

FINANCE AUDIT AND RISK COMMITTEE
7 September 2020

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: RISK MANAGEMENT UPDATE

REPORT OF: THE SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: FINANCE AND IT

COUNCIL PRIORITY: BE A MORE WELCOMING AND INCLUSIVE COUNCIL / BUILD THRIVING AND RESILIENT COMMUNITIES / RESPOND TO CHALLENGES TO THE ENVIRONMENT / ENABLE AN ENTERPRISING AND CO-OPERATIVE ECONOMY / SUPPORT THE DELIVERY OF GOOD QUALITY AND AFFORDABLE HOMES

1. EXECUTIVE SUMMARY

To provide the Committee with an update on the Corporate risks and the proposed changes to these risks

2. RECOMMENDATIONS

2.1. That the Committee notes the reviews of the Corporate Risks for the quarter, namely

- The review of the Impact of Anti- Social Behaviour on Council Facilities Corporate risk with a reduction in the risk score from a 7 to a 5 and proposed Target score of 3.
- The review of the Novel Coronavirus (covid19) Corporate risk with a reduced score of 8.
- The New Corporate Risk, Covid19 – Leisure Management Contract with a proposed score of 8.

2.2 That the Committee recommend to Cabinet that the Route Optimisation of Collection Rounds Risk is archived.

3. REASONS FOR RECOMMENDATIONS

3.1. The responsibility for ensuring the management of risks 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 the Senior Management Team (SMT) and the Risk Management Group (RMG). This includes the Executive Member for Finance and IT 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 contains a recommendation on a key Executive decision first notified on the Forward Plan on the 5 May 2020.

7. BACKGROUND

7.1. At the July meeting, the Committee noted the review of the Novel Coronavirus Covid19 Risk with an unchanged score of 9, the review of the Cyber Risks and Data Protection risk with an unchanged score of 8 and the Annual Report on Risk Management. The report was approved and referred on to Cabinet. The report was subsequently approved by Cabinet. The Annual Report was referred to Full Council in September.

7.2. At its meeting on 16 March 2020, the Committee deferred a recommendation to archive the Route Optimisation of Collection Rounds Risk. This was because the Committee wanted more information as to how the risk was being managed.

8. RELEVANT CONSIDERATIONS

8.1. The Corporate risks summarised in Table 1 have been reviewed and agreed by SMT. Members are able to view the current risk descriptions on Pentana, the Council's performance and risk management software.

Table 1: Draft Risk and Opportunities Matrix

The dates specified relate to the date that officers last reviewed the risk.

Risks that officers have reviewed since the last meeting have been given a direction of travel arrow.

Note that the previously displayed risk of "Sustainable Development", which combined two sub risks into one risk score, is now displayed as two separate risks relating to "National and Regional Planning Issues" and "Neighbouring Authorities". This is to reflect the corporate shift away from structuring the Risk Register into parent and sub risk entries.

Likelihood	3 High	4	7 <ul style="list-style-type: none"> • Income Generation (02.06.20) ↔ • Sustainable Development - National and Regional Planning Issues (17.01.20) 	9 <ul style="list-style-type: none"> • Brexit (30.07.20) ↔ • Local Plan (17.01.20) • Managing the Council's Finances (17.02.20)
	2 Medium	2	5 <ul style="list-style-type: none"> • Impact of Anti-Social Behaviour on Council Facilities (08.06.20) ↓ • Increased Homelessness (01.05.20) • Workforce Planning (15.05.20) 	8 <ul style="list-style-type: none"> • Cyber Risks (21.04.20) • Delivery of the Waste Collection and Street Cleansing Contract (28.01.20) • Sustainable Development - Neighbouring Authorities (17.01.20) • Novel Coronavirus - Covid-19 (06.07.20) ↓ • Covid19 – Leisure MT Contract (04.08.20) New
	1 Low	1 <ul style="list-style-type: none"> • Route Optimisation of Collection Rounds (17.02.20) - archiving postponed pending the provision of further information 	3	6 <ul style="list-style-type: none"> • External Factors Affecting the Future Provision of Waste Services (28.01.20)
		1 Low	2 Medium	3 High
		Impact		

- 8.2. At the Risk Management Group (RMG) on the 3 August, the Impact of Anti-Social Behaviour on Council Facilities Corporate risk was discussed. (Appendix A) The Group agreed to the reduction in the risk score from a 7 to a 5. Additional actions to target the hotspots have been planned, which once implemented will enable the Target risk score of 3. Progress is already being made and the situation will be kept under review, although the group agreed it was likely that we would soon be in a position where we couldn't do much more. Further feedback on their successful implementation will be required prior to archiving the risk entry.
- 8.3 The RMG received an overview of the recently reviewed Novel Coronavirus Covid19. (Appendix B) which now includes arrangements relating to the Recovery Phase. In view of the Director of Public Health Herts reports stating that we are heading down the curve both locally and nationally, it was agreed that the risk score should be reduced from a 9 to an 8. The NHDC Recovery Group has been established and the first meeting has taken place. Options for managing a potential second wave will be informed by relevant Central Government Guidance.
- 8.4 The RMG discussed the Service Risk for the Leisure Management Contract, which had been updated to reflect the Part 1 and Part 2 reports taken to Cabinet in July 2020 and a subsequent report to be presented to Council in September 2020 seeking approval to support Stevenage Leisure Ltd. Following a further discussion on promoting the risk entry to a Corporate Risk, the group agreed that it should be split into two separate risk entries, one relating to the significant risks associated with Covid-19 and the other relating to the previously recorded ongoing operational risks. (see Appendix C) The Covid-19 related risk entry is proposed as a new Corporate Risk, to sit alongside the existing "Novel Coronavirus (Covid-19)" Corporate Risk, in order to clearly highlight the significant risks to the contracts caused by the pandemic. The proposed Risk Score is 8.
- 8.5 The Service Manager for Waste and Recycling has provided further information in relation to the Route Optimisation of Collection Rounds Risk. She has confirmed that the route optimisation of rounds is complete and collection services are operating within normal expected parameters. Rounds complete each day and missed collections are at acceptable levels. The Performance Management Regime monitors missed collections, and this is reported to the Executive member monthly. Records of missed collection performance are also maintained on Pentana. The waste team is working with IT to develop mapping of collection routes and this data will soon be available on the intranet. Therefore, it seems that the work has been completed and appropriate risk mitigation measures are in place, therefore it is recommended that the risk is now archived.

9. LEGAL IMPLICATIONS

- 9.1. The Committee's Terms of Reference include monitoring the effective development and operation of risk management and corporate governance, agreeing actions (where appropriate) and making recommendations to Cabinet. This report gives the Committee the opportunity to review and comment on the high-level risks and how it is proposed they are managed.

10. FINANCIAL IMPLICATIONS

- 10.1 There are no direct financial implications arising from this report. However, it should be noted that there is a separate Corporate risk relating to Managing the Councils Finances.

11. RISK IMPLICATIONS

- 11.1. The Risk and Opportunities Management Strategy requires the Finance Audit and Risk Committee to consider regular reports on the Councils Corporate Risks. Failure to provide the Committee with regular updates would conflict with the agreed Strategy and would mean that this Committee could not provide assurance to Cabinet that the Councils identified Corporate Risks are being managed.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their 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.
- 12.2. 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 Councils risk management approach is holistic, taking account of commercial and physical risks. It should also consider the risk 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. The Social Value Act and "go local" requirements do not apply to this report.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. There are no known Environmental impacts or requirements that apply to this report.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1.1 There are no direct human resource implications relating to this report, but it should be noted that there is a separate Corporate risk relating to Workforce Planning.

16. APPENDICES

- 16.1. Appendix A – The Impact of Anti-Social Behaviour on Council Facilities
Appendix B – Novel Coronavirus Covid19
Appendix C – Covid 19 – Leisure Management Contracts

17. CONTACT OFFICERS

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18. BACKGROUND PAPERS

18.1. The risks held on Pentana, the Councils Performance and Risk Management software.