

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 Strategic/Corporate risks owned by the Senior Management Team (SMT) and Cabinet.
- 1.2 To provide the Committee with an Annual Report on Risk Management for referral to Cabinet and then Council.

2. FORWARD PLAN

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

3. BACKGROUND

- 3.1 The Audit and Risk Committee received an update report on the Top Corporate / Strategic Risks at its March 2012 meeting. The Committee noted and referred to cabinet the deletion of the Organisational Development and Sustainable Community Strategy Top Risks.
- 3.2 The increase in probability of the SMT Organisational Workload Top Risk and the various sub-risks relating to various Government policy initiatives were noted by the Committee.
- 3.3 The Committee suggested that “The Authority’s Response to Climate Change” should not have a reduced probability until the government’s position on Climate Change and Nottingham Declaration 2 was available.
- 3.4 The Senior Management Team have had the opportunity to review and challenge the Top Risks in May 2012.

4. TOP RISKS

- 4.1 The risks have been reviewed and where appropriate changes have been made to the scope of the risk and updates made to progress against the mitigating actions. Full details of the risks can be viewed by the Committee on Covalent (the Council's Performance & Risk Management software), otherwise, they are summarised in the Appendix to the Annual Report which is attached as Appendix B.
- 4.2 The SMT Top Risk of Organisational Workload has details of the risks arising from current Government Policy Initiatives attached as sub-risks. These were considered at the previous meeting of this Committee. The additional sub-risks relating to the remaining impact of the Localism Act (aside from planning) and the Public Health and Social Care Bill are attached as Appendix a as these have been added subsequently to the March Committee meeting.

5. RISK MANAGEMENT ANNUAL REPORT

- 5.1 An annual report summarising the risk management framework and changes made to the Top Risks in the financial year 2011/12 is attached as Appendix B.
- 5.2 The Risk and Opportunities Management Strategy stipulates this should be referred to Cabinet and then to Full Council.

6. LEGAL IMPLICATIONS

- 6.1 No legal implications arise from Risk Management updates to the Finance, Audit and Risk Committee.

7. FINANCIAL AND RISK IMPLICATIONS

- 7.1 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. Following the identification of key financial risks recognised by each Head of Service/Corporate Manager and cross referenced to the risk register, risks that ,should they arise, might impact on the General Fund were considered and built into the General Fund balance for 2012/13.
- 7.2 The Risk & Opportunities Management Strategy requires the Finance Audit & Risk Committee to consider regular reports on the Council's Top Risks.

8. HUMAN RESOURCE IMPLICATIONS

- 8.1 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.

9. EQUALITIES IMPLICATIONS

- 9.1 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 9.2, that public bodies must meet, underpinned by more specific duties which are designed to help meet them.
- 9.2 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.
- 9.3 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. This then fulfils the council's obligations arising from the Public Sector Equality Duty.

10. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS

- 10.1 Consultation has been undertaken with the SMT and the Risk Management Group (this includes Councillor T Hone as Risk Management Member 'champion').

11. RECOMMENDATIONS

It is recommended that the Committee :

- 11.1 Notes the additional sub-risks to the Organisational Workload risk in Appendix A.
- 11.2 Refers the annual Risk Management report at Appendix B to Cabinet for onward referral to Full Council.

12. REASONS FOR RECOMMENDATIONS

- 12.1 The changes to the Top Risks described in section 4 of this report are presented in accordance with the Council's Risk & Opportunities Management Strategy. These have previously been scrutinised by the Senior Management Team.
- 12.2 The Risk and Opportunities Management Strategy stipulates that an annual Risk management report is taken to Council .

13. APPENDICES

13.1 Appendix A – New Organisational Workload sub risks

13.2 Appendix B – Annual Report

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