

East Herts Council Report

Audit and Governance Committee

Date of meeting: 27 May 2021

Report by: Executive Member for Corporate Services

Report title: Strategic Risk Register – Monitoring 2020/21 - Quarter Four

Ward(s) affected: All

Summary

The report provides details the changes to the Strategic Risk Register for quarter four.

RECOMMENDATION FOR AUDIT AND GOVERNANCE COMMITTEE:

- a) The 2020/21 quarter four Strategic Risk Register be reviewed and officers advised of any further action that could be taken to manage risk.**

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 four, in the new format agreed at March's Audit and Governance Committee.

2.0 Background

2.1 Leadership Team reviews the content of the Strategic Risk Register quarterly and provides updates that are relayed within this monitoring report to Audit and Governance Committee.

3.0 Reason(s)

3.1 The Strategic Risk Register details significant business risks; essentially those that could prevent the council meeting its objectives.

3.2 The register has been submitted in the new format agreed at Audit and Governance Committee in March. Due to time constraints and the significant changes made to the register, the version submitted to the last meeting was incomplete as was advised at the time. However the content has now been fully developed and also includes controls and updates for the past quarter. A clean version of the register is provided at appendix one with changes tracked in the second appendix.

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 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.

Impact	A	7, 9, 13	10	3	1,8, 12
	B		4,11	2	
	C			6	5
	D				
		1	2	3	4
Likelihood					

	Description	Likelihood of occurrence	Probability of occurrence
Likelihood	4 High	Monthly	The event is expected to occur or occurs regularly
	3 Medium	Annually	The event will probably occur
	2 Low	1 in 5 years	The event may occur
	1 Very Low	Less frequently than 1 in 5 years	The event may occur in exceptional circumstances

	Description	Financial	Reputation	Service / operation
Impact	A Critical	> £1m p.a.	Serious negative media	Catastrophic fall in service quality or long term disruption to services
	B Significant	£400,000 to £1m p.a.	Adverse national media	Major fall in service quality or serious disruption to services
	C Marginal	£100,000 to £400,000 p.a.	Adverse local media	Significant fall in service quality
	D Minor	< £100,000	Public concerns restricted to local complaints	Little impact to service quality

1	Financial resources
2	Corporate governance and external political environment
3	Performance, resilience and security of IT systems
4	Staff capacity and skills to deliver services
5	Poor performance or failure of key partner or contractor
6	Judicial review and or major legal challenge
7	District Plan
8	Climate change
9	Child / vulnerable adult protection
10	Equalities
11	Internal control
12	Outbreak of disease in humans
13	Business Continuity Plan / Emergency Plan

4.0 Options

4.1 The council's most significant risks at present are:

4.1.1 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.

4.1.2 Climate change and the need to reduce the council's carbon footprint.

4.1.3 The response to the pandemic has seen a higher demand for services. Managing the council's 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.

4.1.4 Performance, resilience and security of IT systems. Although the risk hasn't changed, officers have revised scoring by increasing the impact score. This is in line with Members' views

expressed at previous meetings. (The likelihood score remains the same.)

4.2 The scores for two other items changed this month. Following further consideration of risk 7 by the Head of Planning and Building Control and colleagues, the likelihood score has reduced from 2 to 1. The impact score remains unchanged. The score for risk 13 has been reviewed and corrected. The original version was scored high given the pandemic, but revised as the pandemic is detailed separately within the register.

4.3 No new risks have been added to the register and none have been deleted.

4.4 The impact of the pandemic continues to influence a numbers of risks:

4.4.1 Risk 1 - Financial resources: As detailed in 4.1.

4.4.2 Risk 2 – Corporate Governance and the external political environment: Administering Covid support grants, business rate relief and funding to support the safe reopening of high streets in the District. The pandemic has also presented an opportunity to develop customer self-help options given the reduction in visits to council offices.

4.4.3 Risk 4 – Staff capacity and skills to deliver services: Reduction in staff turnover given the employment market.

4.4.4 Risk 5 – Poor performance or failure of key partner or contractor: Risk of business failure has increased due to the pandemic.

4.4.5 Risk 8 – Climate change: The pandemic has resulted in a reduction of the council’s carbon footprint with fewer journeys to the office and reduced energy consumption.

4.4.6 Risk 13 - Business continuity and emergency planning generally: Mutual aid was provided to the NHS to support staff shortages as well as supporting testing and vaccination.

5.0 Risks

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

6.0 Implications/Consultations

6.1 Leadership Team review 26 April 2021. The Executive Member for Corporate Services has also been consulted.

Community Safety

No

Data Protection

None specific but the topic features within the Strategic Risk Register.

Equalities

None specific but equalities will feature within the Strategic Risk Register in future.

Environmental Sustainability

None specific but climate change features within the Strategic Risk Register.

Financial

None specific but risk management can provide protection of budgets from unexpected losses. Better governance can be demonstrated and the annual audit plan is risk based.

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

No

Human Rights

No

Legal

None specific but legal matters feature 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.

Contact Member Councillor George Cutting, Executive Member for Corporate Services
george.cutting@eastherts.gov.uk

Contact Officer Steven Linnett, Head of Strategic Finance and Property
Contact Tel. No. 01279 502050
steven.linnett@eastherts.gov.uk

Report Author Graham Mully, Insurance and Risk Business Advisor
Contact Tel. No. 01279 502166
graham.mully@eastherts.gov.uk