

CABINET

19 JUNE 2018

*PART 1 – PUBLIC DOCUMENT

AGENDA ITEM No.

6A

TITLE OF REPORT: ITEM REFERRED FROM FINANCE, AUDIT AND RISK COMMITTEE: 18 JUNE 2018 – RISK MANAGEMENT UPDATE AND ANNUAL REPORT ON RISK MANAGEMENT 2017/18

10. RISK MANAGEMENT UPDATE AND ANNUAL REPORT ON RISK MANAGEMENT 2017/18

The Service Director - Resources presented a report which provided an update on Risk Management and the Annual Report on Risk Management 2017/18.

The Service Director - Resources advised that, in February 2018, officers had reviewed the “Waste – Depot/Transfer Station” sub-risk and increased the likelihood risk score to “High” (3). This was to reflect the emerging issues relating to the installation of a Fire Suppression System and the Environment Agency permit/licence at the Buntingford Depot. The proposed change would move the Waste sub-risk from an 8 to a 9 on the Risk Matrix.

In respect of the “Waste – Food and Garden Waste” sub-risk, the Service Director - Resources commented that, in February 2018, officers had created a new sub-risk for the Waste and Street Cleansing Contract renewal with a score of 5. This was to reflect the introduction of charging for Garden Waste, which commenced on 9 May 2018.

The Committee noted that the overall risk for the Waste and Street Cleansing Contract renewal remained unchanged as an 8 on the matrix.

The Service Director - Resources referred to the Annual Report on Risk Management 2017/18, as attached at Appendix B to the report. He summarised the significant changes to the Top Risks which had occurred throughout the year, and drew attention to the achievements against the Risk management Action Plan for 2017/18.

It was noted that, when the Risk Management Group met next, there was a strong possibility that the Office Accommodation risk would be removed from the matrix now that the move back to the District Council Offices had been completed.

In response to a request from the Chairman, the Service Director – Resources undertook to report back to the Committee following the outcome of a review of the Risk Management Group’s structure and terms of reference.

RECOMMENDED TO CABINET:

- (1) That the increase in the score for the “Waste – Depot/Transfer Station” sub-risk from an 8 to a 9 be approved;

- (2) That a new “Waste – Food and Garden Waste” sub-risk, with a score of 5, be approved;
- (3) That the overall score for the Waste and Street Cleaning Contract renewal” risk remain unchanged at a score of 8; and
- (4) That the Annual Report on Risk and Opportunities Management 2017/18, as set out at Appendix B to the report, be supported and referred to Council for approval.

REASON FOR DECISION: To comply with the Risk and Opportunities Management Strategy, which stipulates that an Annual Risk Management report is taken to Council.

The following is the report to be considered by the Finance, Audit & Risk Committee at its meeting to be held on 18 June 2018.

TITLE OF REPORT: RISK MANAGEMENT UPDATE

REPORT OF: THE HEAD OF FINANCE, PERFORMANCE & ASSET MANAGEMENT

EXECUTIVE MEMBER: COUNCILLOR JULIAN CUNNINGHAM

COUNCIL PRIORITY: PROSPER AND PROTECT / RESPONSIVE AND EFFICIENT

1. EXECUTIVE SUMMARY

1.1 To provide the Committee with an update on the Corporate risks.

- The Waste sub risk for Depot/ Transfer station has been reviewed and increased from an 8 to a 9 on the Matrix.
- A new Waste sub risk for Food and Garden Waste has been introduced with a score of 5 on the Matrix..
- The overall Score for the Waste & Street Cleansing Contract Renewal remains unchanged at 8.

1.2 To present the Committee with the Annual Report on Risk & Opportunities Management.

2. RECOMMENDATIONS

2.1 That the Committee notes and refers the changes in the Corporate risks to Cabinet.

2.2 That the Committee notes and refers the Annual report on Risk & Opportunities Management to Cabinet and then Full Council.

3. REASONS FOR RECOMMENDATIONS

3.1 The responsibility for ensuring the management of the 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 SMT and the Risk Management Group (this includes Councillor Cunningham 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 March meeting of the Finance, Audit and Risk Committee the following changes to the Corporate risks were approved and referred on to Cabinet. These were subsequently approved by Cabinet.

- Office Accommodation reduction in score to 3
- Waste & Street Cleansing Contract renewal sub risk - Northern Transfer station increase in score to 8
- Waste & Street Cleansing Contract renewal sub risk Commingled Waste score increase in score to 7.

7.2 The Committee also noted the information regarding the re-tendering of the Councils Insurance arrangements.

8. RELEVANT CONSIDERATIONS

8.1 Corporate Risks

8.1.1 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 (was Covalent), the Council's performance and risk management software. The changes to the assessment of the current Corporate risks & opportunities are outlined in sections 8.2 and 8.3. Table 1 shows the last date that the risk was reviewed by the risk owner.

Table 1: Risk and Opportunities Matrix – Proposed Changes

Likelihood	3 High	4	7 • Income Generation (30.04.18) ↔ • Sustainable Development (2 x Sub Risks)	9 • Local Plan (13.04.18) ↔ • Managing the Council's Finances (30.04.18) ↔ • North Hertfordshire Museum and Hitchin Town Hall Project (08.02.18)
	2 Medium	2	5 • Increased Homelessness and Use of B&B (04.04.18) ↔ • Workforce Planning (27.03.18) ↔	8 • Cyber Risks (19.03.18) ↔ • Waste and Street Cleansing Contract Renewal (9 x Sub Risks)
	1 Low	1	3 • Office Accommodation (31.01.18)	6
		1 Low	2 Medium	3 High
		Impact		

8.2 Waste Sub Risk – Depot/Transfer Station. In February 2018 Officers reviewed the risk and increased the likelihood risk score to “High” (3). This is to reflect the emerging issues relating to the installation of a Fire Suppression System and the Environment Agency permit/licence at the Buntingford Depot. This proposed change will move the Waste sub risk from **8** to **9** on the Matrix. The overall score for the Waste and Street Cleansing Contract renewal remains at **8**.

8.3 Waste sub Risk – Food and Garden Waste.. In February 2018 Officers created a new sub risk for the Waste and Street Cleansing Contract renewal with a score of **5**.. This was to reflect the introduction of charging for Garden Waste which commenced on 9 May 2018.The overall risk score for Waste remains unchanged as an **8** on the Matrix.

8.3.1 **Annual report on Risk & Opportunities Management.** The annual report has been produced to provide an update to Full Council on the Risk & Opportunities Management at NHDC during the Financial year 17/18, as outlined in the Risk & Opportunities Management Strategy. The report confirms the Council's ongoing commitment to the management of Risks and Opportunities and outlines :-

- Significant changes to the Corporate risks in 1718.
- Achievements against the Risk Management Action Plan for 1718.
- Proposed Risk Management Action Plan for 1819.

9. LEGAL IMPLICATIONS

9.1 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 how they are proposed to be managed.

10. FINANCIAL IMPLICATIONS

10.1 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 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 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 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 The Social Value Act and "go local" policy do not apply to this report.

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 Corporate Risk relating to Workforce Planning.

15. APPENDICES

- 15.1 Appendix A – the Corporate Risks & Opportunities with changed assessments.
Appendix B – Annual Report on Risk & Opportunities Management 2017/18.

16. CONTACT OFFICERS

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17. BACKGROUND PAPERS

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