

East Herts Council Report

Audit and Governance Committee

Date of meeting: 31 May 2022

Report by: Executive Member for Corporate Services

Report title: Strategic Risk Register – Monitoring 2021/22 quarter four

Ward(s) affected: All

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

RECOMMENDATIONS FOR Audit and Governance Committee:

- a) The 2021/22 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 This report details the controls introduced during quarter four.

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 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.)

3.3 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 No new strategic risks have been identified in quarter four and no risks have become obsolete.

4.2 All existing risks have been reviewed and updated as necessary and Leadership Team has not proposed any changes to scores. (Risk 7 has been considered but did not require update.)

4.3 The council's most significant risks at present remain:

4.3.1 The current financial climate and the impact on the council's medium and long term financial planning.

4.3.2 Although the initial difficulties caused by the pandemic continue to recede, support continued for the community, the economy and services. Supply chains and the labour market have been affected by the pandemic and following Brexit and costs have increased. The threat of a new variant remains.

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

4.3.4 Performance, resilience and security of IT systems and the increased threat of cyber-attacks.

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

4.4.1 Risk 1 - Financial resources: the uncertainty over post Covid economic and policy agenda, and the demand on council services. Inflation and the global supply chain have impacted major capital projects.

4.4.2 Risk 2 – Corporate Governance and the external political environment: Administering Council Tax refunds, 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.

4.4.3 Risk 4 – Staff capacity and skills to deliver services: The uncertainty over the future demand for council services, or support that the council may have to provide to partners including the NHS.

Staff turnover had reduced during the pandemic but there has been an increase as the employment market stabilised and people increasingly make lifestyle choices.

4.4.4 – Risk 5 – Poor performance or failure of key partner or contractor: Risk of business failure remains due to the pandemic. The national shortage of HGV drivers places additional pressures on the waste contract and has caused supply chain difficulties and financial pressures for major projects. There is an increased reliance on agency staff and a labour market shortage generally.

4.4.5 – Risk 8 – Climate change: The pandemic had resulted in a reduction of the council's carbon footprint with fewer journeys to the office and reduced energy consumption. The blended working arrangements mean that most employees remain at home for half of their work pattern. Many meetings now take place across various online platforms reducing business travel.

4.4.6 – Risk 13 - Business continuity and emergency planning generally.

5.0 Risks

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

6.0 Implications/Consultations

6.1 Leadership Team reviewed on 10 May 2022. 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 the topic features within the Strategic Risk Register.

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 Register with changes tracked at Appendix 1.

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