

**FINANCE, AUDIT AND RISK COMMITTEE**  
**7 January 2026**

**\*PART 1 – PUBLIC DOCUMENT**

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

REPORT OF: DIRECTOR - RESOURCES

EXECUTIVE MEMBER: RESOURCES

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 four over-arching risks of Cyber, Financial Sustainability, Local Government Reorganisation and Devolution, and Resourcing, as well as project risks for Churchgate, Leisure Centre Decarbonisation, Local Plan Review, and Decarbonisation of Council Buildings - Phase 2. All Corporate Risks were reviewed during the six-month period April 2025 to September 2025, with updates to completed and planned mitigating activities.

During the same six-month period, the risk score for one project risk was increased – Local Plan Review (from 5 to 7) - and two were reduced - Waste and Street Cleansing Contract (from 8 to 5) and Engaging the Community on our Finances (from 7 to 5). A new project risk - Decarbonisation of Council Buildings Phase 2 - was also introduced (approved by Cabinet on 24 June 2025 and first reported as part of the Quarter 1 Council Delivery Plan monitoring report).

**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 proposed changes to the Risk Management Framework and recommend these changes for approval to Cabinet.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1. Cabinet has overall responsibility for ensuring the management of risk.

- 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 applicable alternative options.

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

- 5.1. Consultation has been undertaken with Leadership Team and the Risk and Performance Management Group (RPMG). The Executive Member for Resources, as Risk Management Member Champion, the Chair of Finance, Audit and Risk Committee, the Chair of Overview and Scrutiny Committee, and members of both committees are invited to quarterly RPMG meetings, as well as key officers. Lead officers discuss risks relating to their service areas with the relevant Executive Member.

#### **6. FORWARD PLAN**

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

#### **7. BACKGROUND**

- 7.1. In March 2022, Cabinet agreed that risks impacting delivery of the Council Plan and linked key projects would be reported to the Overview and Scrutiny Committee (O&S), along with key performance indicators. This forms part of the established Council Delivery Plan process and performance monitoring arrangements. The Finance, Audit and Risk Committee (FAR) focuses 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 Resources, in their role as the Risk Management Member Champion, is a regular attendee at quarterly RPMG meetings. The items discussed at these meetings inform the content of related committee reports.
- 7.3. The Director – Resources, the Officer Champion for Risk Management, chairs the RPMG and is responsible for the risk management function at a strategic and operational level. The Controls, Risk and Performance team deliver this function, 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 Head of Assurance also attends RPMG meetings, helping to inform understanding of wider risk issues.

- 7.5. This mid-year update report aims to provide a wider commentary on risk, a broader understanding of risks and mitigations, and assurance that risk governance arrangements are working and effective risk management processes are in place.
- 7.6. In line with a previous request from this Committee, the report includes information on recorded risk mitigations, which is detailed in paragraph 8.2.6.

## 8. RELEVANT CONSIDERATIONS

### 8.1. RISK MANAGEMENT GOVERNANCE

8.1.1. The Council's Risk Management Framework 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 identify 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. Officers have undertaken the annual review of the Risk Management Framework, and the RPMG considered this at its November 2025 meeting. The following changes are recommended:

Framework Document and Section	Proposed Change to Previous Version
Policy Statement	No changes proposed.
Policy (throughout document)	Six minor grammatical changes to improve readability.
Policy (5.6 and 5.7)	Changed previous reference to <i>Operational Risks</i> to <i>Service Risks</i> to ensure consistency of terminology throughout risk management documentation and reports.
Policy (5.7)	Changed previous reference to <i>Service Director</i> to <i>Director</i> to reflect recent changes to job titles.
Policy (6.1)	Now references that the Risk Management Framework consists of four parts rather than four documents, as the Toolkit is available on the intranet (The Hub) and consists of numerous documents.
Policy (7.2)	Added a sentence detailing that the Toolkit is available on the intranet (The Hub).
Strategy (throughout document)	Any references to <i>Service Director(s)</i> changed to <i>Director(s)</i> .
Strategy (throughout document on pages 1, 2, 4, 6, 7, 8, 9, 10, 11, 12, and 15)	36 minor grammatical changes to improve readability.

Framework Document and Section	Proposed Change to Previous Version
Strategy (Page 1, first line)	Added the word <i>Council's</i> , so the sentence now begins, "North Herts <i>Council's</i> Risk Management Framework..."
Strategy (Page 1, second paragraph)	Added the word <i>Framework</i> , so the paragraph now begins, "Part 1 – Risk Management <i>Framework</i> - Policy Statement..."
Strategy (Page 4, first and third paragraph)	Two references to <i>Risk Scoring Matrix</i> changed to <i>Risk Matrix</i> .
Strategy (Page 4, third paragraph)	Added <i>and scored</i> , so the paragraph now begins, "To ensure consistency, risks are assessed <i>and scored</i> using a standard Risk Matrix..."
Strategy (Page 4, bottom table)	Added the title, <i>ASSESSMENT CRITERIA</i> :
Strategy (Page 5, first line)	Added the title, <i>RISK SCORING MECHANISM</i> :
Strategy (Page 7, third paragraph)	Added <i>the</i> and <i>risk entry</i> so the last sentence now reads, "If the proposed change is not accepted, <i>the</i> Ideagen <i>risk entry</i> will be reinstated with the agreed score."
Strategy (Page 7, fifth paragraph)	Changed <i>Operational</i> to <i>Service</i> , so the paragraph now begins, "Risk registers ( <i>Service</i> and Corporate)..."
Strategy (Pages 8 and 10, Roles in the Risk Management Process)	Added <i>Policy Statement</i> to the list of Risk Management Framework documents to be reviewed/approved.
Strategy (Page 10, Objective 4, first sentence)	Added <i>Framework</i> , so the sentence now begins, "The Risk Management <i>Framework</i> - Strategy is an essential element..."
Strategy (Page 10, Objective 4, second paragraph)	Updated <i>Local Code of Corporate Governance</i> link to the March 2025 version.
Strategy (Page 10, Objective 4, third paragraph)	Changed <i>Managing Director</i> to <i>Chief Executive</i> .
Strategy (Page 10, Objective 4, Service/Budget Planning)	Deleted <i>Budget</i> so that it now reads Service Planning. Removed reference to Risk Questionnaire and business unit risk registers. Risks should be added to Ideagen.
Strategy (Page 10, Objective 4, Project Management)	Updated <i>Link to: Project Management Guide Final.docx</i> .
Strategy (Page 10, Objective 4, Business Continuity)	Updated <i>Link to: Business Continuity Process intranet page</i> .
Strategy (Page 11, Objective 4, Procurement)	Changed <i>Contract Standing Orders</i> to <i>Section 20 - Contract Procurement Rules of the Constitution</i> . Updated <i>Link to: Council Constitution web page</i> .
Strategy (Page 11, Objective 4, Information Governance)	Added <i>and Freedom of Information</i> , so the last sentence now reads, "There is also mandatory annual refresher training in Data Protection <i>and Freedom of Information</i> ."
Strategy (Page 11, Objective 4, Insurance)	Added <i>Shared Insurance</i> , so the last sentence now begins, "The <i>Shared Insurance</i> Manager presents..."

Framework Document and Section	Proposed Change to Previous Version
Strategy (Page 12, Objective 5, The Risk Register, second paragraph)	Updated the first sentence to clarify that in addition to risks, actions and KPIs are also included in Directorate Overviews. Updated to reflect how Directors will use the Overviews to discuss with their Departmental Management Teams and ensure new risks are considered.
Strategy (Page 13, first paragraph)	Changed <i>Members Risk Management Champion</i> to <i>Risk Management Member Champion</i> .
Strategy (Page 13, Objective 6)	Updated <i>Link to: GROW Zone login screen</i> .
Strategy (Page 13, Objective 6)	Changed <i>Risk Toolkit</i> to <i>Risk Management Toolkit</i> .
Strategy (Page 15, Appendix A)	Now confirms that risks assessed as low (with a score of 1, 2, or 3) should be reviewed at least once a year. Changed <i>register</i> to <i>Risk Register</i> , so the last sentence for low risks now begins, "Archive on <i>Risk Register</i> once agreed by..."
Strategy (Page 15, Appendix B)	Added that the relevant <i>Project Board</i> is also responsible for scrutinising related project risks.

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

## 8.2. Risk Identification and Assessment

- 8.2.1. Leadership Team and Cabinet are responsible for the Corporate Risks, with Cabinet ensuring these risks are managed appropriately and proportionately. These key risks are those that cut across the delivery of all services, relate 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 need to be monitored at a strategic level.
- 8.2.2. The reporting of Corporate Risks to Cabinet, via quarterly Council Delivery Plan updates, allows details of the top risks facing the Council to be monitored. The half-yearly reports on risk management governance presented to FAR and Cabinet help to provide assurance over the processes that are in place to support risk management.
- 8.2.3. In June 2025, Cabinet approved the inclusion of 13 projects in the Council Delivery Plan for 2025/26, along with four over-arching Corporate Risks. Each Council Delivery Plan project has a risk assessment in place to determine the major risks to the delivery of the project and the mitigating actions required. The majority of projects and the four Corporate Risks were carried forward from the previous year's Council Delivery Plan. One new project entitled Decarbonisation of Council Buildings - Phase 2 was added in time for the Quarter 1 monitoring report. An initial meeting of the Project Board for the Museum Collection Facility project was held in September 2025, and this project will be added to the Council Delivery Plan in time for the Q3 2025/26 monitoring report.

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

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

8.2.5. The most recent Council Delivery Plan monitoring report contains the following risks, which have been plotted on the Corporate Risk Matrix to show a visual risk profile of the Plan:

Likelihood	3 - High	4     	7 - Decarbonisation of Council Buildings - Phase 2 - Local Plan Review	9 - Financial Sustainability - Local Government Reorganisation and Devolution - Resourcing
	2 - Medium	2 - Oughtonhead Common Weir - Pay on Exit Parking	5 - Engaging the Community on our Finances - Resident/Public EV Charging in our Car Parks - Town Centres Strategy	8 - Churchgate - Cyber Risks - Leisure Centre Decarbonisation
	1 - Low	1 - King George V Skate Park	3 - Waste and Street Cleansing Contract	6 - Digital Transformation
		1 - Low	2 - Medium	3 - High
		Impact		

8.2.6. The risks can also be assessed in the context of mitigating actions, including those that have been completed. When mitigating actions are completed, there is an expectation that the cumulative effect will have a positive impact on the risk score. Detailed below are completed actions and proposed mitigating actions for each of the Council Delivery Plan high-level risks. Actions completed since the previous Risk Management Governance report are in ***bold italics*** to help show how mitigating activity is progressing.

Risk Title/ Risk Score	Completed Mitigating Actions	Ongoing Controls and Mitigating Actions
<b>Churchgate</b> Current: 8 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> </ul>	Controls: <ul style="list-style-type: none"> <li>- Communications and consultation plan in place and evolving, 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</li> </ul>

Risk Title/ Risk Score	Completed Mitigating Actions	Ongoing Controls and Mitigating Actions
	<ul style="list-style-type: none"> <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 and ended November 2024.</li> <li>- <b>Further SIAS audit of Churchgate - Project Assurance (reported May 2025) provided a reasonable level of assurance. Recommendations implemented.</b></li> <li>- <b>LSH undertook preliminary exercise to identify key risks and appropriate ways to manage these. Details presented in Appendix M (Risk Assessment) of the Viability and Strategy Report.</b></li> <li>- <b>Council decision (10 July 2025) to develop a proposal based on the preferred option, endorse the five 'Development Principles', and approve additional 12-month funding for a specialist regeneration project manager.</b></li> </ul>	<p>place to provide expert advice and help us to move the project forward.</p> <ul style="list-style-type: none"> <li>- Cost effectiveness/value for money is a key part of assessing and developing options.</li> <li>- Committee reports to highlight significant risks associated with recommended decisions under Risk Implications.</li> </ul> <p>Project Management Controls:</p> <ul style="list-style-type: none"> <li>- Regular Project Board meetings.</li> <li>- Project risk log and issues log regularly updated and reported to Project Board.</li> <li>- Weekly Project Team meetings with LSH.</li> </ul> <p>Actions:</p> <ul style="list-style-type: none"> <li>- Further work required to explore risks identified in the Viability and Strategy Report in greater detail and to develop appropriate mitigation strategies.</li> <li>- Progressing a number of work packages (e.g., car park survey analysis and future proofing) to support fully informed decision making on options/viability.</li> </ul>
<b>Leisure Centre Decarbonisation</b> Current: 8 Target: 6	<ul style="list-style-type: none"> <li>- Project Board established.</li> <li>- Dedicated Project Manager appointed, although post-holder has now left.</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> <li>- Council decision on 15 January 2025 to proceed with the design and order of larger, bespoke heat pumps and to approve additional forecast capital and ongoing revenue costs, whilst noting the ongoing project risks associated with this decision.</li> <li>- <b>Financial Risk identified and reported as part of the 2025/26 budget setting process: Loss of revenue due to full or partial closures of the Council's leisure centres while the decarbonisation and gym extension (Royston) works take place (High Risk / Risk Value £50k).</b></li> <li>- <b>Early and continued engagement with Planning.</b></li> <li>- <b>Implemented recommendations from the 'Leisure Centre Decarbonisation Project (Salix Grant) Embedded Programme</b></li> </ul>	<ul style="list-style-type: none"> <li>- Weekly Project Team meetings.</li> <li>- Regular Project Board meetings.</li> <li>- Regular communication with Salix regarding grant change requests and meeting grant conditions. Includes Monthly Monitoring Reports (MMRs).</li> <li>- Discussions with DNO and regular updates on applications.</li> <li>- Discussions with relevant parties (LGCHF and Hitchin Cow Commoners Trust) to progress required easements in a timely manner.</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.</li> </ul>



Risk Title/ Risk Score	Completed Mitigating Actions	Ongoing Controls and Mitigating Actions
	<b><i>Assurance' audit reports.</i></b>	
<b>Local Plan Review</b> Current: 7 Target: 3	<ul style="list-style-type: none"> <li>- Adoption of Local Plan by Full Council on 8 November 2022.</li> <li>- Various budget bids to secure additional staff and significant revenue funding (£780k total) to progress work on evidence studies, IT platforms etc.</li> <li>- Approval in principle of Local Plan Review by Cabinet in line with key milestone in adopted Local Plan.</li> <li>- Cabinet approval of LDS in January 2025.</li> <li>- <b><i>Temporary appointment to interim Strategic Planning Manager role approved and completed.</i></b></li> </ul>	<ul style="list-style-type: none"> <li>- Ongoing engagement with and review of Government announcements and consultations.</li> <li>- Internal Project Board established with monthly meetings to escalate barriers to progress.</li> <li>- Ongoing monitoring of workload and service-wide budgets to ensure sufficient resource to progress.</li> <li>- Up to date development plan that fulfils legislative requirements to determine applications whilst the review is undertaken.</li> <li>- Pending publication of government legislation detailing new arrangements for Local Plan making, progressing work to develop supporting evidence base.</li> <li>- Regular updates to Cabinet via Strategic Planning Matters reports.</li> </ul>
<b>Decarbonisation of Council Buildings - Phase 2</b> Current: 7 Target: 5	<ul style="list-style-type: none"> <li>- <b><i>Project budget contingency in place.</i></b></li> <li>- <b><i>Allocated internal resource for project management and delivery of project programme.</i></b></li> <li>- <b><i>Allowed for comprehensive planning in year one, with no requirement to drawdown any Salix funding.</i></b></li> <li>- <b><i>Project Risk Log in place.</i></b></li> <li>- <b><i>Informal engagement with Planning prior to funding application, to have confidence that proposed interventions are likely to align with planning guidance.</i></b></li> <li>- <b><i>Project plan allows for a significant period of time to undertake planning process, DNO upgrades and procurement of MEP.</i></b></li> <li>- <b><i>Funding for a Principal Designer and a Quantity Surveyor approved by Cabinet via the Q1 2025/26 Capital Budget Monitoring Review report (23 September 2025).</i></b></li> <li>- <b><i>Reviewed the three audit reports and recommendations relating to 'Leisure Centre Decarbonisation Project (Salix Grant) Embedded Programme Assurance'.</i></b></li> </ul>	<p>Actions</p> <ul style="list-style-type: none"> <li>- Decision on preferred project approach and procurement route (13 November 2025).</li> <li>- Appoint independent QS and a Principal Designer to support full project.</li> <li>- Apply for planning permission as early as possible (early 2026/27).</li> <li>- Engage with DNO regarding upgrade requirements as early as possible.</li> <li>- Undertake asbestos surveys across identified sites (timings to be confirmed).</li> </ul> <p>Controls</p> <ul style="list-style-type: none"> <li>- Regular Project Board meetings.</li> <li>- Regular dialogue with Salix relationship manager.</li> <li>- Monitoring reports submitted to Salix (quarterly for 2025/26 and monthly for 2026/27 and 2027/28).</li> <li>- Monthly Executive Member briefings.</li> </ul>
<b>Resourcing</b> Current: 9 Target: 8	<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> <li>- Some success in recruiting to previously hard to fill roles, although still some continuing issues in certain areas.</li> <li>- Pressures identified in the budget setting process for 2025/26 for additional staffing, including training posts.</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> </ul>

Risk Title/ Risk Score	Completed Mitigating Actions	Ongoing Controls and Mitigating Actions
	<ul style="list-style-type: none"> <li>- Joined in with the national recruitment campaign for councils led by the LGA.</li> </ul>	
<b>Cyber Risks</b> Current: 8 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> <li>- Financial Risk identified for 2025/26 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> <li>- Mimecast system now used to conduct more sophisticated Phishing Simulations.</li> <li>- Website Access Control and Monitoring upgrade completed.</li> <li>- 2024/25 SIAS audits: Cyber Security Supply Chain Management (Reasonable assurance), Cyber Governance and Culture (Reasonable assurance).</li> <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> <li>- <b>Data at Rest Encryption purchased.</b></li> </ul>	<p>Key Controls/Mitigations</p> <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 Protection/Defender updated), Malware (Realtime Monitoring), Computer hacking (Firewalls/Admin restrictions).</li> <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> <li>- Implementation of 2024/25 SIAS audit recommendations.</li> <li>- Data at Rest Encryption.</li> </ul> <p>Response Options</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 discussed by February 2025 Cyber Board. In line with Government recommendations, no ransom will be paid.</li> </ul>
<b>Financial Sustainability</b> Current: 9 Target: 5	<ul style="list-style-type: none"> <li>- MTFS for 2025-30 agreed by Council in September 2024.</li> <li>- Set budget for 2025/26, which identified additional pressures and incorporated revised funding assumptions.</li> <li>- Government confirmation of three-year</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</li> </ul>

Risk Title/ Risk Score	Completed Mitigating Actions	Ongoing Controls and Mitigating Actions
	settlement from 2026/27 onwards. <b>- Responded to consultation on new funding formula.</b> <b>- Budget consultation carried out.</b>	issues. - Review results from budget consultation and feed into 2026/27 budget planning.
<b>Local Government Reorganisation and Devolution</b> Current: 9 Target: 5	- The Council was part of the county-wide White Paper Working Group, which was working on the initial submission in March 2025. - Staff have been provided with regular updates and chances to ask questions, this has included reassurance that services will still need to be delivered under any structure. <b>- Feedback received from central government on the interim proposal for Hertfordshire (May 2025).</b> <b>- Consultants appointed to support Programme Management Office deliver the agreed work programme to November 2025 submission.</b>	Controls and Further Mitigating Activities: - Continued support for staff. - Engagement and communication with stakeholders to seek views on outcomes and explain outcomes. - Maintain processes for decision making and ensure decisions are taken in the best interests of North Herts (irrespective of future structure). - Continue to work with county-wide groups towards the November 2025 submission deadline (see involvement in the risk description section).

8.2.7. In addition to Corporate Risks, we also document and review service risks. As of 30 September 2025, there were 40 service risks on the Risk Register. Nine of these were rated as high (red) risks, 17 as medium (amber) risks and 14 as low (green) risks. The high risks were:

- Careline - Field Visits to Service Users' Homes
- Delivery of the Waste Collection and Street Cleansing Services Contract
- EV Charging Points
- Increased Levels of Homelessness
- Open Space in Major New Developments
- Sale of Recyclable Materials
- Virgin O2 2G Network Shutdown
- Waste Depots
- Waste Transfer Infrastructure

### 8.3. Review of Risks

8.3.1. Risk reviews are scheduled within Ideagen (our performance and risk software), with automated reminders sent to assigned officers when risks are due to be reviewed. In line with Risk Management Framework (RMF) requirements, high risks should be reviewed most regularly – every 3 months, with medium risks every 6 months and low risks at least once a year. The Performance and Risk Officer assists service areas to ensure that information is captured in line with the RMF.

8.3.2. As of 30 September 2025, there were a total of 56 risks on the risk register. All of these had risk reviews scheduled in accordance with the RMF. During the six-month period April 2025 to September 2025, which followed the six-month period reported in the previous Risk Management Governance update, 93 risk reviews took place, with 78 (84%) of these taking place in line with strict RMF requirements. Of the 15 reviews that

were late, five were less than one week late. For the 10 reviews that were more than one week late, ranging from 9 to 49 days late, reasons for the delay have been investigated. Reasons for delay include lack of officer availability (e.g., due to higher priority commitments or leave) meant review meetings had to be scheduled after the Next Review Date. Of the 15 late reviews, nine related to Corporate Risks, with all of these being reviewed in time to be included in the relevant quarterly Council Delivery Plan monitoring report.

#### 8.4. New and Archived Risks

8.4.1. During the six-month period to 30 September 2025, three new risks were entered on the Risk Register. These were:

- **Decarbonisation of Council Buildings - Phase 2:** New Corporate Risk (included in the Council Delivery Plan) describing key risks to successfully delivering the associated projects and setting out key activities to control/mitigate these.
- **Sustainability Strategy 2025-30 - Delivery of Actions:** New Service Risk relating to the risk of failing to deliver the actions included in the Strategy's actions table and to achieve stated strategic aims and targets in a timely manner.
- **Careline - Field Visits to Service Users' Homes:** New Service Risk relating to the risk of Careline technicians and welfare officers being exposed to hazards when attending the homes of vulnerable adults and children.

All three risks were reviewed by the RPMG on 20 August 2025.

8.4.2. During the six-month period to 30 September 2025, three risks were archived. These were:

- **Help Residents Make Payments at Convenient Locations:** Changes to customers payment options implemented by the related Council Delivery Plan project are now embedded and business-as-usual. Any impact on debt levels continues to be monitored via the Corporate Debt Management Group and we continue to communicate with residents on the ways to pay and the Allpay app. Residual risks assessed as low.
- **Master Planning:** The related project was removed from the Council Delivery Plan, as progress is dependent on third parties, NHC activities are considered business-as-usual, and strategic oversight continues via Project Board and regular Strategic Planning Matters reports to Cabinet. All masterplans for our strategic sites are now approved. Broader related issues are adequately covered by other risk entries e.g., Local Plan Review or by business-as-usual monitoring and managing.
- **Icknield Way Depot, LGC:** This site is still under review, and it is too early to make any long-term decisions. For now, it is important that the authority retains the site, including in view of Local Government Reorganisation. The Council will continue to let it out on short-term lettings, ensuring the site is occupied and produces an income. In view of this, the previously identified risks to the sale of the site are no longer considered relevant. As the longer-term options for the site become clearer, we could introduce a revised risk entry if considered appropriate.

## **9. Insurance Review**

- 9.1. Hertfordshire County Council continues to handle the Council's insurance arrangements under a shared service arrangement. The Council's insurance policies were renewed from 1 April 2025. Unfortunately, once again, due to the rising cost of claims in the insurance market, rates were increased by the liability and motor insurers. The liability insurance arrangements will be tendered in 2025/26.
- 9.2. The Council transfers some financial risks to its insurers. Public liability insurance provides the Council with insurance cover for claims made by the public for personal injury and/or property damage. These types of claims are subject to a £10,000 excess that is charged to the responsible service area. In the first two quarters of 2025/26, no payments were made and so no recharges to service areas were required. Areas that have been subject to a claim are identified and wherever possible, action is taken to prevent future damage to property or personal injury. As of 30 September 2025, there were three outstanding public liability claims against the Council.
- 9.3. The Municipal Mutual Insurance (MMI) Scheme of Arrangement was triggered in 2013, and the Council now pays 25% of any new claims dating back to the period that MMI was the Council's insurer (1974 to 1993). The Council's Financial Risks make provision for any new claims and any further levy demands relating to the period that MMI were the Council's insurers. As of 30 September 2025, there were no outstanding claims with MMI.
- 9.4. The Council is uninsured for public liability claims for asbestos exposure, following the introduction of this as an exclusion in policy wordings from around 2003. Following the court case Bolton – v – MMI it is deemed that injury does not occur at the time of exposure but when the tumour begins to develop. This led to injury in mesothelioma claims being deemed to occur 10 years before diagnosis. As it is now 22 years since the exclusion wording was introduced, any new cases will not have cover. In contrast, employers' liability insurance covers the date the exposure happened so the insurer on cover in the 1970/80's will respond (as any claims are likely to be from this period before stricter health and safety controls were introduced). In North Herts Council's case, and as referenced above in 9.3., this is Municipal Mutual Insurance.

## **10. Business Continuity and Emergency Planning**

- 10.1. In September 2025, through the Local Resilience Forum (LRF), an open day/training session was held at Hertfordshire Constabulary HQ for staff who will need to attend a Tactical or Strategic Coordinating Group.
- 10.2. New hi-vis equipment for Leadership Team and Assistance Centre roles, grab bags for Tactical/Site Liaison Officer roles, and a set of Assistance Centre equipment is now available in a store at the DCO.

- 10.3. The Environment Agency Groundwater Flood Alert for Kimpton remained in place until 15 May 2025. A multi-agency debrief facilitated by HCC Flood Risk Management was held in July 2025. An Assistance Centre kit box is now stored at Kimpton Memorial Hall, and work has continued with Hertfordshire County Council to ensure there are fully developed plans in place in case of future groundwater flooding in Kimpton. Multi-agency updates from HCC Flood Risk Management will resume when groundwater is next observed in the sump.
- 10.4. The Director - Resources provided a position statement to Cabinet on 23 September 2025 regarding the provision of flood defences or funding to residents. Cabinet approved that the Council does not provide flood defence items or funding to residents to protect or reinstate their property against or following flooding and noted that the Council would provide some support to residents including providing information and guidance and supporting anyone who is made homeless.
- 10.5. Following the multi-agency Hertfordshire LRF exercise in February 2025 to test the External Emergency Plan for the Johnson Matthey upper-tier Control of Major Accident Hazards (COMAH) site, the HCC Resilience Team has now issued the post-exercise report.
- 10.6. In June 2025, Cyber Board approved the Cyber Incident Business Continuity Response Plan. This provides guidance on the corporate business continuity response in the event online systems become unavailable. A training exercise linking to the plan will be held in December 2025.
- 10.7. Ongoing areas of focus are updates to the Pandemic Disease Business Continuity Response Plan and development of a Widespread Power Outage Business Continuity Plan and an Adverse Weather Business Continuity Plan.

## **11. Health and Safety**

- 11.1. The Council's Health and Safety Officer (HSO) retired at the end of September 2025. Rather than recruiting a full time HSO, we have appointed Hertfordshire County Council's (HCC) Health and Safety team via a service level agreement to provide specialist health and safety advice when required. HCC will also provide fire risk assessment surveys and will review the required frequency of these based on the size and complexity of the site and the risk level.
- 11.2. Some tasks previously undertaken by the HSO will be retained in-house for the time being. For example, Workstation Assessments required by the Display Screen Equipment (DSE) Regulations. The Council currently has a software package called Cardinus that provides DSE training for staff and records the outcome of self-assessments. This system will continue to be managed in-house. However, where a DSE assessor is required, this piece of work will be picked up by HCC.

- 11.3. First aid will continue as before, with buildings having their own arrangements. The first aid kit arrangements in the District Council Offices (DCO) have been reviewed and new first aid kits are available throughout the building, and first aiders have been updated. A risk assessment of first aider arrangements has been carried out and due to home working arrangements, some further work is required around the provision of first aid cover within the District Council Offices in Letchworth.
- 11.4. A number of documents on The Hub have been amended to reflect changes in arrangements. These amendments mainly focused on changing email contacts and officer titles.
- 11.5. Following a reminder to staff on the DCO security, an email was received from the Safeguarding Support Officer about lone working and what our lockdown process is in case of a security threat. Following direction to related information on The Hub, the Safeguarding Support Officer also highlighted Martyn's Law (Terrorism (Protection of Premises) Act 2025). We contacted HCC for guidance and undertook in-house research, and a key initial activity will be the identification of all premises/events falling within the scope of the legislation. A 24-month implementation period has been set for Martyn's Law, which commenced in April 2025.

## **12. Actions for 2025/26**

- 12.1. The previous Risk Management Governance report detailed the following key actions for 2025/26 to enhance our Risk Management processes:

<b>Action</b>	<b>Due Date</b>	<b>Progress</b>
Undertake the annual review of Risk Management Framework documentation.	31/12/25	Officers have undertaken the review, and this report provides details of relevant updates.
Training exercise linked to the Cyber Incident Business Continuity Response Plan.	31/12/25	In June 2025, Cyber Board approved the Plan. A training exercise linked to the Plan will take place on 19 December 2025.
Senior Managers Group (SMG) review of emerging risks and opportunities.	31/03/26	This is likely to be undertaken in early 2026, to await publication of wider information on emerging risks e.g., Global Risks Report 2026, National Risk Register 2026.
Updates to Emergency and Business Continuity plans.	31/03/26	Updates to existing plans are ongoing and are expected to be signed off prior to the end of March 2026.

### **13. LEGAL IMPLICATIONS**

- 13.1. 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 (t)). This report discharges this requirement.

### **14. FINANCIAL IMPLICATIONS**

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

### **15. RISK IMPLICATIONS**

- 15.1. 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.
- 15.2. The Risk Management Framework requires the Finance, Audit and Risk Committee to consider regular reports on the Council's risk management governance arrangements. Failure to provide the Committee with regular updates would conflict with the agreed Framework and would mean that this Committee could not provide assurance to Cabinet that the Council has appropriate risk management governance arrangements in place to manage risks effectively.
- 15.3. Proposed changes to Risk Management Framework documents aim to enhance the Council's arrangements for managing risks effectively and realising potential opportunities.

### **16. EQUALITIES IMPLICATIONS**

- 16.1. 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.
- 16.2. There are no direct equality implications relating to this report. Reporting on the management of risk provides a means to monitor whether the Council is meeting stated outcomes of district priorities, its targets, and is delivering accessible and appropriate services to the community to meet different people's needs. The Council's risk management approach is holistic, taking account of commercial and physical risks. It should consider the risk of not delivering a service in an equitable and accessible manner, especially to its most vulnerable residents, such as those who are homeless.

### **17. SOCIAL VALUE IMPLICATIONS**

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



## **18. ENVIRONMENTAL IMPLICATIONS**

- 18.1. There are no known Environmental impacts or requirements that apply to this report.

## **19. HUMAN RESOURCE IMPLICATIONS**

- 19.1. The Resourcing Corporate Risk highlights potential impacts on staff relating to delivering new services and projects, responding to emergency planning events, and Local Government Reorganisation and Devolution.

## **20. APPENDICES**

- 20.1. Appendix A – Risk Management Framework Policy Statement
- 20.2. Appendix B – Updated Risk Management Framework Policy
- 20.3. Appendix C – Updated Risk Management Framework Strategy

## **21. CONTACT OFFICERS**

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## **22. BACKGROUND PAPERS**

- 22.1. None.