

FINANCE AUDIT AND RISK COMMITTEE
16 March 2022

***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 following

- That there were no changes to Corporate Risk scores in this quarter.

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 14 January 2022.

7. BACKGROUND

- 7.1 At the September meeting, the Committee noted
- The review of the Covid-19 Leisure Management Contract Corporate risk with an unchanged risk score of 9 and a Target risk score of 6.
 - The review of the Novel Coronavirus (Covid-19) Recovery Corporate risk with a current risk score of 9 and a target risk score of 6.
 - The review of the Managing the Councils Finances Corporate risk with an unchanged current risk score of 9, and a target risk score of 3
 - The proposal to downgrade the Impact of Anti-Social Behaviour on Council Facilities Corporate risk to a service risk.
 - The annual review of the Risk Management Framework.
- 7.2 The FARC recommended the changes, and these were referred on to Cabinet and approved.

8. RELEVANT CONSIDERATIONS

- 8.1 The Corporate risks summarised in Table 1 have been reviewed and agreed by the Leadership Team. Members can view the current risk descriptions on Pentana, the Council's performance and risk management software. Guest Login details will be provided to members of this committee.

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 <ul style="list-style-type: none"> • Income Generation (07.10.21) • Increased Homelessness (12.12.21) ↔ • National and Regional Planning Issues (22.12.21) ↔ 	9 <ul style="list-style-type: none"> • Local Plan (22.12.21) ↔ • Managing the Council's Finances (09.09.21) • Novel Coronavirus (Covid-19) – Recovery (01.11.21) • Covid-19 - Leisure Management Contracts (11.11.21)
	2 Medium	2	5 <ul style="list-style-type: none"> • Brexit (EU Transition) (08.10.21) 	8 <ul style="list-style-type: none"> • Cyber Risks (20.10.21) • Delivery of the Waste Collection and Street Cleansing Services Contract (11.11.21) • Sustainable Development - Neighbouring Authorities (22.12.21) ↔
	1 Low	1	3	6 <ul style="list-style-type: none"> • External Factors Affecting the Future Provision of Waste Services (23.07.21)
		1 Low	2 Medium	3 High
		Impact		

- 8.2 The Group did not discuss any Corporate risks reviewed since the last meeting, as there is currently nothing further to report on the Local Plan or National and Regional Planning issues, pending receipt of the Planning Inspector's report, and the risk score for Increased Homelessness remains unchanged.
- 8.3 The Risk Management Group (RMG) reviewed the Corporate Risk Matrix As many of the risks have been on the Risk Register for some time, they reflect risks that have materialized and become issues. Discussion focused on the fact that most of the Risks would be recaptured by the new Council Delivery Plan process, but some may not, such

as the Cyber Risks, EU Transition, and Delivery of the Waste Collection and Street Cleansing Services Contract.

- 8.4 There was some concern expressed that NHDC needs to retain oversight of cyber risks, especially in view of all services dependence on IT and how many local authorities have been hit by cyber-attacks. After discussion, it was agreed that the Council Delivery Plan templates will provide the mechanism to pull out common themes, and it is likely that Cyber Security will remain for that reason. For the new approach, it could be that high-level service risks are escalated to a corporate level if they have a wider impact on the authority.

9.0 UPDATE ON THE COUNCIL DELIVERY PLAN

- 9.1 The RMG received an update on the progress of the Council Delivery Plan which will be covered as a separate item on this Committee's agenda.

10.0 LEGAL IMPLICATIONS

- 10.1 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.

11. FINANCIAL IMPLICATIONS

- 11.1 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.

12. RISK IMPLICATIONS

- 12.1 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.

13. EQUALITIES IMPLICATIONS

- 13.1 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.
- 13.2 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.

14. SOCIAL VALUE IMPLICATIONS

14.1 The Social Value Act and "go local" requirements do not apply to this report.

15. ENVIRONMENTAL IMPLICATIONS

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

16. HUMAN RESOURCE IMPLICATIONS

16.1 There are no direct human resource implications relating to this report.

17. APPENDICES

17.1 None

18. CONTACT OFFICERS

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19. BACKGROUND PAPERS

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