

# Governance and Audit Committee

Tuesday, 27 July 2021

**Attendees:** Councillor Michelle Burrows, Councillor Adam Fox, Councillor Chris Hayter, Councillor Steph Nissen, Councillor Gerard Oxford, Councillor Leigh Tate, Councillor Dennis Willetts  
**Substitutes:** Councillor Jackie Maclean (for Councillor Kevin Bentley), Councillor Martin Goss (for Councillor David King )  
**Also Present:**

## 264 Declarations of Interest

Councillor Goss declared a non-pecuniary interest as he was a director of the Amphora Trading company.

## 265 Minutes of Previous Meeting

RESOLVED that the minutes of the meeting held on 22 June 2021 be confirmed as a correct record.

## 266 Have Your Say!

Councillor Buston attended the Committee and spoke of his concern concerning a new policy which Colchester Borough Council (the Council) was to introduce which would prevent the automatic forwarding of emails from official Council email accounts, to Member's own email accounts. Councillor Buston contended that this policy was both unnecessary and unjustified when considering the risks that email forwarding posed, arguing that Councillor's own email addresses or those of their employer may have the benefit of cyber security stronger than that employed by the Council. The practical difficulties that would be faced by Members in the light of the new policy were highlighted should Members still wish to use their own computers and email accounts to conduct their business, together with the avoidable expense to the taxpayer should Members elect to receive new mobile phones and laptops from the Council to facilitate email access. It was Councillor Buston's contention that information likely to be sent to Councillor via mail forwarding in the course of properly undertaking their duties was extremely unlikely to contain information so sensitive that it would compromise the security of the Council's computer system.

Councillor Buston advised the Committee that it was technically possible to segment the Council's domain into security-dependent hierarchical subsystems, including a low

security system which would allow email forwarding, together with one or two higher security systems containing information of increasingly greater value and subject to two-factor, or even two-person authentication. Councillor Buston expressed his support for the need for a robust information technology security policy, together with a General Data Protection Regulations (GDPR) policy supported by appropriate firewall software, which he believed could be implemented at relatively low cost.

It was acknowledged that the issue surrounding the automatic forwarding of emails was a matter of risk management, where the needs of the organisation had to be balanced against the need to function effectively and efficiently on a day to day basis. It was suggested that part of this risk assessment should acknowledge that the majority of Councillors also had day jobs and were not full time paid employees of the Council, but rather volunteers who were paid a small allowance and who did not necessarily possess proficient computer skills.

Councillor Buston urged the Council to take an approach of ease and simplicity with regard to the forwarding of emails in order to allow Members to serve their constituents properly and allow for the least expense to the public purse.

Councillor Willetts thanked Councillor Buston for his contribution, and noted that a review of Colchester Borough Council's cyber security provisions was to be considered by the Committee at its forthcoming meeting in October.

## **267     Review of digital meetings following Covid-19 - verbal update**

Andrew Weavers, Strategic Governance Manager, attended the Committee to provide a verbal update on the provision of digital meetings in the light of the Covid-19 pandemic. The Committee heard that in response to the Covid-19 pandemic the Government brought in the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales Regulations 2020, which had enabled Local Authorities to hold virtual remote formal decision-making meetings. These Regulations had expired on 7 May 2021, and following a court challenge, it became clear that they could not be extended, and in order for Local Authorities to be able to hold formal virtual /hybrid meetings going forward the Government is required to introduce primary legislation.

At the Council meeting in December 2020, recommendations that had been made by the Governance and Audit Committee in October 2020 had been adopted, which included continuing to hold meetings remotely for the remainder of the municipal year, and the continued holding of briefings and non-decision making meetings online. A letter had also been written to government requesting that the provisions for holding remote meetings be continued. In April 2021 a challenge had been made through the Courts, which had not been opposed by the Secretary of State, with the aim of determining that remote meetings could continue lawfully, but unfortunately this challenge had been rejected by the Court, meaning that decision making meetings now had to be held

physically.

The Committee heard that a number of staff and Councillors had expressed some anxiety about the return to physical meetings under the current circumstances, and there was a need to consider how to address this to allow physical meetings to be held while mitigating concerns. It was noted, however, that some Councillors had expressed a desire to return to physical meetings, and there was a need to seek a balanced approach which recognised both points of view. Following the removal of social distancing requirements on 19 July 2021, there was nothing preventing Local Authorities from holding physical meetings with no restrictions placed upon attendees, however, Government guidance had been updated to make it clear that it was the duty of Local Authorities to mitigate the risks posed to their employees as far as possible, and this duty also extended to Councillors by virtue of the Health and Safety at Work Act 1974. It was for this reason that the decision had been taken to continue with social distancing measures for Council meetings.

The Committee heard that it was possible for Councillors to nominate a substitute for meetings if they did not wish to attend in person, or to attend meetings remotely via the internet, but this would mean that they would not be able to vote and was disenfranchising Councillors from participating in the democratic process. It was not possible to arrange a substitute for Cabinet or Full Council meetings, and it was possible that a situation would arise that it was not possible to hold a quorate meeting due to Councillors being unable to attend in person due to the requirement to self-isolate. It was highlighted to the Committee that should Councillors attend a meeting remotely by logging into the meeting via the internet, that their attendance in this manner would not count as an attendance at the meeting for the purposes of the six month, rule and Officers and Group Leaders would need to monitor this to ensure that Councillors did not fall foul of this rule.

Careful consideration was being given to a number of technological solutions which would enable and support hybrid meetings to take place, but there was no easy solution. Each of the rooms in the Town Hall presented its own set of difficulties, and following advice from the Council's own Information Technology Team and independent consultants, it was likely that each meeting room in the Town Hall would need its own bespoke solution to allow the live streaming of meetings, and remote attendance. The Committee were reminded that it was a requirement of face to face meetings that these be accessible to the public, and although it was possible to arrange for members of the public to attend remotely over the internet, facilities had to be made available for those who wished to attend a meeting in person to address Councillors. The Committee was assured that Officers would continue to work to ensure that meetings would be held in a Covid safe manner to safeguard Councillors and member of the public alike.

Councillor Willetts noted that the Governance and Audit Committee had in the past supported the move towards providing digital meetings with the aim of increasing public participation, but that the challenges of providing such meetings had been clear even

before the onset of Covid-19. The requirements of social distancing in relation to Covid-19 had highlighted the technical issues inherent in providing a digital solution to broadcasting meetings and allowing remote attendance, without the necessity of using an array of very expensive equipment at the taxpayers' expense, and the difficulties that had been drawn to the Committees' attention indicated that any advances to be made in this area were likely to be slow. Andrew Weavers confirmed that the views of the Committee were being sought, and he recommended that the matter be further considered at a future meeting of the Committee in October, in accordance with the published work programme.

Councillor Oxford advised the Committee that he had been required to self-isolate recently along with Councillor Beverley Oxford, who had been able to attend a Cabinet meeting remotely, but had not been able to vote on any items discussed. It was his opinion that the ability to participate in the democratic process had been adversely affected by the isolating requirements, and that in the future the ability to hold hybrid meetings which would allow Councillors to attend remotely and also vote should be the way forward. He additionally noted that many Councillors worked during the day, which potentially made it more difficult for them to attend physical meetings, and the ability to participate fully by attending hybrid meetings remotely via the internet should be made available when legislation permitted this, a view that was supported by the increased attendance and public engagement that had been associated with remote meetings over the past year.

Councillor Fox supported the comments made by Councillor Oxford and suggested that Councillors should be concerned about the potential that some Councillors may not be able to attend meetings in person and would not be entitled to vote via an online attendance. He suggested that this was a particularly pertinent issue for Colchester Borough Council given the current delicate political balance, and thought that no administration should be put in the position that it was unable to carry out its intended business due to a lack of Councillors available to vote at a Council meeting due to the requirement to self-isolate, or any other reason. Councillor Fox suggested that the amount of money that had been spent on Covid-19 related social distancing measures in relation to holding meetings should be assessed and made public, and noted that this short term expense would also be coupled with the longer term expense associated with providing more permanent broadcasting or remote access solutions.

Councillor Nissen noted the potential cost to the taxpayer of implementing Covid-19 secure measures, including more permanent solutions, but considered that the ability to provide remote access to meetings granted a significant improvement in accessibility and public participation. She considered that further consideration of the position should be retained in the work programme for the Committee to consider at a later date.

Councillor Burrows commented that the health and wellbeing of Councillors and Officers was of paramount importance, and suggested that creating the capacity to hold hybrid

meetings was something which needed to happen.

Councillor Willetts noted that there had been much sympathy and support for a hybrid meeting system to be put in place, from both the point of view of bolstering the democratic process, and allowing increased public participation. The Committee were reminded that it had been agreed that in the short term all briefing meetings and non-decision meetings would continue remotely, but he noted that the Council was dependent on Government changing the rules to allow remote or hybrid meetings to take place in the future before putting in place any longer term solutions.

## **268 Annual Report of Colchester Commercial Holdings Limited for 2020/21**

Andrew Tyrrell, Client and Business Manager for Colchester Borough Council, and Paul Smith, Group Commercial Director for Colchester Commercial Holdings Limited (CCHL), attended the meeting to present the report and assist the Committee with its enquiries.

The Committee heard that CCHL was the Council's principle commercial company, with three subsidiary companies underneath it; Colchester Amphora Energy Limited, Colchester Amphora Homes Limited and Colchester Amphora Trading Limited. The Council is the sole shareholder for CCHL and the Amphora Companies, and as such retained control over their strategic direction and what it was hoped that they would achieve. The companies have been active for the past three years and have recorded two successful first years where the expansion dividend targets had been achieved, before a difficult third year which was adversely affected by the Covid-19 pandemic, the impact of which has been felt across all sectors and activities of the companies. Although some of the areas of operation of the companies, such as Helpline, had been able to provide a positive reaction to the pandemic, other areas, such as events, has been badly affected. It was, however, highlighted that the companies had been set up with a diverse range of activities in order to provide resilience which had been particularly important during the pandemic, and which had allowed a dividend to be paid to the Council in year three. Although it was particularly difficult to predict the future, it was considered that under the circumstances the companies have provided a relatively successful financial return in the year.

One of the key elements of the companies was that they maintained a public sector ethos, in support of the Council's Strategic Priorities, including the provision of affordable homes and the commencement in construction of the heat network which will be one of the largest of its type in the United Kingdom. The Committee heard that the Council had received two awards in 2020 which both related to the setting up of the companies and the decisions that the Council had taken in 2018; the Local Government Chronicle's 'Entrepreneurial Council of the Year', and the Municipal Journal's 'Best Commercial Council' award. The prestigious awards provided external acknowledgement of the achievements of Colchester Borough Council.

Paul Smith advised the Committee that although the previous year had been a difficult

one, CCHL had still been able to deliver a dividend of £226,000. The achievements of the Capital Projects Team were highlighted, with a key achievement being the delivery of the completed Northern Gateway Sports Park, partially funded by secured partnership funding from British Cycling and Cricket totalling £690,000. In addition to this, work had been completed on the infrastructure design of the Colchester Northern Gateway project, including highways outline approval and the development of a hybrid planning application. Amphora Trading had also provided support for the strategic priorities of the Council, including development and community engagement with the creative industries, and helping the Council secure £3.7m funding from the South East Local Enterprise Partnership in relation to the development of the Queen Street Bus Depot site. It was confirmed to the Committee that the commercial companies were set up to support the strategic priorities of the Council and this included ensuring that any grants that were awarded to the Council were allocated to the scheme that they were intended to support.

With regard to the work of the Estates and Asset Management Team, the Committee heard that this team managed all commercial leases of the Council and during the pandemic all tenants had been managed in accordance with Government requirements. The Council's property investment portfolio was worth in the region of £42.5m, and a high rent collection rate had been achieved in spite of the pandemic.

The restrictions on mass gathering which had been in place over the preceding year had a major impact on the events and weddings which had been able to be held, with associated impact on revenue from the Events business. The impact of the pandemic had been managed as far as was possible through the delivering of weddings where permitted and rescheduling events in line with Government advice, and a successful bid had been made to the Cultural Recovery Fund for £90,000 to support recovery from Covid. The opportunity had been taken to review the operation of the Events business during the pandemic, and events would now be run as cashless events to improve safety and efficiency, and the Old Library building had been brought back into use for events.

The Helpline service had proved to be an essential service for local residents over the past year, through both monitoring and the use of its 'lifting' service which assisted customers who had experienced a fall, and it was emphasised that this was a local service provided by local people. With regard to the sports and leisure activities of the companies, the Committee heard that the Sports Park had opened, and Leisure World had been operating as far as was possible in accordance with Government guidelines.

Some of the key priorities for 2021-2022 were highlighted to the Committee, including the completion of the first phase of Colchester Northern Gateway South infrastructure such as The Walk and the Western Access Road, and the achievement of outline planning approval for all uses including residential, commercial, and healthcare.

Work was to continue with Colchester Amphora Trading leading development of S.106 funded community buildings at Stanway and North Colchester, as well as the development of the new St Mark's Community Centre and the scheme at the Queen

Street Bus Depot together with public spaces in the town centre such as St Nicholas Square and Balcerne Gate. The deployment of the 'metronet' was being project managed by the companies, and this aimed to provide super-fast broadband and support the continued development and improvement of the closed circuit television (CCTV) network in the town.

Through the forthcoming year, the management of the Council's estate and assets would continue, with the aim of limiting the loss of rental income and securing the letting of office space at Rowan House which was currently undergoing improvement works.

It was intended that there would be a recovery of the events programme in line with Government guidelines, and it was noted that the demand for weddings had been high following the easing of restrictions. Development of relationships with external public bodies would continue, together with the development of the hospitality offering at the Town Hall.

With regard to the CCTV and Helpline services, the Town Centre CCTV system would be upgraded to a fully digital system with increased coverage and capability, and there would be a digital upgrade of the Helpline operating system to facilitate the expansion of digital services to customers.

Turning to Colchester Amphora Energy, the Committee were advised that in the preceding year the feasibility of the Northern Gateway's Micro Grid which would provide sustainable green energy to the Sports Park and the Northern Gateway. A tender for the installation of the Northern Gateway's Heat Network had also been issued. In the forthcoming year, it was intended to commence construction of the Energy Centre, and to carry out stage 2 of the feasibility report into the Micro Grid which formed part of the ongoing work to support the sustainability aims of the Council.

The Committee heard that Colchester Amphora Homes had made a number of key achievements during 2020-2021 which included the redevelopment of the Creffield Road site into six apartments (two with affordable rent) and two, three bedroom, houses to be completed by July 2021. Construction was proceeding on three garage sites at Buffett Way, Scarfe Way and Hardings Close, with completion due by August 2021 and January 2022 and a review of Phase 2 development sites had been carried out. Looking ahead to 2021-2022, it was hoped that Creffield Road Sales would be complete by August 2021 and progress would be made on the Military Road and Northern Gateway South sites.

With regard to the financial position of CCHL, it was anticipated that profit for redistribution in the forthcoming year would be relatively modest due to the impact of the pandemic, but that this would significantly increase in the years 2022-2023 and 2023-2024, as housing stock became available for sale.

The activities and achievements that had been highlighted to the Committee were described as an illustration of the diversity of what the companies had achieved, together with an indication of future activities. The business plan of CCHL was to expand

in a controlled manner to ensure that the company could continue to meet the demands of the Council.

Councillor Willetts offered his congratulations on the achievements of CCHL, and noted that CCHL was a national leader in the way it conducted its business, with the dividend realised contributing to the Council's provision of essential services. The Committee were reminded that the Governance and Audit Committee was interested in the activities of the companies, but also in their financial operation as the Shareholder Committee for CCHL. Councillor Willetts noted that CCHL charged the Council a management fee to carry out many of its activities, while at the same time paying the Council for rent and other services, and he wondered what difference the adjustment of any of these fees would make to the dividend available at the end of the financial year. He sought assurance that the dividend of £226,000 that had been paid was the best that could have been achieved under the circumstances.

Paul Smith responded by confirming that the Shareholder Committee could consider what it wished to achieve from the companies, and whether a low or high dividend was sought. He explained by way of example that the Amphora companies did receive a management fee from the Council to cover the internal services provided back to the Council, and in return made use of a number of council services, such as human resources, office space, IT, Fleet, etc which were governed by a number of Service Level Agreements (SLAs). The Companies therefore bare its own operating costs which were no longer accounted for in the Council's budget, as well as hiring services from the Council in addition to delivering a dividend back to the Council. The Committee heard that it was possible to carry out a segmented analysis to explain clearly the management of the different SLAs in effect and their impact on the dividend, but that any information provided in this regard would be subject to commerciality and would have to be presented to the Committee once the public had been excluded.

Councillor Willetts expressed his opinion that the companies were run as very high quality organisations in terms of their management and the services offered, and he wondered whether the level of quality negatively impacted on the dividend available, and whether more profit could be obtained by providing the same services at a medium level of quality.

Paul Smith explained that the companies were heavily governed by the Council by virtue of the Governance and Management Agreements which were in place, and under these agreements, the manner in which the companies were able to procure and operate was tightly controlled. Additionally, of huge importance was the fact that the housing company had been set up to always deliver 30% affordable housing which will impact on the returns that the housing company will be able to make in the future. It was pleasing to note that the companies were doing everything possible to return the highest dividend while at the same time supporting the processes of the Council, local planning policy and Strategic Priorities.

Councillor Willetts enquired whether it would be beneficial for the companies to be able to procure goods and services on the open market, and whether this would allow for increased dividends to be paid. It was confirmed that the companies could expand the business with external customers, and it was for the shareholder to consider the future of the company's expansion. To realise the maximum benefit of the companies, they would need to evolve a medium and long term business plan for the CCHL Group to be financially stable in their own right, and not dependent on funding from the Council.

In response to an enquiry from Councillor Tate, Andrew Tyrrell confirmed that the broadband network was being rolled out to cover the whole of Colchester, with the Council owning the metronet that was being installed to receive the broadband signal which it would then distribute around Colchester town. The proposed scheme would not cover rural areas due to the cost of the cabling and infrastructure required, however, the Committee were informed that the Council had used its social housing estate in the urban area to link to parts of Colchester that would otherwise not have been serviced by the open market, and as a result of this Greenstead had received broadband access which it might otherwise not have received for ten years. Councillor Willetts noted the inherent difficulty in balancing the need to deliver a profit by providing as many people with access to broadband as possible, with the needs of providing the rural areas with this support.

Councillor Fox enquired about the long term future of Colchester Amphora Homes and future sites that may have been identified for development. He noted that Cabinet had agreed to consult on two different sites, which were the Vineyard Gate and Britannia Road car park which it was hoped would be able to deliver approximately 190 homes, and he enquired what activity would take place in the forthcoming year to deliver these homes.

Andrew Tyrrell confirmed that both sites were still under consideration, together with development in the town centre which had the potential capacity to provide a link between the developments. In terms of the future pipeline of development opportunities, the development at Northern Gateway South represented three to four years of work which would provide 350 homes, and additional sites had been identified in the Local Plan. It was acknowledged that no matter how much land was owned, it would eventually run out, and work is continuous to identify suitable sites for future development.

Councillor Lissimore, Portfolio Holder for Resources, confirmed to the Committee that the Council wished to take as holistic approach as was possible in approaching this issue by liaising closely with as many other local authorities and land owners as possible with the view to obtaining the greatest benefit possible for the people of Colchester. Councillor Fox was pleased to hear this but wondered whether or not bringing additional land into play would create a delay in delivering the homes already identified. Councillor Willetts pointed out that the purpose of the current report before the Committee was to review the year past, but it was Councillor Fox's opinion that the future success of the

companies, which the Committee had been asked to consider, was dependent on a constant pipeline of work which would enable the retention of key staff and the continued growth which had been identified as a commercial target. Councillor Lissimore gave an assurance to the Committee that every site that had been identified was to be examined in detail to provide the best return in terms of both profit and social benefit to the people of Colchester.

Councillor Oxford sought clarification on the number of dwellings that were to be built in the Northern Gateway South development. He expressed his pleasure that the Old Library was now being used as a venue, however, he questioned the appropriateness of the picture of a bride and groom being outside the Mayors Parlour. He asked whether it was intended to provide ultra-fast broadband to Highwoods and Mile End.

It was confirmed that the Council would not be able to provide a fibre broadband network to Highwoods as this area had been contracted to British Telecom, who would be providing the service there. The Panel heard that Colchester Amphora Housing would be providing three hundred and fifty homes at the Northern Gateway South Development, however, the total number of dwellings that would be provided would be seven hundred and twenty five.

In response to a question from Councillor Burrows, Paul Smith confirmed that the events business had been cash driven, particularly with regard to the purchase of food and refreshments at events, and that during the pandemic a review of the logistical difficulties had been considered. A recommendation had been made via an internal audit, and the period of lockdown had been used to transform the way in which payments were taken by the events company, which had necessitated installing a new till system.

Councillor Willetts reminded the Committee that it was being asked to both review the performance of CCHL, and to consider making recommendations to Cabinet in respect of the performance management arrangements of the company for the future that would help to ensure continued growth and the provision of a dividend to the Council.

Paul Smith suggested that if the Committee, acting as Shareholder Committee, wished to consider the future strategy of CCHL, then it may be appropriate to commission a detailed piece of work looking into how CCHL could seek to move away from reliance in being underwritten and funded by the Council. Without consideration being given to this strategy, it was suggested that the companies' potential for expansion and growth would be very limited. The Committee were invited to suggest that due consideration be given to the provision of a report by CCHL highlighting the technicalities and legislation governing the companies, and in the light of this to identify the best method of moving forward to build balance sheet strength in the CCHL Group for long term growth and stronger performance.

Given the schedule of forthcoming meetings, it was proposed that a draft minute be prepared for approval of the Chairman and Group Spokespersons to allow the resolution to be considered by Cabinet at its next meeting on 1 September 2021, which occurred

prior to the next meeting of the Governance and Audit Committee on 7 September 2021.

RESOLVED that:

- The Committee noted that it had reviewed the performance of CCHL (and its subsidiaries) during 2020/21, having regard to the performance information for the year.
- Cabinet be requested to commission CCHL to provide a detailed report examining the best method to develop Balance Sheet strength so CCHL can be more financially independent, while operating under the Governance and Management Agreement framework which governs the operation of the companies.

## **269      2020/21 Year End Review of Risk Management**

Hayley McGrath, Corporate Governance Manager, attended the meeting to present the report and assist the Committee with its enquiries. The Committee heard that they were required to review the risk management process annually, and were being asked to consider the risk management process for the financial year 2020-2021, with regard to how Colchester Borough Council (the Council) had managed risks. The Committee was advised that it also had the responsibility to consider the proposed Risk Management Strategy, and if this were approved, recommend to Cabinet that it be adopted as part of the Council's Policy Framework subject to ratification by Full Council.

The Committee heard that in broad terms risks were split into three categories – strategic, operational and project, and that identified risks in each of the categories were judged against levels of probability and impact to give them an overall score. The majority of work that had been undertaken over the past year had been in response to the pandemic, and the overall risk management function also included a number of other services of the Council including health and safety, business continuity and emergency planning. These areas were key to ensuring that the Council was able to continue to deliver services in a manner that was effective during the Covid-19 pandemic. Contributions were made to the Essex Resilience Forum, which was a multi-agency group tasked with responding to the pandemic in key areas such as testing and the location of vaccination centres.

Work had been undertaken with partner organisations, and the Council managed the assurance and risk programmes for Colchester Commercial Holdings Limited (CCHL), and care was taken to align the commercial risks identified with the risks of the Council to ensure that no conflicts arose with the management of these. In addition to this, the Council had also taken on the management of the insurance programme for Colchester Borough Homes (CBH) and had been able to save them money by utilising the economies of scale that were granted through aligning the policies of CBH and the Council.

Over the past year, work had been undertaken with the Council's own Safety Advisory Group (SAG) as well as the SAG for the stadium, and these groups were made up of

many partner organisations and were convened to examine event management plans for key events in the area where high attendance was expected. The risk processes for the Joint Museum Service and the Parking Partnership were also examined, and these organisations maintained their own risk registers.

The Committee heard that there was no legal requirement to review the proposed Risk Management Strategy each year, but that an annual review was considered best practice to ensure that the Strategy was still appropriate and that risks were being managed in the most effective way possible. At this time, no changes were proposed to the way that risks were managed, as it was felt that the process used was still appropriate.

The Strategic Risk Register was owned by the Council's Senior Management Team and was reviewed on a regular basis, at least once per quarter, when the issues which were facing the organisation were considered. There were no set criteria to determine which risks should remain on the Register, but a very considered approach was taken to determining this. Covid-19 had been identified as the top risk, followed by spending power, compliance, financial inequality and cyber security. Although the top risks identified all had links to the Covid-19 pandemic, the risk posed by Covid had been kept separate as the level of risk posed in the future was unknown, and could escalate rapidly. For example, rapid changes which may be required in the future to the ways in which services had to be delivered may lead to governance processes not being complied with as fully as the Council would wish.

The Committee heard that items placed on the Register were assigned a score based on their probability and impact prior to any mitigating steps being taken, and then re-scored in the light of mitigating actions proposed or taken, which left a residual score. Although some very high risks had been identified, and were shown as red on the Register, following mitigation it was considered that there were no very high risks left.

Councillor Fox noted that the Covid-19 pandemic had been largely underestimated globally, and wondered whether there were risks relating to similar catastrophic disasters which would remain on the Council's Register indefinitely. Hayley McGrath explained that in order to make the Register a really useful management tool, it was necessary to try to be realistic in terms of events that were likely to happen, and she would not recommend that a one-off catastrophic event be included on the Register. It was, however, pointed out that one of the elements of the Register was the emergency planning and business continuity work, which was designed to deal with catastrophic events as they arose. The Council had a statutory duty as a category three responder under the Civil Contingencies Act 2004 to have an emergency planning function to react to any such disaster such as large scale flooding, or a flu pandemic. The Business Continuity Plan worked alongside this function to ensure continuous delivery of services was possible during a disaster period, and considered such things as staffing levels, Council buildings and Information Technology (IT) issues. All the Senior Management Team of the Council were part of the First Call Officers Group, and received regular

training in respect of their responsibilities as part of this Group in relation to the Business Continuity Plan.

In response to a query from Councillor Tate, Hayley McGrath confirmed that an item on customer confrontation had been removed from the Register as during the pandemic there had been a move away from face to face physical contact with customers, and as a result there had been less confrontation. Although confrontation did still happen, this was managed through the health and safety in the workplace policies and would be dealt with in the Operational Risk Registers for Customer Services as opposed to the Strategic Risk Register.

Councillor Willetts noted that a number of identified risks were interlinked, such as cyber security and data protection, and the delivery of services to partners. It was explained that initially cyber security and data protection had been considered as a single risk, however, the issues of cyber security had become so much more of a key issue that it was felt appropriate to separate them out. The Committee heard that data protection did not just relate to IT, and included paper files and data held in any other manner which could be compromised due to a security breach or officer error. Cyber security related to an emerging threat, and it was considered that attacks on the organisation may not just attempt to steal data, but could also be intended to stop service delivery. With regard to risks associated with partnership delivery, these were concerned on one hand with ensuring that partnerships were appropriate and fulfilling the function assigned to them, while at the same time considering the implications of a failure of those partnerships on service delivery.

In response to a question as to why financial inequality was considered to be a risk, the Committee heard that financial inequality had, in recent times, become the focus of a number of teams of the Council as the Covid-19 pandemic has affected people in different ways. Some residents of the borough had been able to improve their financial position during the pandemic, while others had lost their jobs and found themselves in a much worse position. As a result of this the gap between those with financial security and those without had grown, with more people seeking support from the Council than before.

Councillor Fox reminded the Committee that at the meeting of Full Council in December 2020, a motion had been passed to tackle inequality, and part of the motion required the Council to consider the impact of its decisions on financial inequality. It was suggested that it was therefore appropriate that this item be featured on the Register.

RESOLVED: that the submission of this report to Cabinet to approve the risk management strategy for 2021/22 be endorsed.

## **270 Work Programme 2020-2021**

Matthew Evans, Democratic Services Officer, attended the Committee to present the

report and assist the Committee with its enquiries.

Following a request to consider moving some items from the agenda of the meeting scheduled for November to the meeting of the Committee scheduled in October this year, it was explained that although the items to be considered in November looked to be of great length, the policies that were addressed were appropriately considered at the same time.

The Committee heard that a request had been made for an additional policy to be considered at its next meeting in September.

RESOLVED: that the content of the Work Programme be agreed, and that an additional agenda item in respect of the Processing of Special Category Data Policy be included for the September meeting of the Committee.