

## **FINANCE AUDIT AND RISK COMMITTEE**

**15 September 2021**

### **\*PART 1 – PUBLIC DOCUMENT**

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

REPORT OF: SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: FINANCE AND IT

COUNCIL PRIORITY: BE A MORE WELCOMING INCLUSIVE AND EFFICIENT 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 any proposed changes to these risks.

#### **2. RECOMMENDATIONS**

2.1. That the Committee notes the update on the Corporate Risks for the quarter, namely

- There were no formal reviews of Corporate Risks in the last quarter.
- The Discussion at Risk Management Group (RMG) relating to the Delivery of the Waste Collection and Street Cleansing Services Contract Corporate risk, with no change to the risk score.
- The reviews of the Planning Corporate risks are to be delayed pending receipt of the Planning Inspectors report.
- The proposal to archive the Delivering the NHDC Climate Change Strategy service risk.

#### **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 Leadership Team 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 30 April 2021.

## **7. BACKGROUND**

- 7.1 At the June meeting, the Committee noted
- The Review of the Cyber risks with no change to the Current risk score of 8 and a Target risk score of 6
  - The review of the Brexit (EU Transition) Risk with a decrease in the Current risk score from a 7 to a 5, and a Target risk score of 3.
- 7.2 The Committee also noted The Annual report on Risk Management which was subsequently referred to Cabinet and Full Council.  
The FARC recommended the changes, and these were referred on to Cabinet and approved.
- 7.3 At the FARC meeting in June, a query was raised in relation to the Delivery of the Waste Collection and Street Cleansing Services contract. It was subsequently discussed at the next meeting of the RMG and is covered in section 8.2 of this report.

## **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. Guest Login details can be found at the link below.

<https://intranet.north-herts.gov.uk/search/node/pentana%20quest%20login>

### **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.

Likelihood	3 High	4	7 • Impact of Anti-Social Behaviour on Council Facilities (07.05.21) • Income Generation (10.05.21) • Increased Homelessness (17.05.21) • National and Regional Planning Issues (17.06.21) ↔	9 • Local Plan (17.06.21) ↔ • Managing the Council's Finances (07.05.21) • Novel Coronavirus (Covid-19) (25.05.21) ↔ • Covid-19 - Leisure Management Contracts (26.07.21) ↔
	2 Medium	2	5 • Brexit (EU Transition) (08.04.21)	8 • Cyber Risks (26.07.21) ↔ • Delivery of the Waste Collection and Street Cleansing Services Contract (23.07.21) ↔ • Sustainable Development - Neighbouring Authorities (17.06.21) ↔
	1 Low	1	3	6 • External Factors Affecting the Future Provision of Waste Services (23.07.21) ↔
		1 Low	2 Medium	3 High
		Impact		

8.1 No Corporate Risks were formally reviewed in the last quarter.

8.2 The RMG discussed the query raised at FARC in June. FARC had queried the Delivery of the Waste Collection and Street Cleansing Services Contract, why it had a risk score of 8 and why the risk was still on the Risk Register. The RMG agreed that the risk should be kept under review and that although it related to the Council's biggest contract, ongoing consideration should also be given to the need to retain the risk. It could be influenced by preparation for the next contract renewal, although this could be covered by a separate risk entry if required. Since the FARC meeting in June, the risk has been

updated to reflect the current issues of driver shortages and the consideration of possible response options. It was felt that this demonstrated the need to retain the risk entry with the existing score of 8, until the next review is due in October 2021.

8.3 At the last meeting of the RMG in May 2021, the Group had requested a review of the, Local Plan, National and Regional Planning Issues and the Neighbouring Authorities Corporate Risks. However, as the Service area is still awaiting the issue of the Inspectors report, which is currently expected in the Autumn, it was decided that it would be more appropriate for the review to take place once this has been received. When the Local Plan progresses, the related risks will fundamentally change.

8.4 The RMG received an update on the service risk Delivering the NHDC Climate Change Strategy. The Group discussed what the risk entry was helping us to achieve, the need to balance the Risk Management Framework and political requirements, and whether there needed to be a related risk on the Risk Register. Whilst the risk entry enables the RMG to challenge progress and ask appropriate questions, that is not actually the role of the RMG. The relevant service areas will monitor the outcome from individual projects and the Climate Change Implementation Group will do this from an overarching perspective, focussing on the achievement of overall objectives. The Group agreed to archive the risk, as there were alternative monitoring arrangements giving assurance of adequate oversight, and progress is being made in line with the strategy. Although service risks are not generally reported to FARC, it is felt appropriate to flag up the decision and the reasons, to give FARC the opportunity to comment.

## **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 and Income Generation.

## **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.

### **16. APPENDICES**

- 16.1. Appendix A – Delivering the NHDC Climate Change Strategy

### **17. CONTACT OFFICERS**

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### **18. BACKGROUND PAPERS**

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