

## **East Herts Council Report**

### **Audit and Governance Committee**

**Date of meeting:** 16 March 2021

**Report by:** Executive Member for Corporate Services

**Report title:** Strategic Risk Register – Monitoring 2020/21 Quarter 3 and Proposed Content for 2021/22

**Ward(s) affected:** All

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### **Summary**

The report provides details the changes to the Strategic Risk Register for quarter 3 and the proposed content for 2021/22.

### **RECOMMENDATIONS FOR AUDIT AND GOVERNANCE COMMITTEE:**

- a) The 2020/21 quarter 3 Strategic Risk Register be reviewed and officers advised of any further action that could be taken to manage risk.**
- b) The proposed content of the 2021/22 Strategic Risk Register be reviewed and officers advised of any amendments considered appropriate.**

#### **1.0 Proposal(s)**

- 1.1 Quarterly monitoring of the Strategic Risk Register resumed in 2020/21 and this report details the controls introduced during quarter three.

- 1.2 The report also proposes the content of the register for the next financial year.
- 1.3 This report and the associated register are submitted in a new format that will be continued if preferable to Members.

## **2.0 Background**

- 2.1 Leadership Team reviews the content of the Strategic Risk Register quarterly and provides updates that are escalated within this monitoring report to Audit and Governance Committee.
- 2.2 Although the register is a live document, a thorough review and 'brainstorm' exercise is undertaken annually at Leadership Team. This exercise took place on 1 February 2021, looking at the content for 2021/22.

## **3.0 Reason(s)**

- 3.1 The Strategic Risk Register follows in this report. Please see appendix 1. It details significant business risks; essentially those that will prevent the council meeting its objectives.
- 3.2 The register has been submitted in the new format and using the new scoring methodology proposed to demonstrate to Members what officers are trying to achieve reporting-wise from 2021/22. However the register remains a work in progress. The resources risk provides the clearest indication of the desired format and content. The existing format register using the current scoring methodology features at appendix 2. Changes have been tracked.
- 3.3 Leadership team has set a risk tolerance level. Risks above the tolerance levels are actively managed and regularly reviewed in

order to ensure that contingency and mitigation action is being taken. Risks below the tolerance line are managed by Heads of Service but these are often delegated. (Heads of Service are responsible for keeping all risks under review and taking action to reduce the impact of the risk on the council.)

3.4 A summary of business risks and the risk tolerance line is shown in summary in the matrix below. Risks in the red area of the grid are those actively managed by Leadership Team in accordance with the Risk Management Strategy. (Please see appendix 1 for reference numbers.)

<b>Impact</b>	Significant 3		5, 6, 7	1, 2, 8, 9
	Moderate 2		3	4
	Minor 1			
		Unlikely 1	Possible 2	Probable 3
	<b>Likelihood</b>			

3.5 The council’s most significant at present are:

3.5.1 Resources and primarily the reduction in government grant combined with the impact of the pandemic and higher demand for services. Lockdown has caused a loss of income of approximately £800,000 per month. Total Government support of just over £2.9m has been received to date.

3.5.2 The business economy and the ability to attract, maintain and sustain businesses within the District.

3.5.3 The response to the pandemic has seen a higher demand for services. Managing the council response has impacted productivity and some critical work. However there have been benefits such as agile working, increased self-service and a reduced carbon footprint due to lack of commuting.

#### 4.0 Options

4.1 As per the Risk management Strategy report also submitted to this committee, the existing matrix suggests that the council is in crisis with the risks scored at the top right of the matrix. This is not a true reflection. Rescoring the risks, using the thresholds and matrix proposed for 2021/22, provides a more accurate reflection:

#### Revised Strategic Risk Score Summary Matrix

<b>Impact</b>	<b>A</b>	<b>9</b>	<b>7, 10</b>		<b>1,8</b>
	<b>B</b>		<b>4,11</b>	<b>2,3</b>	
	<b>C</b>			<b>6</b>	<b>5</b>
	<b>D</b>				
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
	<b>Likelihood</b>				

<b>IMPACT</b>	<b>Likelihood</b>
A Critical	1 Very Low
B Significant	2 Low
C Marginal	3 Medium
D Minor	4 High

4.2 As mentioned in 2.2, Leadership Team also undertook a comprehensive review on 1 February 2021 to agree the content of the Strategic Risk Register for 2021/22.

4.3 No existing risks are to be deleted although some have been merged into other risks:

- Over runs on major projects have been merged into 1 Financial Resources as an overrun would be a trigger under this risk;
- Recession has been merged into 2 which is renamed Corporate Governance and external political environment.

4.4. The following risks are to be added:

- Child / Vulnerable Adult Protection
- Emergency planning / business continuity, in addition to the existing pandemic Covid-related risk
- Equalities
- Internal control. E.g. failure of internal control or unethical behaviour resulting in fraud etc.

4.5 The following risks will be separated from their 'parent' risk; the existing 'political change' risk:

- Climate change
- District Plan

4.6 If the reporting format is agreed by Members, the full content will be developed and reported within the quarter four risk

monitoring report at May's meeting.

## **5.0 Risks**

5.1 This report details the top business risks facing the council.

## **6.0 Implications/Consultations**

6.1 Leadership Team review 1 February 2021. The Executive Member for Corporate Services has also been consulted.

### **Community Safety**

Risks relating to Community Safety e.g. Major incident, are contained within the Strategic Risk Register.

### **Data Protection**

Risks relating to Data Protection, are contained within the Strategic Risk Register.

### **Equalities**

Risks relating to discrimination, are contained within the Strategic Risk Register.

### **Environmental Sustainability**

Risks relating to environmental sustainability, are contained within the Strategic Risk Register.

### **Financial**

Risk Management and the regular monitoring of risk are important parts of the overall assurance framework. The use and reporting of risk management is a sign of a well-run council and usually results in lower insurance premiums.

### **Health and Safety**

None specific but risk management processes can provide a safer environment across the District and all services for the benefit of the

public, staff and our contractors.

### **Human Resources**

Risks relating to human resources, are contained within the Strategic Risk Register.

### **Human Rights**

Risks relating to discrimination, are contained within the Strategic Risk Register.

### **Legal**

Risks relating to Judicial Review and or major legal challenge, are contained within the Strategic Risk Register.

### **Specific Wards**

No

## **7.0 Background papers, appendices and other relevant material**

7.1 Please see the Strategic Risk Registers at Appendices 1 and 2.

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