

TITLE OF REPORT: ITEM REFERRED FROM FINANCE, AUDIT AND RISK COMMITTEE: 23 MARCH 2016 – RISK MANAGEMENT UPDATE

The following is an extract from the Draft Minutes of the Finance, Audit and Risk Committee meeting held on 22 March 2016.

76. RISK MANAGEMENT UPDATE

The Performance and Risk Manager presented a report which provided an update on Risk Management.

The Performance and Risk Manager advised that, following the Full Council resolution of 11 February 2016 “That work on the Churchgate project cease”, the Churchgate Project Board at its meeting on 15 February agreed that the current risk for Churchgate and Surrounding Area should be deleted as a Top Cabinet risk. This followed the repeated unsuccessful attempts to find a viable and acceptable solution for the Churchgate Centre and surrounding area during the course of the project.

The Committee was informed that the Churchgate risk had been monitored and updated regularly by the Project Board throughout the period of the project and reported as part of the Council’s risk management procedures. This did not preclude the Council from exploring the possibility of acquiring the Churchgate Centre, as agreed by Full Council, or from taking a more strategic view of the site as part of the emerging Local Plan. Nor did it preclude interested parties from approaching the Local Planning Authority in the interim. There were risks in place that covered the production of the Local Plan, the Council’s financial procedures and the vitality and viability of the District’s town centres. Should the need arise, and depending on the approach being taken, a new risk would be prepared and reported through the Council’s risk management procedures.

The Committee supported the recommendation that “Churchgate and the surrounding area” be removed as a Top Risk.

RECOMMENDED TO CABINET: That “Churchgate and the surrounding area” be removed as a Top Risk.

REASON FOR DECISION: To comply with the requirements of the Risk and Opportunities Management Strategy.

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The following is the report considered by the Finance, Audit & Risk Committee at its meeting held on 23 March 2016.

TITLE OF REPORT: RISK MANAGEMENT UPDATE

REPORT OF THE STRATEGIC DIRECTOR OF FINANCE, POLICY & GOVERNANCE

1. SUMMARY

- 1.1 To provide the Committee with an update on the management of the Strategic / Corporate risks ("Top Risks") owned by the Senior Management Team (SMT) and Cabinet.

2. RECOMMENDATIONS

- 2.1 That the Committee notes and refers to Cabinet the removal of "Churchgate and the surrounding area" as a Top Risk.

3. REASONS FOR RECOMMENDATIONS

- 3.1 The responsibility for ensuring the management of the risks referred to in Section 8 of this report is that of Cabinet.
- 3.2 This Committee has responsibility to monitor the effective development and operation of risk management.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 There are no alternative options that are applicable.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 Consultation has been undertaken with SMT and the Risk Management Group (this includes Councillor T Hone as Risk Management Member 'champion') and these recommendations were supported. Lead Officers discuss these risks with the relevant Executive Member.

6. FORWARD PLAN

- 6.1 This report does not contain a recommendation on a key decision and has not been referred to in the Forward Plan.

7. BACKGROUND

- 7.1 At the December 2015 meeting, the Finance, Audit and Risk Committee agreed to the following:
- increased assessment of the likelihood of the "Office Accommodation" Top Risk.
 - increase in likelihood for the "sale of materials" sub-risk to the "Waste & Recycling Contract Renewal" Top Risk.
- 7.2 The Top Risks have been reviewed and agreed by SMT. All of the Top Risks are summarised on the Risk Matrices in Tables 1 and 2. Members are able to view the current risk descriptions on Covalent, the Council's performance and risk management software.

7.3 The Council's Risk and Opportunities Management Strategy describes the role of this Committee to "oversee the effective management of risk by the Council by receiving and considering the Top Risks and risk management reports. Any changes to the Top Risks are referred to Cabinet".

8. AMENDMENTS TO TOP RISKS

8.1 The Top Risks have been reviewed and updated by the relevant Lead Officers. The changes have not affected the assessment scoring of these risks.

8.1.1 Churchgate and the surrounding area

Following the Full Council resolution of 11 February 2016 "*That work on the Churchgate project cease;*" the Churchgate Project Board at its meeting on 15 February agreed that the current risk for Churchgate and Surrounding Area be deleted as a Top Cabinet risk. This follows the repeated unsuccessful attempts to find a viable and acceptable solution for the Churchgate Centre and surrounding area during the course of the project. This risk was monitored and updated regularly by the Project Board throughout the period of the project and reported as part of the Council's risk management procedures. This does not preclude the Council from exploring the possibility of acquiring the Churchgate Centre as agreed by Full Council, or from taking a more strategic view of the site as part of the emerging Local Plan. Nor does it preclude interested parties from approaching the Local Planning Authority in the interim. There are risks in place that cover the production of the Local Plan, the Council's financial procedures and the vitality and viability of our town centres. Should the need arise, and depending on the approach being taken, a new risk would be prepared and reported through the Council's risk management procedures.

8.2 Tables 1 and 2 illustrate the current and proposed change to the Top Risks.

Table 1: Risk Matrix – Cabinet Risks March 2016

likelihood 3 high	4	7 Sustainable Development of the District Office Accommodation	9 Local Plan North Hertfordshire Museum & Hitchin Town Hall Managing the Council's Finances Increased Homelessness & use of B & B
	2	5 <i>Churchgate and the surrounding area (removed)</i> Asset Management	8 Waste & Street Cleansing Contract Renewal
	1	3	6
Impact	1 Low	2 Medium	3 High

Table 2 – SMT Top Risks March 2016

likelihood 3 high	4	7	9
	2	5 Workforce Planning	8 Development of Careline
	1	3	6
Impact	1 Low	2 Medium	3 High

9. LEGAL IMPLICATIONS

- 9.1 No legal implications arise from this report. The Committee's Terms of Reference include "to monitor the effective development and operation of risk management and corporate governance, agree actions (where appropriate) and make recommendations to Cabinet." This report gives the Committee the opportunity to review and comment on the Top Risks and how they proposed to be managed.

10. FINANCIAL IMPLICATIONS

- 10.1 Any additional resources to complete risk management actions are included in the Corporate Business Planning process. There are no direct financial implications from this report.

11. RISK IMPLICATIONS

- 11.1 The Risk & Opportunities Management Strategy requires the Finance Audit & Risk Committee to consider regular reports on the Council's Top Risks. Failure to provide the Committee with regular updates would be in conflict with the agreed Strategy and would mean that this Committee could not provide assurances to Cabinet that the Council's identified Top Risks are being managed.

12. EQUALITIES IMPLICATIONS

- 12.1 The Equality Act 2010 came into force on the 1st October 2010, a major piece of legislation. The Act also created a new Public Sector Equality Duty, which came into force on the 5th April 2011. There is a General duty, described in 13.2, that public bodies must meet, underpinned by more specific duties which are designed to help meet them.
- 12.2 In line with the Public Sector Equality Duty, public bodies must, in the exercise of its functions, give **due regard** to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.3 Reporting on the management of risk provides a means to monitor whether the council are meeting the stated outcomes of the district priorities, its targets or delivering accessible and appropriate services to the community to meet different people's needs. The risks of NHDC failing in its Public Sector Equality Duty are recorded on the Risk Register. The Council's risk management approach is holistic, taking account of commercial and physical risks. It should also consider the risks of not delivering a service in an equitable, accessible manner, and especially to its most vulnerable residents such as those who are homeless

13. SOCIAL VALUE IMPLICATIONS

- 13.1 As the recommendations made in this report do not constitute a public service contract, the measurement of 'social value' as required by the Public Services (Social Value) Act 2012 need not be applied, although equalities implications and opportunities are identified in the relevant section at paragraph 12.

14. HUMAN RESOURCE IMPLICATIONS

- 14.1 There are no direct Human Resource implications arising from this report but it should be noted that there is a separate Top Risk relating to Workforce Planning.

15. CONTACT OFFICERS

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16. BACKGROUND PAPERS

- 16.1 The risks held on Covalent the Council's Performance and Risk Management IT system.
- 16.2 The Risk & Opportunities Management Strategy 2015-18.

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