

Report of: Corporate Director of Resources

Meeting of:	Date:	Ward(s):
Audit Committee	31 st January 2022	All

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SUBJECT: Risk Management Update – January 2022**1. Synopsis**

- 1.1 The purpose of this report is to provide the Committee with an update on key risk management activity that has taken place in between comprehensive Principal Risk Reports. The report presents a summary update based on a previous request from Committee. The report is intended to provide Committee with an insight of risk management activity that occurs outside of the Principal Risk reporting cycle.

2. Recommendations

- 2.1 Committee is asked to note the report which provides an update since the last comprehensive Principal Risk Report to Committee in May 2021.

3. Principal Risks and related mitigating activity

- 3.1 Committee noted the last Principal Risk Report on 25th May 2021. Actions to mitigate Principal Risks continue to be implemented (as listed in Appendix 5 of the report, a copy can be accessed [here](#), at pages 31-86). The next comprehensive Principal Risk Report will be presented to Committee in June 2022.
- 3.2 This report provides an update on key risks i.e. the Council's Covid-19 response, risks related to financial stability, and cyber and data protection. The updates were drafted in consultation with the relevant risk leads.

4. Covid-19 response

- 4.1 The Covid-19 outbreak control risk remains at the highest risk score although we are better prepared to respond to the latest infection wave than the previous winter wave. Our approach has matured further since the last report and services have adapted to meet the needs of residents. To meet the demand of the current wave, some public health work has been de-prioritised to enable resources and staff to be deployed to support the Covid-19 response. This re-deployment is expected to last through January-February 2022 although much uncertainty remains around the impact of the Omicron variant. Gold Command has resumed in response to increasing infection rates to maintain strong management and overview. Business continuity plans have been updated and are being kept under review to ensure that services are well placed to continue operating effectively. The Borough Emergency Command Centre, originally scheduled to close at the end of December 2021, will remain operational through the current response.
- 4.2 Data on Covid-19 cases and contacts are reviewed daily to support contact tracing and help manage cases and local outbreaks in our communities. We are providing tailored support to vulnerable residents, care homes and schools to manage clusters of outbreaks. We have better quality data available, compared to Spring 2021, which is used for outbreak prevention and control plans. A tailored approach is applied that allows for an agile and fluid response and we adjust operational plans in line with the latest government guidance.
- 4.3 The booster vaccination programme is being rolled out (at the time of writing), with an uptake of around 72% amongst the 70+ age group. We have increased access points for vaccinations at community pharmacies and pop-up locations around the borough which are offering both bookable appointments and walk-in clinics.

5. Financial Stability

- 5.1 This section provides an update on four Principal Risks i.e. Covid-19 Financial Impact, External Funding Uncertainty, Increasing Outstanding Debt, and Covid -19 Impact (Public Realm).
- 5.2 Risk to the Council's financial stability and resilience remains high with a stable trend since the last report. Whilst significant uncertainty remains, progress has been made on action plans to reduce risk exposure. Local authorities continue to receive annual funding settlements which restricts future planning. We continue to manage this risk by being disciplined in our funding decisions and budget planning. We continue to respond to Government consultations and to make the case for a return to three-year settlements. There is a robust process in place for regular reviews of assumptions in the Medium-Term Funding Strategy (MTFS), and we are on track to deliver our savings commitments for 2021-22.
- 5.3 The Government's decision to provide £1.5bn additional funding to cover reduced business rates due to Covid-19 has addressed the threat of reduced income for the Council. This funding is targeted to businesses outside of the retail, hospitality, and leisure sectors in order to avoid Material Change in Circumstance (MCC) claims which would adversely impact the Council's finances. We continue to closely monitor the financial impact of Covid-19 and have built in contingencies in this year's budget and plan to allow for further contingencies in the 2022-23 budget. We have completed actions to address the level of outstanding debt owed to the Council

due to increased financial hardship for both business and residents, and the pause in court proceedings during lockdown. A review of our debt management policies and procedures identified a number of improvements required which will be addressed during 2022.

- 5.4 Action to address the financial impact of Covid-19 in the public realm has had a positive impact on income recovery, with the forecast overspend for parking and leisure services reduced since the last report. Parking Services are now forecasting a balanced budget by the end of this financial year, largely due to better than anticipated parking suspensions income. Parking charges for 2021-22 have been implemented and detailed proposals produced for revised fees and charges from next financial year as part of the MTFs position for approval by the Executive.

6. Cyber and Data Protection

- 6.1 This risk was assessed as having an increasing risk outlook in the last report. The current risk outlook remains high but stable. The Committee received a Cyber Defence Assurance report in October 2021 as part of the quarterly update cycle, which detailed cyber threats and how they are being mitigated.
- 6.2 The Council is continually improving our cyber defences while the external cyber-attack environment is becoming increasingly sophisticated. During 2021 and most recently in December 2021, additional activities took place to raise staff awareness about phishing and keep cyber security front of mind. The Council is planning changes to cyber event monitoring processes in the coming months, which will mitigate this risk further.
- 6.3 The Annual Cyber Defence Report will be discussed by Corporate Management Board in March 2022 and will contain a detailed update on developments and progress on managing this Principal Risk.

7. Risk Management Activity

- 7.1 A new Risk Manager has been appointed since the last update to Committee. Upcoming risk management activity will focus on further development of our risk management framework. A revised framework will be presented to Committee in Summer 2022. We also plan to produce a risk appetite statement to further enhance our risk maturity and support risk-based decision making. These activities will require engagement with Directorate Management Teams and the Corporate Management Board and will ensure that the Council optimises achievement of its objectives by applying sound risk management principles.

8. Implications

8.1 Financial implications:

The programme of work has been met from within the existing risk management budget. The financial implications of individual Principal Risks are met by local budgets.

8.2 Legal Implications:

There are no legal implications arising from this report. Legal advice and support will be provided, where necessary, in relation to individual risks.

8.3 **Environmental Implications**

There are no environmental implications arising from the recommendations in this report.

8.4 **Resident Impact Assessment:**

The Council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The Council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The Council must have due regard to the need to tackle prejudice and promote understanding.

8.5 A Resident Impact Assessment has not been completed because the decision currently being sought does not have direct impacts on residents.

9. **Reason for recommendations**

9.1 This report provides an update on risk management activity since the last comprehensive risk report to Committee in May 2021.

Final report clearance:

**Authorised by David
Hodgkinson 12/01/2022**

Signed by: David Hodgkinson
Date: 12/01/2022

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