

**TITLE OF REPORT: ITEM REFERRED FROM FINANCE, AUDIT AND RISK COMMITTEE: 19 DECEMBER 2016 – RISK MANAGEMENT UPDATE**

*The following is an extract from the Draft Minutes of the Finance, Audit and Risk Committee meeting held on 19 December 2016.*

**54. RISK MANAGEMENT UPDATE**

The Shared Risk Manager presented a report which provided an update on Risk Management. The report also detailed changes to the Council's Risk and Opportunities Management Strategy and Policy.

The Shared Risk Manager advised that the Risks summarised in Table 1 of the report had been reviewed and agreed by Senior Management Team. Members were able to view the current risk descriptions on Covalent, the Council's performance and risk management software. There had been no changes to the assessment of the current "Top" or "Corporate" risks.

The Shared Risk Manager explained that the Risk and Opportunities Management Strategy had been reviewed and was attached at Appendix A to the report. There was one fundamental change in that "Top" risks were to be known as "Corporate" risks and there was just one set of these risks, rather than separate "Cabinet" and "SMT" risks. Other minor changes had been made, such as the title and role of "Performance and Risk Manager" had changed to "Head of Finance, Performance and Asset Management" and the replacement of "Portfolio Holder" with "Executive Member". In addition, the Risk and Opportunities Management Policy had been updated to reflect the current Strategic Objectives, and was attached at Appendix B to the report.

The Shared Risk Manager answered a number of Members' questions regarding the report and Risk Management process.

**RECOMMENDED TO CABINET:** That the changes to the Risk and Opportunities Management Strategy (Appendix A to the report) and Policy (Appendix B to the report) be approved.

**REASON FOR DECISION:** To monitor the effective development and operation of risk management.

***The following is the report to be considered by the Finance, Audit & Risk Committee at its meeting to be held on 19 December 2016.***

## **TITLE OF REPORT: RISK MANAGEMENT UPDATE**

REPORT OF THE HEAD OF FINANCE, PERFORMANCE & ASSET MANAGEMENT

### **1. SUMMARY**

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

### **2. RECOMMENDATIONS**

2.1 That the Committee notes and refers the changes in the Risk & Opportunities Management Strategy (Appendix A) and Policy (Appendix B) documents to Cabinet for approval.

### **3. REASONS FOR RECOMMENDATIONS**

3.1 The responsibility for ensuring the management of the risks referred to in Section 2 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 September meeting of the Finance, Audit and Risk Committee the following changes were noted; the removal of Asset Management as a Top Risk; the reduction in impact for the risk of Increased Homelessness and use of B & B; the addition of a new sub-risk to the Waste & Street Cleansing Renewal Top Risk of Depot/Transfer Station and the addition of a new Top Risk "Income Generation Projects"

7.2 The Risks summarised in Table 1 have been reviewed and agreed by SMT. Members are able to view the current risk descriptions on Covalent, the Council's performance and risk management software. There have been no changes to the assessment of the current "Top" or "Corporate" risks.

7.3 **Table 1. Risk Matrix Top / Corporate risks**

<b>likelihood</b>	<b>3 high</b>	<b>4</b>	<b>7</b> Sustainable Development of the District Increased homelessness and use of B & B Income Generation Projects Office Accommodation	<b>9</b> Local Plan North Hertfordshire Museum & Town Hall project Managing the Council's Finances
	<b>2 medium</b>	<b>2</b>	<b>5</b> Workforce Planning	<b>8</b> Waste & Street Cleansing Contract renewal (and sub risks)
	<b>1 low</b>	<b>1</b>	<b>3</b>	<b>6</b>
		<b>1 Low</b>	<b>2 Medium Impact</b>	<b>3 High</b>

7.4 The Risk & Opportunities Strategy that is enclosed in Appendix A, proposes that “Top” risks are in future known as “Corporate” risks and that the distinction between “Cabinet” and “SMT” risks is removed giving just ones set of key risks to the Council. The matrix in Table 1 has combined both the Cabinet and SMT risks. There was only one SMT risk remaining – that of “Workforce Planning”

**8. RISK & OPPORTUNITIES MANAGEMENT STRATEGY & POLICY**

8.1 The Risk & Opportunities Management Strategy has been reviewed and is attached in Appendix A. There is one fundamental change (as referenced in 7.4 of this report) in that “Top” risks are to be known as “Corporate” risks and there is just one set of these risks rather than “Cabinet” and “SMT” risks. Other minor changes have been made such as the title and role of “Performance & Risk Manager” has changed to “Head of Finance Performance & Asset Management” and replacement of “Portfolio Holder” with “Executive Member”.

8.2 The Risk & Opportunities Management policy has been updated to reflect the current Strategic Objectives and is attached in Appendix B.

**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 high level Risks and have they have and are 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 / Corporate 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 / Corporate Risks are being managed.

## **12. EQUALITIES IMPLICATIONS**

- 12.1 The Equality Act 2010 came into force on the 1<sup>st</sup> October 2010, a major piece of legislation. The Act also created a new Public Sector Equality Duty, which came into force on the 5<sup>th</sup> 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 13.

## **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. APPENDICES**

- 15.1 Appendix A – The revised Risk & Opportunities Management Strategy.

15.2 Appendix B – The revised Risk & Opportunities Management Policy.

**16. CONTACT OFFICERS**

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**17. BACKGROUND PAPERS**

17.1 The risks held on Covalent the Council's Performance and Risk Management IT system.