

CORPORATE RISK MANAGEMENT - QUARTERLY UPDATE

Governance and Audit Committee	4th December 2024
By	Chris Blundell, Director of Corporate Services and Section 151 Officer
Cabinet Portfolio	Councillor Rob Yates, Portfolio Holder for Corporate Services
Key Decision	No
Decision classification	Unrestricted
Ward:	All

Purpose of the Report

This report provides the Governance & Audit Committee with a quarterly review of corporate risks.

Recommendation(s):

The Governance and Audit Committee is being asked to approve the corporate risk management quarterly report and note the progress update.

1. Summary of Reasons

- 1.1 This report is being presented to the Governance & Audit committee as part of their role in monitoring Risk Management activities for TDC

2. Background

- 2.1 The strategy defines corporate risks as *'those which could impact across the whole council'*. Operational risks are identified from the 'bottom up', through service planning for the year ahead and through continuous review during the year. Operational risks may be escalated and considered Corporate level risks, depending on the evaluation of the risk and through engagement with Senior Management and the Corporate Management Team.
- 2.2 The strategy prescribes that these risks should be assessed by the Corporate Management Team (CMT), by Cllr Rob Yates, Portfolio Holder for Corporate Services

and the Member Risk Management Champion and then reported to the Governance and Audit Committee (G&A) on a regular basis.

- 2.3 The Risk Management Strategy 2022 was approved at the G&A committee on the 27 July 2022. Consequently, the council has now transitioned to operating under the new risk management strategy and our associated new way of monitoring, evaluating and reporting risk. Some progress has been made during this risk reporting cycle, with a good proportion of the service areas responding. Ongoing training is also offered and delivered to all service areas, sometimes on an individual basis or on a team meeting basis - this is so that we can keep the Risk Management Strategy relevant and current for all the service areas. As we have such a diverse portfolio this is incredibly important in order to give this committee a full oversight of the risks that we face.
- 2.4 As such, it is now possible to report our Corporate Risks to the committee in accordance with our updated Risk Management Strategy, This is most notably demonstrated in Annex 1, with the presentation of risks through the lens of Current / Emerging / Future risks from all service areas and their scoring which aligns to the risk matrix. Please note Annex 1 is presented to the committee in Mar and Sept (Nov 24) - also we have now discussed Insurance Training for members of the committee which I believe will be booked in for the P4 meeting
- 2.5 Work has been undertaken in subsequent reporting to the committee to apply this framework to the High Scoring Corporate Risks shown at section 4 and also the addition of tracking of risk scores which we are currently reviewing and also looking to drill down on this report for the committee the risk journey from the start of the process to the end. We have also been discussing the need for a Risk Management system dedicated to centralising the collation of Risk Reports and providing analysis which will further help the committee understand and engage with the Risk Management and our Corporate Risks - further to follow on this exciting development

3. Relevant Issues

3.1 **What is risk** - Risk is defined as the uncertainty of outcome, whether positive opportunity or negative threat, of actions and events.

3.2 **Risk Management -**

Risk can be a threat (downside) or an opportunity (upside)

3.3 **Responsibilities**

A local authority's purpose is generally concerned with the delivery of service or with the delivery of a beneficial outcome in the public interest. The delivery of these objectives is surrounded by uncertainty which both poses threats to success and offers opportunity for increasing success.

3.4 **What is risk management** - Risk Management was defined by the Audit Commission as:

*'Risk Management is the process by which risks are **identified, evaluated and controlled**. It is a key element of the framework of governance together with community focus, structures and processes, standards of conduct and service delivery arrangements'*

(Audit Commission)

The Government's [Orange Book](#) on risk management also states that:

Risk management shall be an essential part of governance and leadership, and fundamental to how the organisation is directed, managed and controlled at all levels.

*Each public sector organisation should establish governance arrangements appropriate to its business, scale and culture
(Source Orange Book - Gov.co.uk)*

3.5 Risk Evaluation

3.5.1 Risks have to be assessed in respect of the combination of the likelihood of something happening, and the impact which arises if it does actually happen. Risk management includes identifying and assessing risks and then responding to them. Risk is unavoidable, and every organisation needs to take action to manage risk in a way which it can justify to a level which is tolerable. The amount of risk which is judged to be tolerable and justifiable is the “risk appetite”.

3.5.2 The likelihood of a risk occurring is evaluated against the following criteria:

3.5.3 The possible impact on the council should the risk occur is then assessed across a range of categories. The risk score is determined by the highest scoring possible outcome against any of the risk headings please see below

Risk Matrix Scoring Mechanism

Likelihood

Rating	Score	Likelihood
Very Likely	4	<ul style="list-style-type: none">• More than 85% chance of occurrence• Regular occurrence• Circumstances frequently encountered
Likely	3	<ul style="list-style-type: none">• More than 65% chance of occurrence• Likely to occur within next 12 months• Circumstances have been encountered
Unlikely	2	<ul style="list-style-type: none">• 31%-65% chance of occurrence• Likely to happen within next 2 years• Circumstances occasionally encountered
Rare	1	<ul style="list-style-type: none">• Less than 30% chance of occurrence• Circumstances rarely encountered or never encountered before

Impact

Headings	Reputation	Strategic	Wellbeing	Service Delivery	Finance	Compliance
4 Severe	Council receives nationally adverse publicity perceived as failing in a significant area of responsibility	Failure to deliver council priorities / services / major corporate project	Significant staff dissatisfaction / long term absence / increased staff turnover including key personnel	Loss of service for a significant period	Financial loss or overspend greater than £500k	Breach of law leading to some sanction Litigation almost certain with some / minimal defence
3 Significant	Significant adverse local publicity	Possible impact on the delivery of council priorities	Declining staff satisfaction / loss of staff due to absence or turnover	Reduction in service performance / service disruption for 1 – 2 days	Financial loss or overspend between over £250k	Breach of regulation or responsibility or internal standard Litigation possible
2 Moderate	Minor impact on staff morale/public attitudes	Minor / adverse impact on Council priorities	Possible short-term staff dissatisfaction / likely impact on absence and turnover	Poor service / service disruption up to one day	Financial loss or overspend between £50k - £250k	Breach of internal procedure or policy Complaints likely
1 Minor	Unlikely to cause adverse publicity	No significant impact on the delivery of Council priorities	Loss of staff morale but unlikely to result in absence or turnover of staff	No significant difficulty providing a service or delivery of a project	Financial loss or overspend under £50k	Minor breach of policy or internal procedure Complaints Unlikely

5.5.4 The overall risk scores are then arrived at by multiplying the “likelihood” score by the “impact” score, where the maximum score for each is four, so the maximum total score is sixteen.

Likelihood	Very Likely (4)	Moderate (4)	High (8)	Extreme (12)	Extreme (16)
	Likely (3)	Low (3)	Moderate (6)	High (9)	Extreme (12)
	Unlikely (2)	Very low (2)	Low (4)	Moderate (6)	High (8)
	Rare (1)	Very low (1)	Very low (2)	Low (3)	Moderate (4)
		Minor (1)	Moderate (2)	Significant (3)	Severe (4)
	Impact				

3.5.5 **Roles and responsibilities** - The primary member oversight on risk is provided by the Governance and Audit Committee. Cabinet also has a member Risk Champion Cllr Rob Yates (the Leader of the Council and Portfolio Holder for Corporate Performance and Risk) who promotes risk management and its benefits throughout the council.

3.5.6 At staff level, the high-level corporate risk register is regularly considered by the Corporate Management Team (CMT). G&A Committee considers changes to the corporate risk register, the reasons for the changes and the actions being taken to mitigate the likelihood and impact of those risks. A view is also taken regarding the extent to which the risks should be tolerated.

3.5.7 The Chartered Institute of Public Finance and Accountancy (CIPFA) Position Statement on Audit Committees (2018) sets out the key principles for audit committees operating in local government.

3.5.8 The statement sets out the key responsibilities of the committee to include:

*‘consider the **effectiveness** of the authority’s **risk management arrangements** and the control environment, reviewing the risk profile of the organisation and **assurances that action is being taken** on risk-related issues, including partnerships and collaborations with other organisations’*

3.5.9 The report seeks to aid the committee to discharge these responsibilities

3.6 Corporate risk register

3.6.1 A summary of the highest scoring corporate risks on the register is set out in the table and the following narrative below, together with the comparative scores noted by the Governance & Audit Committee on 4th Dec 2024

3.6.2 The scores are arrived at by multiplying the “likelihood” score by the “impact” score, where the maximum score for each is four, so the maximum total score is sixteen.

Description	Nov 2024 Score	Dec 2024 Score	Change
Cyber Attack	16	12	Yes
Limited Resources	12	12	No
Economic Environment	16	16	No
Homelessness	16	16	No
Environmental Act 2021	16	16	No
Net Zero Strategy	16	16	No
Groundwater Assessments	16	16	No
Manston Airport	12	12	No

3.6.3 Each corporate risk is the responsibility of a member of CMT and they manage risk mitigation plans with the aim of reducing the likelihood and/or impact of each risk to a manageable level. As time moves on, the external environment changes and this can have an impact on the effectiveness of mitigating actions as well as on the likelihood and impact of a risk: hence the need to maintain vigilance in respect of mitigation plans as well as new and changing risks.

3.6.4 It is more difficult to take action to reduce the impact of a risk occurring, than it is to take action to reduce its likelihood. Hence in some cases, the scores after mitigation will remain relatively high.

Highest-scoring risks

3.7 Cyber Attack (Impact 4, Likelihood 3) Future risk

Reputation, Service Delivery, Strategic and Financial risk score 4

Work has continued to improve our security position across the organisation. This is ensuring that we are in a cybersecurity readiness state by improving the way we monitor, identify and are able to respond to and recover from security threats. Given the significant focus and activity which has taken place to increase our controls and mitigations since the last quarterly update, consideration is now being given to reduce the likelihood risk score from 4 (very likely) to 3 (likely). This would in no way diminish the focus and work on cyber security, which would have to be sustained in order to continue to protect the organisation, but reflects the improved position the council is in as a result of the significant amount of work that has been completed in recent months.

A contributing factor to this was the approval of the new suite of ICT & Digital policies which were agreed at Cabinet on Thursday 26 September. These have now been published on the staff intranet and launched in a Councillor briefing, with the view to roll this out using our new platform Knowbe4. This will allow the policies to be pushed out across the council and capture a record of acceptance.

A number of platforms have now been implemented; Ninja One and Insight. This helps to protect our network, servers and devices used across the council. These platforms are ensuring security patches are applied and that all our devices are monitored continuously looking for threats and vulnerabilities. These platforms are able to provide reports where we can now provide a vulnerability score for our systems and a compliance score in regards to patching. The team can now use this data to ensure that this can be continually worked on and our patching compliance is worked on to reduce the security risk.

A new bespoke cyber security risk register has now been created. This month there are currently 13 risks on the cyber security risk register, 8 of these being classified with an extreme risk score. However after mitigations being resolved and controls in place there is 1 risk which remains in this category. This is an unsupported system and currently runs on an operating system which is also in extended support. There is currently no live project in place to replace this system, however this has been included in the October monthly CMT security report to highlight this risk and discuss next steps.

A monthly security report is now presented to CMT with the report including;

- Vulnerability status of key systems

Systems are given risk scores depending on vulnerabilities using a platform called Rapid 7. Any Systems scoring more than a 1000 are classified as high (Red)

- Number of alerts from our Management, Detection and Response (MDR) platform

These alerts notify us of any suspicious activity within our network or on our devices by our vendor Sophos. They monitor 24/7

- MDR Health score

This score is generated by our MDR platform, scanning all devices ensuring they comply with our security policy, have not been tampered with and have protection installed

- Organisation risk Score - Human Element (KnowBe4)

This score is generated by our KnowBe4 platform, the score is training completed by staff, the emails which have been reported as suspicious and the acceptance of policies

- Phishing Emails Reported

This is the number of emails reported to us as suspicious using the phish hook icon in gmail which are collated within KnowBe4

- Patching Compliance (Ninja One)

This score is generated by our patching compliance platform Ninja One, the score is calculated with the number of patches being successfully installed and that all devices have been reachable and scanned

- Cyber Risk Register

This risk register identifies potential cyber threats for our organisation

- Security incidents Reported

The number of security incidents reported from staff either using the form on the support portal or over the telephone

- IT Health Check (ITHC) Update

Following out ITHC in August this provides an update on where we are with the remediation plan

- Data Breaches Reported

The number of data breaches reported from staff either using the form on the support portal or over the telephone

The IT Health Check (ITHC) which was completed in August scanned our network, devices, servers and systems. The ITHC checks for vulnerabilities and provides a report to us with actions breaking them into the following categories; Critical, High, Medium and Informational.

The ITHC health check was a significant improvement compared to previous years. This year there were no critical vulnerabilities, 7 high, 23 medium, 12 low and 4 informational Last year there were 12 critical, 43 high, 67 medium, 16 low and 1 informational.

Since we have received the report the team has been working on the high rating actions, six of these have now been completed with one outstanding.

Corporate Risk Lead Officer: Transformation Programme Manager - Technology Lead & SISO

3.8 Limited Resources (Impact 4, Likelihood 3) Current/Emerging/Future

Strategic, Financial Risk Score 4

The high score for Limited Resources reflects the fact that it is one of the few risks that could result in the council losing control of its own destiny.

Whilst the Chancellor's Budget provided the announcement of much welcome additional funding for the local government sector, the detailed allocations will not be known until the Provisional 2025/26 Local Government Finance Settlement is published, which is expected in late December. As in prior years, a single one year settlement is expected for 2025/26, although the Government has committed to providing multi-year settlements for future years. This means that the Council is restricted to setting a meaningful budget for only one year and although scenarios can be put forward through the Medium Term Financial Strategy (MTFS), a budget position can not be guaranteed due to the various factors outside of the Council's control.

To mitigate this risk the Council undertakes a rigorous approach to budget setting, exploring a wide range of opportunities to minimise spending pressures and maximise our income streams. For the 2025/26 budget setting process this again included a Star Chamber process, where Service Directors are required to articulate and justify their budgetary requirements to a panel comprising the Leader, the Portfolio Holder for Finance and the Chief Executive and s151 Officer. This process has informed the shape and substance of next year's budget adjustments.

Due to the changing nature and composition of Local Government funding, authorities are becoming increasingly reliant on locally raised sources of funding such as Council Tax and Fees and Charges. Therefore, to mitigate the risk of 'Limited Financial Resources' and enhance our long-term financial sustainability and resilience, it is the view of the section 151 officer that it is essential to optimise these local raised income

streams, whilst also considering the affordability constraints of our residents and service users.

In addition, the council has a range of budgetary controls in place to manage spending pressures in-year, including regular reporting of spending forecasts to the Corporate Management Team and Cabinet.

Corporate Risk Lead Officer: Director of Corporate Services & s151 Officer

3.9 Economic Environment (Impact 4, Likelihood 4) Current/Emerging/Future

Service Delivery, Strategic and Financial risk score 4

Prices in the UK went up by 1.7% in the 12 months to September, the lowest rate in three-and-a-half years. The Bank of England has a target to keep inflation at 2%, and puts interest rates up and down to try to meet it. In November, it cut rates for the second time in 2024, taking them to 4.75%.

Despite the easing of the current rate of inflation, prices are still rising, albeit at a lower rate, and the cumulative impact of a prolonged period of high inflation has still impacted across the council's various different budget headings.

This is particularly prevalent in the construction industry and is impacting upon the cost profile of a number of our capital projects. To mitigate this pressure, the council will need to consider project value engineering to ensure they are delivered within budget, or alternatively rationalising the number of deliverable projects in order to avoid the potential for significant overspends. For this reason, the risk remains scored at the highest level, despite the overall easing of economic conditions.

The cost of living crisis also continues to be a significant issue for both the Council and all Thanet residents. It is likely to force more households to be homeless (see Homelessness risk below), force more into fuel poverty and have a direct impact on jobs in leisure/retail with households having less disposable income. To mitigate these pressures, the council continues to provide financial support and advice to residents where it can. For example via our Housing Options Service which offers financial support and guidance to households, and the landlords of those households, experiencing homelessness or in threat of homelessness. Our Home Energy team offers financial support and guidance to those households experiencing fuel poverty. We proactively administer , for example the government funding (e.g. Household Support Fund, working in partnership with Age Concern, and Citizens Advice Bureau, and Council Tax Energy Rebate) or the provision of tools and information regarding [benefit entitlement](#) is on our website and information channels.

Corporate Risk Lead Officer: Director of Corporate Services & s151 Officer

3.10 Homelessness (Impact 4, Likelihood 4) Highest scoring mechanism is financial risk at 4 Current

Service Delivery, Strategic and Financial risk score 4

During 2022, the Council experienced an increased requirement to provide temporary accommodation (TA) for homeless households, and this trend has continued during 2023 and into 2024. Factors that have influenced this include:

- Increasing costs in the private rented sector, leading to more households struggling with their rent costs, whilst at the same time increases in Local Housing allowance rates have failed to keep pace with increases in rents.
- Landlords leaving the market for sale or short-term letting alternatives.
- Increased demand for private renting in the district, leading to a reduction in the number of private sector lets that are affordable to households on low incomes, impacting on the ability of the council to effectively prevent homelessness.

The cost of living crisis has compounded these pressures. Local housing allowances (LHA) have fallen significantly behind average private sector rents as a result of rent inflation, and although LHA was increased in April 2024, the rates are still not keeping up with increases in private sector rents. The Autumn 2024 budget indicated a further freeze to LHA rates in 2025. Cases that were previously delayed as a result of the eviction ban are now progressing through the courts, resulting in additional service and financial pressures.

These pressures have made it much more difficult for the council to prevent homelessness and find suitable, affordable solutions for people facing homelessness in the private rented sector. This has resulted in an increased number of households living in temporary accommodation.

The pressures led to a budget overspend in 2022/23 of around £1.2m and the decision to include budget growth of £800k in the 2023/24 budget. The 2023/24 out-turn for temporary accommodation costs showed an overspend of approximately £1.1m.

The Housing Options Team has developed a detailed action plan to mitigate and manage the risk of further increases in the costs of temporary accommodation, and to start to reduce these costs over time. The team meets fortnightly to monitor progress. This mitigation plan includes:

- The financial incentives available to landlords to encourage them to provide accommodation to households who might otherwise require temporary accommodation, have been increased in line with market pressures. The council is able to provide financial support with rent-in-advance and deposits and payments to incentivise landlords to offer tenancies, with larger payments available for longer tenancies. This approach is continuing to be very successful, with around two thirds of all cases where the council has a homelessness prevention duty ending in a positive outcome. In the year to March 2024 61% of cases were successfully supported into a new home during the council's prevention duty stage – this is higher than the South East regional average of 50%, national average of 45%.

- The team is now fully staffed, including a number of additional roles to help manage the increasing service demands. In particular, we have recruited a new role of Homelessness Relief Officer, whose job is to support all households currently in TA to identify potential move-on options.
- New arrangements have been introduced for the collection of temporary accommodation charges, in line with the procedures already in place for rent collection from TDC's own tenants. We have seen reductions in unpaid charges as a result. These reviews also ensure that everyone eligible for Housing Benefit has completed the applications and has benefit in payment, which is paid directly into their rent account. This new approach has improved rent collection performance; In December 2023 TA rent arrears stood at £146k, they have now reduced to £102k, which represents 3.7% of the total charges.
- Following the successful delivery of the council's first TA project at Foy House in Margate, we have acquired a second building in Truro Road Ramsgate, providing 7 self contained flats. Planning permission is currently being sought for the change of use from a hotel, and will let all of the flats as soon as consent is granted. Work is underway to identify opportunities to utilise the funding that is in the approved general fund capital programme for further TA projects, including commissioning external financial advice on how best to model the revenue implications of new projects. We are also currently in the process of purchasing 11 new build homes for use for Temporary Accommodation, approved by Cabinet in October 2024. We are confident that the external financial advice will enable the purchase of more homes specifically for use as Temporary Accommodation.
- Since the council committed to an accelerated housing delivery programme of at least 400 new affordable rented homes in July 2023, we have made a significant start in delivering the programme. We already have an approved pipeline of 206 homes, of which 37 have been delivered and let. This includes 49 homes on our own land, where we have recently let a construction contract for construction work to start on site this summer. We continue to investigate opportunities for the remainder of the programme and have started work on proposals that could deliver as many as 300 further homes. We have recently met with our newly elected MP regarding the importance of our Housing Delivery programme to ensure it receives the priority needed. Our agreed use of local lettings plans for these new homes ensure that at least half of them are let to households leaving temporary accommodation.

On 31 October, officers attended an emergency homelessness summit, convened by the District Council Network along with another 157 other councils, all facing pressures on their homelessness services. The issue is of national significance. Following the summit the council was a joint signatory to an open letter to the government seeking urgent support. Key asks included:

- Increases in local housing allowances and discretionary housing payments budget,
- Additional resources for homelessness prevention services, and
- Long term investment in more social housing.

The government has given additional financial support to local authorities in previous years and any additional funding announced for the current year, will help to manage the pressure on this service area.

Overall the mitigation plan currently in place has helped to stabilise the number of households in temporary accommodation over the past 3 months at around 300 households.

Corporate Risk Lead Officer: Corporate Director of Place

3.11 Environmental Act (Impact 4, Likelihood 4) Current/Emerging/Future

Reputation, Service Delivery, Strategic and Financial risk score 4

The Environment Act became law on 9 November 2021. This includes fundamental changes in responsibility for waste and recycling, which will have implications for the way we deliver statutory household waste collections.

As a member of the Kent Resource Partnership, TDC responded to Government consultations in 2021 on consistency of household collections, the Extended Producer Responsibility and a Deposit Return Scheme. Changes affecting household waste as a result of the new act were anticipated to start to take effect from mid 2023 but implementation has been delayed.

The extended producer responsibility (EPR) scheme will commence from the start of the 2025/26 financial year. The scheme seeks to make those who introduce packaging into the market responsible for its entire lifecycle, ensuring that product design incorporates considerations for disposal and recycling. Packaging producers will be required to pay into the scheme on the basis of the weight of the raw materials they use to produce packaging. Different tariffs applying to the varying materials used to manufacture packaging products.

From April 2025 local authorities will receive 'packaging payments' via the EPR scheme. In Kent this will apply to both districts and boroughs as waste collection authorities and also the county council as the waste disposal authority. Indicative estimates of the year 1 payment (2025/26) are not known at the time of drafting this report but are anticipated in time for consideration as part of the 2025/26 budget setting process. From April 2026, local authority funding via EPR will be predicated upon the efficiency of service delivery and provision of recycling services. Failure to meet reasonable expectations could result in up to a 20% deduction in EPR payments that the council could expect to receive.

The Deposit Return Scheme (DRS) was originally intended to be launched in 2025 but is now scheduled to start in England by October 2027. The principal aims of the scheme are to enhance recycling rates, lessen environmental litter, and transition towards a circular economy. The DRS also has the potential to dramatically effect recycling volumes collected at the kerbside and the implications for the council and how this will integrate with the new EPR scheme packaging payments are not yet known.

DEFRA's consultation response to collection reforms (now titled "Simpler Recycling") was published in May 2024. Local authorities will be required to collect the same recyclable materials from all households by 31 March 2026.

The Head of Cleansing is taking an active role in industry workshops and events on the forthcoming changes and continues to monitor announcements from DEFRA on this subject. The long term financial impact to the council as a Waste Collection Authority resulting from the various anticipated changes highlighted above remain unclear and as such the risk score currently remains high.

Corporate Risk Lead Officer: Director of Environment

Corporate Risk Owner: Head of Cleansing

3.12 **Climate change and Net Zero Strategy (Impact 4 Likelihood 4) Current/Emerging/Future**

Service Delivery, Strategic and Financial risk score 4

Although this risk continues to be high, there is significant activity taking place to support the council with its ambitions to reach net zero.

A funding bid is currently being developed for Phase 4 of the Government's Public Sector Decarbonisation Scheme (PSDS). This funding stream provides match-funded grants for public sector bodies to fund heat decarbonisation and energy efficiency measures. As nearly a third of the council's emissions are from its buildings and estate, if successful, this funding will enable improvement works which will significantly decrease the overall emissions which the council is directly responsible for. This will include measures such as replacing the gas boilers with low carbon technologies such as air source heat pumps at the Cecil Street, Margate offices and the Kent Innovation Centre as well as the council-owned leisure centres. In addition to replacing gas boilers, the programme will take a holistic approach and will include fabric improvements to the buildings, replace lighting with LED and will include solar PV installations. There is no guarantee however that this bid will be successful as it is anticipated that submissions will far exceed the total funding available. The application process closes on 25 November and an announcement will be anticipated some time in the new year, ahead of successful applications being awarded funding by approximately the end of May 2025. In addition to the PSDS bid, we have recently completed a mini-tender to appoint a contractor to deliver a 400 kWp rooftop solar PV array on Ramsgate Leisure Centre as part of Sport England's Swimming Pool Support Fund Phase two grant fund. The deadline for delivery is the end of March 2025.

Another significant contributor to the council's emissions is from its fleet, so this has continued to be an area of focus. Recent investigations have indicated that the use of Hydrotreated Vegetable Oil (HVO) as an alternative fuel is potentially viable and a formal trial will take place from November 2024 using a selection of existing cleansing services vehicles. The use of HVO has the potential to substantially reduce the

emissions of the entire vehicle fleet. HVO is however considered to be a transitional fuel and not a solution in the long term. It would therefore not be a permanent alternative to electric or any other zero emission vehicles, but will help to reduce emissions in the short term whilst the council prepares for a wider scale change to zero emission vehicles.

In the meantime, work is ongoing to review the council's wider net zero action plan, and an updated Carbon Reduction Plan will be produced in the coming months to assess the latest status, and future forecasts of the council's emissions. This activity will be crucial in order to create a clearer picture of the funding required to support the council in working towards its net zero ambitions by 2030.

This activity will continue to be monitored by the council's Climate Change Cabinet Advisory Group, which meets every other month, reflecting the priority status, as well as regularly with the Corporate Management Team (CMT) and through the re-instatement of a Net Zero CMT sub-group.

Corporate Risk Lead Officer: Head of Strategy & Transformation

3.13 EA inspection for Ground Water Risk Assessments that haven't been completed (Impact 4 Likelihood 4) Current risk

In November 2017, the Environment Agency published revised guidance on ground water risk assessments stating that risk assessments now need to be carried out on existing burial grounds as well as new grounds being planned. These risk assessments only have to be carried out in areas of the cemetery where multiple burials have taken place in the last 10 years. There is no evidence to suggest these risk assessments have been carried out in either Margate or Ramsgate Cemeteries, however, when these cemeteries opened, this wouldn't have been a requirement. In 2022 new legislation placed a requirement on cemeteries having a permit unless they meet certain conditions which include having the groundwater risk assessment. Failure to comply could lead to EA inspection.

A contractor has been appointed to undertake an assessment for both cemeteries with an output anticipated early in 2025. This will ensure compliance with the legislative requirements.

Corporate Risk Lead Officer: Director of Environment

Corporate Risk Owner: Head of Neighbourhoods

3.14 **Manston Airport DCO has been granted - Appeal dismissed (Impact 3 Likelihood 4)**

Following the appeal dismissal, RiverOak Strategic Partners (RSP) have indicated the opening of a cargo hub at Manston in 2028. Depending on the nature of imports, Regulatory Services will be required to provide Port Health Authority (Public Protection) officers based on required volumes of inspections. As part of a unilateral agreement through the DCO, the airport operators have also agreed to fund a new continuous monitoring air quality station. This too will require additional resources in the EP team to commission, maintain and calibrate.

Mitigations

RSP have indicated that the development will proceed with initial opening planned for 2028. Engagement with airport operators will take place to determine further opening plans, level and nature of imports anticipated, including countries of origin. When more is known an exercise can take place to secure staffing budget and recruit new Public Protection staff to fill the required Port Health roles as this cannot be accommodated within the current team (4 FTE). Further engagement will also be undertaken regarding the commissioning of the new continuous AQ monitoring station and any longer term resource requirements in EP.

Corporate Risk Lead Officer: Director of Environment

Corporate Risk Owner: Head of Neighbourhoods

4. Alternative Options

- 4.1 The Governance and Audit Committee is being asked to approve the corporate risk management quarterly report and note the progress update.
- 4.2 The Committee could opt to make suggestions to the report

5. Consultation

- 5.1 There has not been any formal consultation undertaken for this report as none was required.

6. Corporate Implications

6.1 Finance and Resources

- 6.1.1 The way in which the council manages risks has a financial impact on the cost of insurance and self-insurance. The council maintains reserves including a risk reserve, the size of which is commensurate with the financial impact of current and future risks. There are no specific financial implications arising from this report.

It is the role and responsibility of the Section 151 Office to have active involvement in all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered.

6.2 Legal and Constitutional

- 6.2.1 Whilst the corporate risk register includes consideration of legal matters in as far as they relate to risks to the council, there are no legal implications for the recommendation required by this report.

6.3 Council Policies and Priorities

- 6.3.1 This report relates to the following corporate priorities: -

- To keep our district safe and clean
- To deliver the housing we need
- To protect our environment
- To create a thriving place
- To work efficiently for you

6.4 Risk

- 6.4.1 As detailed in the body of this report.

- 6.4.2 G&A meeting members requested to have oversight of all risks as part of the regular reports. This would however substantially increase the size of the report and so all risks scoring 8 or more after mitigation have been included within **Annex 1**. which is presented twice a year in Sept (November for this risk cycle) and March - and as such this was presented in the meeting of 4th November

6.5 Climate Change and Biodiversity

- 6.5.1 There are no climate change and biodiversity implications arising directly from this report..

7. Equality, Equity and Diversity Implications

- 7.1 There are no equity and equalities implications arising directly from this report, but the council needs to retain a strong focus and understanding on issues of diversity amongst the local community and ensure service delivery matches these.
- 7.2 It is important to be aware of the council's responsibility under the Public Sector Equality Duty (PSED) and show evidence that due consideration has been given to the equalities impact that may be brought upon communities by the decisions made by council

8. Crime and Disorder Implications and Community impact

There are no Crime and Disorder and Community Implications

9.0 Subject History

- 9.1 This is part of the ongoing Risk Management Process

Background Papers

None

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Report Sign Off

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