

Risk Management Update – March 2025

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Lead Member/Relevant Portfolio Holder	Councillor Leigh Higgins, Chair of Audit & Standards Committee
Corporate Priority:	Ensuring the right conditions to support delivery (inward)
Relevant Ward Member(s):	All
Date of consultation with Ward Member(s):	N/A
Exempt Information:	No

1 Summary

- 1.1 This report provides an update on the Council's risk management arrangements and outlines the current significant risks that have been captured on the recent review of the Council's strategic risk register by the Senior Leadership Team.

2 Recommendation(s)

That Audit and Standards Committee:

- 2.1 **Notes the content of the report and the updated Strategic Risk Register and associated risk management action plan, as attached at Appendix A.**

3 Reason for Recommendations

- 3.1 Risk Management forms part of the Audit and Standards Committee's terms of reference who have formal responsibility for overseeing the Risk Management arrangements for the Council. It is important that members have awareness of the strategic risks that could

impact on the Council and to review the risk management arrangements in place and the activities that are being undertaken to mitigate those risks.

4 Background

- 4.1 The Strategic Risk Register captures the current significant risks and outlines mitigating actions. Members of the Audit and Standards Committee last reviewed this in September 2024. In line with the current corporate performance and risk management reporting framework it has been previously agreed to update members on a 6 monthly basis.
- 4.2 Cabinet also has oversight of risk to ensure awareness of the strategic risks that could impact on the Council and to review the risk management arrangements in place and the activities that are being undertaken to mitigate those risks. Cabinet will receive an update on Strategic Risks on a quarterly basis as part of the revamped arrangements for monitoring progress on the Corporate Strategy themes from quarter 3 2024/25.
- 4.3 The Council also maintains Directorate risk registers to help manage those risks that are more service specific to support and manage service delivery. These are reviewed by Directors and Managers regularly as well as the Senior Leadership Team to help inform any discussions around risks that may need to be escalated to the strategic risk register. Risks are monitored at both a Directorate and corporate level and then may move on the scoring matrix or between the different risk registers depending on the level of risk or concern at the time. However, it is recognised risks are dynamic and can change depending on the latest information and actions taken and therefore are kept under review and mitigation modified accordingly.
- 4.4 Project risks are also managed through the council's project management framework with risk registers maintained for high profile projects which are regularly reviewed through project teams and programme boards.

5 Main Considerations

- 5.1 The Strategic Risk Register has been recently reviewed and updated by Senior Management to capture the current significant risks and outline mitigating actions. The risks are allocated by corporate category focus area.
- 5.2 A copy of the Strategic Risk Register is attached as Appendix A. This consists of a Risk Matrix which plots the risks being managed at this level along with the actual register itself which includes the current and target risk score, along with further details for each risk such as potential consequences, the controls in place and any action required. Members will note there are currently 13 risks being monitored at this level – 5 high (red) risks and 8 medium (amber) risks and 0 low (green) risks. In summary these are:

Category Focus	High	Medium	Low	Total
Place	2	1	0	3
Priorities	1	1	0	2
Service and Governance	2	6	0	8
Total	5	8	0	13

An explanation of the three risk categories referred to in the table above, and the specific risks considered within them is set out below:

PLACE – those areas which directly impact our communities:

- Inability to secure the best outcomes from the devolution white paper for Melton and the impact on the Council as an organisation (Revised title for Devolution Risk)
- Implementation of a food waste collection arrangement
- Capacity to Respond to a Major Incident

PRIORITIES – those commitments made in our Corporate Strategy

- Failure to deliver MMDR (in full or in part) and the financial and legal impacts on Melton Borough Council arising from the agreement with the County Council which seeks to support delivery
- Uncertainties regarding long term future leisure provision in Melton

SERVICE AND GOVERNANCE – those areas which are associated with our service areas and corporate governance

- Failure to Secure financial stability in the medium term
- Stability of future provision of ICT services
- Financial pressures undermining partnerships (integrated working)
- Failure of a key supplier e.g. Housing Repairs, Waste and Leisure
- ICT Security Breaches
- Resourcing of the projects relating to Levelling Up Funding, the UKSPF Investment Plan, Asset Development Plan and Leisure developments
- Lack of capacity to deliver services and projects due to resourcing issues in specific teams
- Capacity to deliver the new Vision 36 and the Corporate Delivery Plan

5.3 Summarised in the table below are the main risks that we would like to draw members attention to, based on the current risk score, changes to previous scoring or new risks that have been identified:

Risk	Risk Category	Rating	Score	Mitigating Action/ Change
PL1 Inability to secure the best outcomes from the devolution white paper for Melton and the impact on the Council as an organisation	Place	4x4	16	<p>Risk increased from 3x3 to 4x4. Following controls are in place to mitigate the risks:</p> <ul style="list-style-type: none"> • Regular meetings of Local Councils across LLR (predominantly Districts and Rutland) to facilitate discussions. • Regular engagement with MHCLG colleagues • Development of interim proposals for submission by March 2025 underway. • Stakeholder engagement initiated on 27th February 2025. • Report to Cabinet 14th January 2025, and to Council 27th February 2025. • All member and all staff briefings and email updates.

<p>PL2 Implementation of food waste collection arrangements</p>	<p>Place</p>	<p>4x5</p>	<p>20</p>	<p>Significant increase in the risk from 3x3 to 4x5. Following controls in place to mitigate the risk:</p> <ul style="list-style-type: none"> • Waste and Environmental Service Manager in post since September 2024 and has relevant skills, knowledge and expertise. • Evidence base also being reviewed to support understanding of capital and revenue requirements. • Initial dialogue with contractor underway. • Collaboration between districts working well and procurement on joint procurement options for caddies. • Engagement with countywide groups and discussions.
<p>SG2 Stability of future provision of ICT services</p>	<p>Strategic</p>	<p>3x3</p>	<p>9</p>	<p>Risk decreased from 3x4 to 3x3. Following controls in place to mitigate the risks:</p> <ul style="list-style-type: none"> • Additional resources provided by partners to escalate infrastructure improvements. • Regular strategic review meetings to ensure partnership is aligned. • Business analysts provided as part of new structure to collaborate with partner services to develop future IT provision. • Independent support to the Head of ICT to implement required changes.
<p>SG8 Capacity to deliver the new Vision 36 and the Corporate Delivery Plan</p>	<p>Strategic</p>	<p>4x4</p>	<p>16</p>	<p>Risk increased from 4x3 to 4x4. Following controls in place to mitigate the risks:</p> <ul style="list-style-type: none"> • The commitments made have been developed with members to meet the future needs of the borough and as part of the process of this the resources required have been developed with finance. • Monitoring of the commitments will take place over the duration of the plan through the budget process and through the Council's Performance and Risk Management Framework

				<ul style="list-style-type: none"> • Specific review of capacity and priorities due to be undertaken as part of responding to the English Devolution White Paper. Confirmation of whether any current activities have to be de-prioritised will be discussed with Cabinet.
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- 5.4 Since the last review, the points to note from the table above and the risks attached are shown in 5.5 to 5.8.
- 5.5 PL1 to 'Inability to secure the best outcomes from the devolution white paper for Melton and the impact on the Council as an organisation' which reflect recent developments over the last 6 months in terms of devolution with the introduction of the English Devolution White Paper on 16th December 2024 and associated timeline for devolution and local government reorganisation. Regular updates on the progress of the Leicestershire arrangements have been presented to Council with the last update given on 27th February 2025. As a result of recent developments, the risk impact and likelihood have both increased to 4 to reflect the changes for the Council.
- 5.6 PL2 Implementation of food waste collection arrangements risk has significantly increased to reflect the challenges of the last 6 months. The impact has risen to 4 from 3 and the likelihood has increased from 3 to 5, around the financial resources available to deliver this service. Further actions are now in place to progress this project. The agreed project plan will be managed and progressed by the Waste and Environmental Services Manager supported by a project team from across the Council. We will continue to further press DEFRA for resources and to challenge and consider outcome and implications of outcome on delivery of this service and financial impact for the council. This is a high-risk area and a high-profile programme of work for the Council.
- 5.7 SG2 Stability of future provision of ICT services risk has reduced the likelihood from a 4 to 3. The risk rating has reduced to reflect where the Council is now with the ICT infrastructure. Future actions to manage this risk include the delivery of planned improvements and documentation of systems and review and update of associated policies. There will also be a review of operating model following move to 2 partner model and investment in infrastructure to ensure resources are at right level and skills to support technology in place and demand. There will be development of partner IT strategy and roadmap highlighting areas for consideration of further investment in ICT.
- 5.8 SG8 Capacity to deliver the new Vision 36 and the Corporate Delivery Plan risk has increased the likelihood from 3 to 4 to reflect the impact the devolution work may have on the ability to deliver against all the Council's commitments. To manage this, the Council will continue to review the commitments and see how we are able to deliver on these and maintain service quality across the Council. There will be a specific review of capacity and priorities due to be undertaken as part of responding to the English Devolution White Paper part of risk PL1. Any confirmation of whether any current activities have to be de-prioritised will be discussed with Cabinet.
- 5.9 The risk 'Ensuring strong tenant outcomes across all the areas of the Housing Regulatory Framework Service Delivery' has been updated to reflect the change in emphasis following the inspection and judgement last year. As a result, the risk likelihood has fallen

to 2 from 3 and is now considered a low focus and has been removed as a strategic risk. This will be monitored in the Housing and Communities operational risk register.

- 5.10 The other risk scores have remained the same as a number of actions are still being worked through and have a longer timeline for implementation of mitigating actions.
- 5.11 As referred to in para 4.3 the Council also maintains Directorate risk registers to help manage those risks that are more service specific to support and manage service delivery.

5.12 Risk Management Update

5.12.1 The following have been provided since the update of September 2024:

- An IOSH Managing Safety 'mop up' course (e-learning) for staff who could not undertake the training in 2024.
- Protect Duty / Martyn's Law work – Cabinet was briefed on roles and responsibilities of local authorities and the current threat level in November 2024 by a Counter Terrorism Awareness Advisor.
- Protect Duty / Martyn's Law work – An Action Counter Terrorism (ACT) awareness workshop was hosted in December 2024 for SLT and Managers including close working partners within the borough e.g. Town Estate.
- Protect Duty / Martyn's Law work – A follow up workshop; ACT Operational was hosted in January 2025 for SLT and Managers including close working partners within the borough e.g. Town Estate.
- Once MBC can upload the Home Office e-learning module for ACT, all staff will be mandated to complete the training.
- A sub-group of the Health & Safety Working Group (HSWG) has been set up to progress the Protect Duty by writing and agreeing security procedures covering key threats such as bomb, chemical, biological, radiation attack, hostile vehicle, marauding attack, suspicious package, phone call, this will be the start of a Security Threat Policy;
- A new Safety Management Standard is being drafted to cover Memorials. This is a large piece of work as it covers headstones (periodic inspections the safety standards and training of staff to nationally recognised standard, making headstones and memorials safe) memorials, benches and tree / shrub planting and reflects the new Council strategy to managing all of these areas as this is currently not in place. A draft has been submitted for consultation to the HSWG and working with Cemetery officer there is more to do including preparing a customer facing document and agreeing after consulting with Councillors, what the Council's approach should be to memorial trees around the borough.

6 Options Considered

- 6.1 An alternative option is that Audit and Standards do not review the Strategic Risk Register. This is not considered a viable alternative as it is essential that members have strategic oversight of the organisation.

7 Consultation

- 7.1 Cabinet have reviewed the updated strategic risks at their meeting on 12 March 2025.

8 Next Steps – Implementation and Communication

- 8.1 Senior Management will continue to monitor and update the Strategic Risk Register as appropriate and will report back to members later in the year with a further update.

9 Financial Implications

- 9.1 There are financial implications from poor Risk Management however, with robust procedures these should be minimised or eradicated.
- 9.2 The Council's insurance contract contains provision for support on a range of risk management areas with the member training being funded from this provision and therefore incurring no additional cost to the council.

Financial Implications reviewed by: Director for Corporate Services

10 Legal and Governance Implications

- 10.1 Regulation 3(c) of the Accounts and Audit Regulations 2015 requires the Council to have in place a 'sound system of internal control which includes effective arrangements for the management of risk'. This report and appendix demonstrate the effectiveness of the Council's systems and controls in identifying current risk and sets out steps taken in mitigation of those risks.
- 10.2 Failure to adequately address legal issues arising from any activity of the Council increases risk. Legal Officers endeavour to ensure Members are adequately advised and projects properly implemented to ensure that legal requirements are met, and that appropriate legal advice is given to Officers regarding service delivery.

Legal Implications reviewed by: Monitoring Officer.

11 Equality and Safeguarding Implications

- 11.1 There are no specific Equality and Safeguarding implications in the report.

12 Data Protection Implications (Mandatory)

- 12.1 A Data Protection Impact Assessments (DPIA) has not been completed as there are no risks to the rights and freedoms of natural persons.

13 Community Safety Implications

- 13.1 There are no specific Community Safety implications in the report.

14 Environmental and Climate Change Implications

- 14.1 There are no specific Environmental and Climate Change implications in the report.

15 Other Implications (where significant)

- 15.1 No other implications have been identified.

16 Risk & Mitigation

- 16.1 All risks are outlined in the risk register in Appendix A.
- 16.2 A summary of the risk register scoring matrix and assessment guidance is also included in Appendix A that officers have used when making their judgements on the likelihood and impact of each risk in order to identify the overall risk rating.

17 Background Papers

- 17.1 No background papers are included with this report.

18 Appendices

- 18.1 Appendix A – Strategic Risk Register as of March 2025.