragraph)                                                    | Updated to reference that the e-learning is now mandatory for managers. Link also updated so that it now directs to the GROW Zone login screen.                                                                                                                                                |

8.1.3 The documents are attached as Appendices A (Policy Statement), B (Policy) and C (Strategy).

**8.2 Risk Identification and Assessment**

8.2.1 The Corporate Risks are the responsibility of the Leadership Team and Cabinet, with Cabinet ensuring the risks are managed appropriately and proportionately. These key risks are those that cut across the delivery of all services, related to key projects or could significantly affect the delivery of Council objectives. They are likely to require a high level of resources to manage and needed to be monitored at a strategic level.

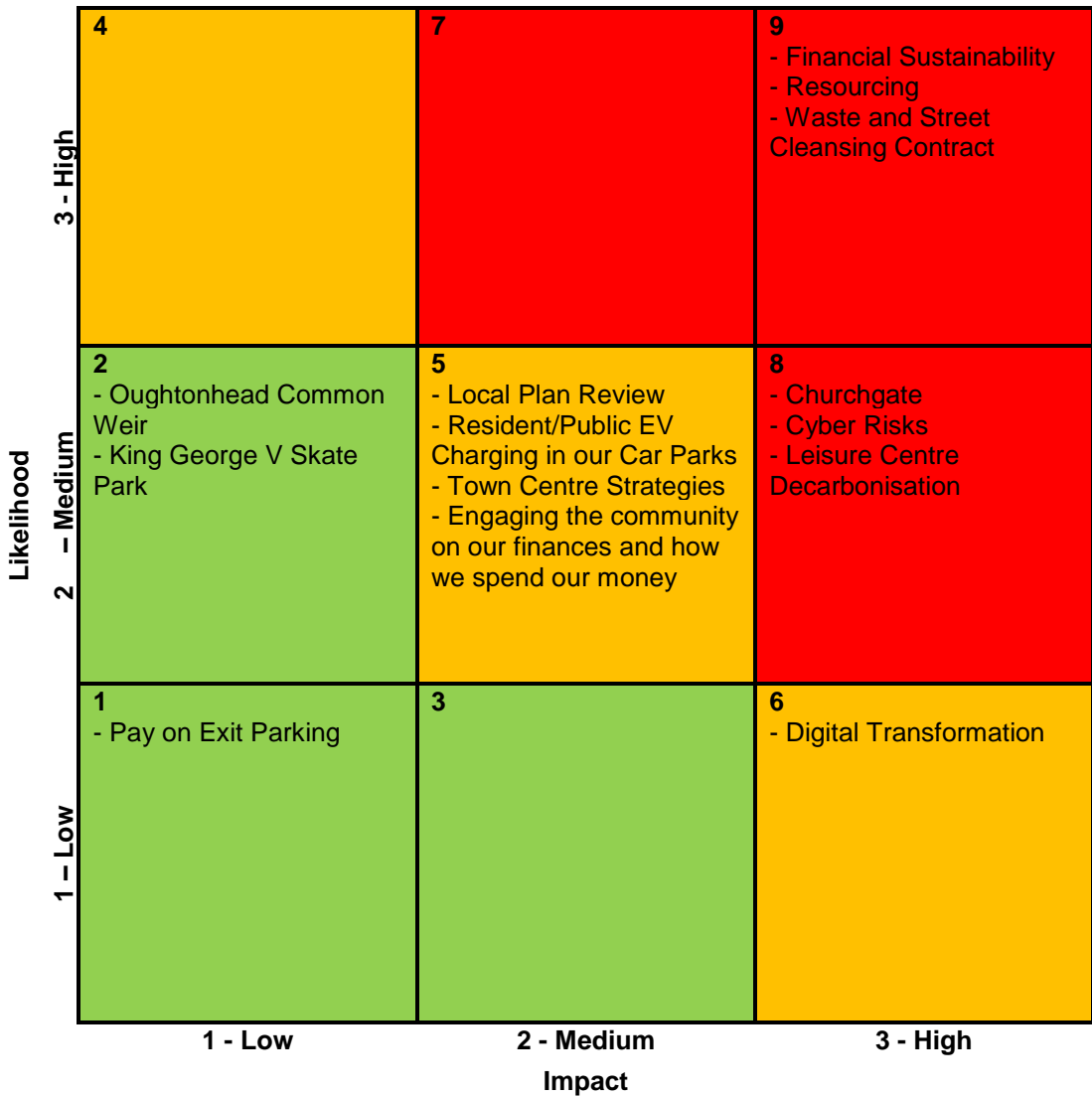
8.2.2 The reporting of Corporate Risks to Cabinet via the Quarterly O&S Council Delivery Plan updates, allows details of the top risks facing the Council to be monitored. The half-yearly report on risk management governance (to FAR and Cabinet) helps to provide assurance over the processes that are in place to support risk management.

8.2.3 In March 2024, Cabinet decided that there would be 11 Council Delivery Plan projects and 3 over-arching risks. Each of the Council Delivery Plan projects would have a risk assessment in place to determine the major risks to the delivery of the project and mitigating actions against those risks. For the majority of the projects, they had been carried forward from the previous Council Delivery Plan in essentially the same format. The scope of the Waste and Street Cleansing project was changed from contract award, to extending through to contract implementation. The scope of the leisure centre works changed from individual projects to the delivery of all the works that were part of the Public Sector Decarbonisation Scheme bid. The project to engage the community on our finances was new. So was the King George V (Hitchin) skate park project. For the projects that were broadly the same, 1 out of the 7 was high risk (Churchgate), 4 were medium risk and 2 were low risk. All 3 of the over-arching risks were high risk. The initial assessment of the new/ significantly changed projects was 2 high risk (Waste and Street Cleansing Contract implementation and Leisure Centre Decarbonisation), one medium and one low risk.

8.2.4 The following diagram highlights the definitions of likelihood and impact used in the Risk Management Framework.

|                                                                                                                                                               |                                                                                                                                                                                        |                                                                                                                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>4 Likelihood High (3)</b><br/> <b>Impact Low (1)</b><br/>           Chance of it happening -More than 60%<br/>           Consequences - Minor</p>       | <p><b>7 Likelihood High (3)</b><br/> <b>Impact Medium (2)</b><br/>           Chance of it happening - More than 60%<br/>           Consequences - Noticeable effect on the Council</p> | <p><b>9 Likelihood High (3)</b><br/> <b>Impact High (3)</b><br/>           Chance of it happening - More than 60%<br/>           Consequences - Significant impact on the Council</p>      |
| <p><b>2 Likelihood Medium (2)</b><br/> <b>Impact Low (1)</b><br/>           Chance of it happening – between 20 – 60%<br/>           Consequences - Minor</p> | <p><b>5 Likelihood Medium (2)</b><br/> <b>Impact Medium (2)</b><br/> <b>Chance of it happening – between 20 – 60%</b><br/> <b>Consequences – Noticeable effect on the Council</b></p>  | <p><b>8 Likelihood Medium (2)</b><br/> <b>Impact High (3)</b><br/>           Chance of it happening – between 20 – 60%<br/>           Consequences – Significant impact on the Council</p> |
| <p><b>1 Likelihood Low (1)</b><br/> <b>Impact Low (1)</b><br/>           Chance of it happening – less than 20%<br/>           Consequences - Minor</p>       | <p><b>3 Likelihood Low (1)</b><br/> <b>Impact Medium (2)</b><br/>           Chance of it happening – less than 20%<br/>           Consequences – Noticeable effect on the Council</p>  | <p><b>6 Likelihood Low (1)</b><br/> <b>Impact High (3)</b><br/>           Chance of it happening – less than 20%<br/>           Consequences – Significant impact on the Council</p>       |

8.2.5 The most recent Council Delivery Plan monitoring report contains the following risks (with no new risks and no archived risks), which have been plotted on the Corporate Risk Matrix to show a visual risk profile of the Plan:



8.2.6 The risks can also be assessed in the context of mitigating actions, including those that have been completed. Where mitigating action are completed then there would be an expectation that these would have some impact on the risk score. The current completed actions and proposed mitigating actions are detailed below for each of the Council Delivery Plan high level risks. These will be tracked over time to give a further indication they are being managed.

| Project                                                              | Work Completed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Ongoing Work                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Churchgate</b><br>Current: 8<br>Target: 6                         | <ul style="list-style-type: none"> <li>- Secured both freehold and leasehold ownership.</li> <li>- Project Board appointed (November 2022).</li> <li>- Lead consultant (Lambert Smith Hampton) appointed (June 2023). LSH supported by design and transport consultants.</li> <li>- Appointed communications agency support (PLMR).</li> <li>- Detailed project risk log created. Issues log also created.</li> <li>- SIAS audit of Churchgate - Ongoing Project Assurance (reported May 2024). Recommendations implemented.</li> <li>- Engagement plan developed and approved by Project Board (July 2024).</li> <li>- Formal engagement process commenced September 2024.</li> </ul>                                                        | <ul style="list-style-type: none"> <li>- Communications and consultation plan in place, which is kept updated.</li> <li>- Decisions explained, including that there will need to be compromises.</li> <li>- Financial and expert consultancy support is in place to provide expert advice and help us to move the project forward.</li> <li>- Cost effectiveness/value for money is a key part of assessing and developing options.</li> <li>- Regular Project Board meetings.</li> <li>- Project risk log and issues log regularly updated.</li> </ul>                                                                                                                                                                                                                                                 |
| <b>Waste and Steet Cleansing Contract</b><br>Current: 8<br>Target: 6 | <ul style="list-style-type: none"> <li>- New contract will change to 3-weekly collections.</li> <li>- Robust inflationary models used.</li> <li>- Included management mechanisms for anticipated changes in law.</li> <li>- New contract drafting to manage legislative and statutory guidance changes.</li> <li>- Workshops with Members to consider options for reducing/changing specification requirements.</li> <li>- Dialogue with bidders on reduced/changed specification requirements.</li> <li>- Project Board (Procurement) established.</li> <li>- Independent legal advice sought on draft statutory guidance.</li> <li>- EV charging feasibility assessments undertaken.</li> <li>- Secured use of Letchworth depot.</li> </ul> | <ul style="list-style-type: none"> <li>- Project Risk Log in place and reported to Project Boards.</li> <li>- Support from consultants, and project management support from East Herts.</li> <li>- Uncertainty relating to Waste costs referenced in the MTFS 2024-29.</li> <li>- Project Board (Mobilisation) in place.</li> <li>- Service Director - Place to ensure Leadership Team sufficiently considers resource needs of the project.</li> <li>- Risks relating to the development/integration of online forms being managed via the Digital Transformation project.</li> <li>- Development of a comprehensive Communications Plan and a budget setting bid to support delivery of related project comms.</li> </ul>                                                                             |
| <b>Leisure Centre Decarbonisation</b><br>Current: 8<br>Target: 6     | <ul style="list-style-type: none"> <li>- Project Board established.</li> <li>- Dedicated Project Manager appointed.</li> <li>- Detailed Project Risk Log created and reported to Project Board on an ongoing basis.</li> <li>- Appointed Quantity Surveyor to oversee NHC's interests.</li> <li>- Project Board decision to draw down Year 1 grant funding and place early orders for plant and materials including Air Source Heat Pumps and Solar PV, prior to entering the construction contract.</li> </ul>                                                                                                                                                                                                                               | <ul style="list-style-type: none"> <li>- Engagement with Planning.</li> <li>- Discussions with DNO and regular updates on applications.</li> <li>- Contracts to include required savings guarantees and post-installation verifications.</li> <li>- Clarify grant funding implications if carbon savings are not achieved.</li> <li>- Communicate planned disruption to users, highlighting the wider aims of the project, and consider the need for a formal Communication Plan.</li> </ul>                                                                                                                                                                                                                                                                                                            |
| <b>Resourcing</b><br>Current: 9<br>Target: 2                         | <ul style="list-style-type: none"> <li>- Carry-forward of staffing underspend to help deliver some priorities.</li> <li>- Work on Baldock Fire recovery has subsided.</li> <li>- Council Delivery Plan reviewed for 2024/25 with a reduction in number of projects.</li> <li>- Recruitment website updated to make it more attractive to applicants.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                               | <ul style="list-style-type: none"> <li>- Consider getting in additional staffing resource (especially where New Burdens funding available).</li> <li>- Signposting to external resources and support.</li> <li>- Process automation.</li> <li>- Continue HR projects to help make the Council a more attractive place to work and make the recruitment process easier.</li> <li>- Continue to review the Council Delivery Plan to ensure resources are targeted at those projects that are the highest priority and stop/delay work on those that are a low priority.</li> <li>- Pressures identified in the budget setting process for 2025/26 for additional staffing, including training posts.</li> <li>- Joining in with the national recruitment campaign for councils led by the LGA.</li> </ul> |
| <b>Cyber Risks</b><br>Current: 8<br>Target: 8                        | <ul style="list-style-type: none"> <li>- In-house fully functional Disaster Recovery solution.</li> <li>- SLA from broadband provider in place (although loss of broadband service is out of our control).</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>Key Controls/Mitigations</b> <ul style="list-style-type: none"> <li>- Technology in place to cover systems being interrupted or damaged, and data being corrupted or erased: Computer virus (Realtime Virus</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

| Project                                                             | Work Completed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Ongoing Work                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                     | <ul style="list-style-type: none"> <li>- Financial Risk identified for 2024/25 to fund services to aid recovery, "Ransomware attack results in the write-off of some IT hardware and infrastructure" (Low Risk/£200K).</li> <li>- 2022/23 SIAS audits of IT Hardware (Reasonable assurance), Phishing (Reasonable assurance) and Cyber Risk (Reasonable assurance).</li> <li>- V3 laptop rollout completed for staff.</li> <li>- Implemented IT Hardware audit recommendations.</li> <li>- Test Immutable Cloud Back-up - Phase 1.</li> <li>- Implemented Immutable Cloud Back-up - Phase 2.</li> <li>- IT Information Team Leader and Technical Operations Manager completed the Certified Information Security Manager course.</li> <li>- Implemented Phishing audit recommendations.</li> <li>- Implemented Cyber Risk audit recommendations.</li> <li>- New email monitoring system Mimecast implemented and live. Backup server for mail routing in the event of attack on Microsoft 365 in place.</li> <li>- Windows 11 operating system with Microsoft Defender now deployed.</li> </ul> | <p>Protection/Defender updated), Malware (Realtime Monitoring), Computer hacking (Firewalls/Admin restrictions).</p> <ul style="list-style-type: none"> <li>- Internal detailed IT risk register in place, which is continually monitored/updated, as individual ongoing risks are identified. (Ongoing)</li> <li>- Cyber Awareness training for all staff, including new requirement for annual refresh.</li> <li>- Continual evaluation and development of cyber policies and threat analysis.</li> </ul> <p><u>Response Options</u></p> <ul style="list-style-type: none"> <li>- Successful cyber-attack would be managed by a complete disconnect, with no/limited service available until the breach is fixed. IT would have responsibility for initiating this.</li> <li>- Power failure would be managed by the generator/UPS, with a limited service available.</li> <li>- For Ransomware, go to backup and rebuild all devices. Ransomware policy to be discussed in January 2025 Cyber Board.</li> </ul> <p><u>Cyber Resilience Board</u></p> <ul style="list-style-type: none"> <li>-The Council has introduced a Cyber Resilience Board, which includes key officers and elected Members, and meets quarterly.</li> <li>-The Council will not now appoint a Chief Information Security Officer. IT Manager to undertake the role of principal security officer as Cyber Security Lead.</li> </ul> |
| <p><b>Financial Sustainability</b><br/>Current: 9<br/>Target: 5</p> | <ul style="list-style-type: none"> <li>- MTFS for 2025-30 agreed by Council in September 2024.</li> <li>- Started budget setting process for 2025/26, but this has identified pressures which will increase service savings targets.</li> <li>- Government confirmation of three-year settlement from 2026/27 onwards.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <ul style="list-style-type: none"> <li>- Revise funding projections as a result of formula changes and insight of future direction.</li> <li>- MTFS sets out a strategy for addressing funding gaps, including how difficult service funding decisions will need to be made.</li> <li>- Regular budget monitoring to highlight any issues.</li> <li>- Budget consultation to ensure savings reflect resident priorities.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

8.2.7 In addition to Corporate Risks, we also document and review service risks. As at 30 September 2024 there were 49 service risks. Ten of these were rated as high (red) risks, 20 as medium (amber) and 19 as low (green) risks. The high rated risks related to:

- Delivery of the Waste Collection and Street Cleansing Services Contract
- EV Charging Points
- Incompatibility of IT systems including Tascomi and Information@Work
- Increased Levels of Homelessness
- Open Space in Major New Developments
- Procurement, Tendering, Letting of Contracts and Contract Management
- Resilience of and increasing demands on Environmental Health
- Sale of Recyclable Materials
- Waste Depots
- Waste Transfer Infrastructure.



### 8.3 Review of Risks

8.3.1 Risk reviews are scheduled within IdeaGen, (our performance and risk software) and automated reminders are sent to service areas when risks are due to be reviewed, in line with the RMF requirements. Red Risks are reviewed the most regularly – every 3 months, with Amber risks every 6 months and Green risks being reviewed at least once per year. Service areas are assisted by the Performance and Risk Officer to ensure that information is captured in line with the RMF.

8.3.2 As at 30 September 2024, there were 63 risks on the risk register. All of these had risk reviews in place in accordance with the Risk Management Framework. During the 6 month period to 30 September, 88 risk reviews had taken place and of these 68 were on time. Of the 20 reviews that were late, 13 were less than 2 weeks late. Of the 7 reviews that were more than 2 weeks late the reasons for these have been investigated. The main reasons are resourcing and waiting for information to allow for a more accurate review to take place. For corporate risks, there were 4 reviews that were late, and all of these were less than 2 weeks late.

### 8.4 New and Archived Risks

8.4.1 During the 6 month period to 30 September 2024, there were 17 new risks created. The majority of these were creating the new Council Delivery Plan risks, and there were 3 completely new risks. These were:

- **Incompatibility of IT systems including Tascomi and Information@Work:** Risk of Environmental Health not being able to access up to date information, providing incorrect information to FOI and similar information requests, and failing to undertake statutory functions.
- **Resilience of and increasing demands on Environmental Health:** Risk of Environmental Health being unable to meet service demands and legal/statutory requirements with existing resources.
- **Climate Change – Adaptation:** Failure to adapt services and service provision (including Emergency Planning and Business Continuity Planning arrangements) to current and predicted changes to our climate.

8.4.2 During the 6 month period to 30 September 2024, there were 14 archived risks. The majority of these were removing previous year Council Delivery Plan risks, so they could be updated for the current year (see above). There were 3 fully archived risks. These were:

- **Impact of Anti-Social Behaviour on Council Facilities:** This is an ongoing issue (typically low level) requiring a business-as-usual response. The specific impact on Council property is being substantially managed. Any further controls or mitigating activities will be informed by the number and location of incidents, the level of anti-social behaviour being experienced, and our ability to introduce proportionate measures within available budgets.

- **Covid-19 - Leisure Management Contracts:** Following commencement of the contract with Sport and Leisure Management (SLM) trading under the brand name Everyone Active, the described risks to SLL associated with ongoing impacts from the Covid-19 pandemic are no longer relevant. At the end of the SLL contract, leisure usage was strong, exceeding both the target level and pre-pandemic performance. The new contract is operating under business-as-usual conditions and includes a clause relating to future pandemic events, to help manage related risks going forward.
- **Museum/ HTH Recovery:** In 2023/24, the Museum/HTH met or exceeded most of their budget targets for income. Early indications were that performance in 2024/25 will continue to be positive. Visitor numbers to the museum have recovered and cafe income is on an upward trajectory, notably with spend per head increasing rather than purely benefitting from the recovery in football. Residual risks relating to the performance of facilities are managed via day-to-day activities. There is no lasting legacy associated with either Covid or the cost of living, both of which appear to have come and gone in terms of their peak pressure and suppressive impact on football and income. Although cost of living pressures remain, these appear to be becoming normal rather than a specific short-term risk and are not as acute as at some stages last year.

## 9 Insurance Review

- 9.1 Hertfordshire County Council continued to handle the Council's insurance arrangements under a shared service arrangement.
- 9.2 At the Risk and Performance Management Group meeting in November an update was provided on the various open insurance claims. There were 11 public liability claims. Some of these had been declined or had not been pursued by the claimant. Where it was accepted that the Council was liable, then progress was being made on trying to reach an appropriate settlement. There were 5 motor vehicle claims relating to damage caused by Council vehicles.
- 9.3 The Council is able to provide insurance cover for Community Centres that are on full repairing and insuring leases. The cost of the insurance is charged to the Community Centre at the cost incurred by the Council. Westmill Community Centre had this cover and have made use of it in relation to the flooding that affected them. The Community Centre have been supported in dealing with the insurers.
- 9.4 None of the above has an impact on overall risk the Council.

## 10 Business Continuity and Emergency Planning

- 10.1 For Emergency Planning we had identified a shortage of volunteers (e.g. to be used to open and staff a reception/ rest centre or to act as Site Liaison Officers) prior to the flooding in Hitchin. So, we had already began recruiting and training more staff volunteers. The incident showed that we still do not really have enough volunteers, so we have sought to recruit even more.

10.2 Work has continued with Hertfordshire County Council to ensure that there are fully developed plans in place in case there is ground water flooding in Kimpton.

10.3 Work on Business Continuity will now follow an annual update process, following the detailed review undertaken last year.

## 11 Health and Safety

11.1 There have been some concerns over a couple of packages received by the Council. They were harmless, but we are taking the opportunity to ensure that our policy on suspicious packages and bomb alerts is updated and understood.

11.2 There have also been a couple of instances of members of the public gaining access to the building via the rear entrance. We will therefore be reminding Officers and Councillors of the need to make sure that the building is kept secure.

11.3 There have been various discussions about the best ways to keep Officers safe when they are lone working, especially when they are carrying out enforcement roles. There are some technological solutions, but all still need a mobile signal, which is not available in some rural areas. The lone working policy therefore also includes lower technology solutions (e.g. making others aware of schedules and agreed check-in times).

## 12 Actions for 2024/25

12.1 The Annual Report detailed the following key actions for 2024/25 to enhance our Risk Management processes:

| Action                                                                          | Due Date | Progress                                                                                     |
|---------------------------------------------------------------------------------|----------|----------------------------------------------------------------------------------------------|
| Undertake the annual review of Risk Management Framework documentation.         | 31/12/24 | Included with this update.                                                                   |
| Assess how well the cyclical attendance of Service Directors at RPMG works      | 31/12/24 | Has been taking place and allows broad risk coverage with expert input.                      |
| Senior Managers Group (SMG) review of emerging risks and opportunities          | 31/12/24 | To be discussed at the December SMG meeting.                                                 |
| Training for O&S (also open to other Members) on using IdeaGen                  | 30/09/24 | The offer for training has been made. To revisit the demand for this training.               |
| Training for FAR (also open to other Members) on carrying out a risk assessment | 30/09/24 | Other training has been prioritised. This will take place in advance of the January meeting. |
| Continue to refine the Council Delivery Plan                                    | 31/03/25 | Ongoing.                                                                                     |

## **14. LEGAL IMPLICATIONS**

- 14.1 The Committee's Terms of Reference include "to monitor the effective development and operation of risk management and corporate governance, agree actions (where appropriate) and make recommendations to Cabinet" (Constitution 10.1.5 (u)).

## **15. FINANCIAL IMPLICATIONS**

- 15.1 There are no direct financial implications arising from this report.

## **16. RISK IMPLICATIONS**

- 16.1 Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.
- 16.2 The Risk and Opportunities Management Strategy requires the Finance Audit and Risk Committee to consider regular reports on the Councils Corporate Risks. Failure to provide the Committee with regular updates would conflict with the agreed Strategy and would mean that this Committee could not provide assurance to Cabinet that the Councils identified Corporate Risks are being managed.

## **17. EQUALITIES IMPLICATIONS**

- 17.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 17.2 Reporting on the management of risk provides a means to monitor whether the Council are meeting the stated outcomes of the district priorities, its targets or delivering accessible and appropriate services to the community to meet different people's needs. The risks of NHDC failing in its Public Sector Equality Duty are recorded on the Risk Register. The Councils risk management approach is holistic, taking account of commercial and physical risks. It should also consider the risk of not delivering a service in an equitable, accessible manner, and especially to its most vulnerable residents, such as those who are homeless.

## **18. SOCIAL VALUE IMPLICATIONS**

- 18.1 The Social Value Act and "go local" requirements do not apply to this report.

## **19. ENVIRONMENTAL IMPLICATIONS**

- 19.1 There are no known Environmental impacts or requirements that apply to this report, although projects and risks related to climate change are referenced. A failure to acknowledge and seek to manage these risks, would have environmental implications.

## **20. HUMAN RESOURCE IMPLICATIONS**

- 20.1 The proposed Resourcing risk highlights the potential impact on staff of taking on new tasks.

## **21. APPENDICES**

Appendix A- Updated Policy Statement  
Appendix B- Updated Policy  
Appendix C- Updated Strategy

## **22. CONTACT OFFICERS**

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## **23. BACKGROUND PAPERS**

- 23.1 None