

**FINANCE AUDIT AND RISK COMMITTEE
24 SEPTEMBER 2018**

PART 1 - PUBLIC DOCUMENT

TITLE OF REPORT: RISK MANAGEMENT UPDATE

REPORT OF: THE SERVICE DIRECTOR: RESOURCES

EXECUTIVE MEMBER: COUNCILLOR JULIAN CUNNINGHAM

COUNCIL PRIORITY: PROSPER AND PROTECT / RESPONSIVE AND EFFICIENT

1. EXECUTIVE SUMMARY

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

- The deletion of the Office Accommodation risk TR51
- The creation of a new Waste Parent risk RRNEW 1 with a risk score of 9.
- The deletion of Waste Sub risks RR287 / RR424 / RR455 / TR59 / TR59.001/ TR59.002 / TR59.004 / TR59.005 / TR59.006
- The amendments to Waste sub risk TR59.007 Sale of Recyclable Materials, to include an increase in the risk score from an 8 to a 9.
- The creation of a new Waste risk – RRNEW2 Route Optimisation of Collection Rounds with a risk score of 7.

2. RECOMMENDATIONS

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

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 June 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.

- Waste sub risk for Depot / Transfer station increase in score to a 9.
- New Waste sub risk for Food and Garden Waste with a score of 5.
- The overall score for Waste and Street Cleansing Contract renewal has increased from an 8 to a 9.

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. Appendix A gives a detailed description of each of the Corporate Risks and Opportunities with changed assessments.

Table 1: Risk and Opportunities Matrix – Proposed Changes

Likelihood	3 High	4	7 <ul style="list-style-type: none"> • Income Generation (23.08.18) • Sustainable Development (16.05.18) 	9 <ul style="list-style-type: none"> • Local Plan (13.04.18) • Managing the Council's Finances (30.04.18) • North Hertfordshire Museum and Hitchin Town Hall Project (12.06.18) • Waste Management, Recycling and Street Cleansing (23.08.18)
	2 Medium	2	5 <ul style="list-style-type: none"> • Increased Homelessness (23.07.18) • Workforce Planning (27.03.18) 	8 <ul style="list-style-type: none"> • Cyber Risks (19.03.18)
	1 Low	1	3	6
		1 Low	2 Medium	3 High
		Impact		

- 8.2 Waste Risks.** In August 2018, Officers carried out a major review of the Waste Parent risk and all the associated sub risks. The proposed new Waste risks have been streamlined, with the creation of a new Parent Waste risk and the deletion of 9 sub risks, which have either been incorporated into the remaining 6 risks, or have been identified as no longer required.
- 8.2.1 New Waste Parent Risk RRNEW 1 – Waste Management, Recycling and Street Cleansing Contracts** – Incorporating both delivery of the high profile service and the wider service risks, this gives an overview of the risk, with 5 sub risks supporting the Parent risk. The overall risk score has been increased from an 8 to a 9.
- 8.2.2 Deleted Waste sub Risk RR287 – Waste Management and Recycling Contracts** – Officers propose that this is deleted as it will be covered by the new Parent risk RRNEW1.
- 8.2.3 Amended Waste sub Risk TR59.003 – Northern Transfer station and ancillary facilities** – Risk wording has been updated to include the risks associated with the Hertfordshire Waste Partnership. The risk score remains unchanged.
- 8.2.4 Deleted Waste sub risk RR424 – Hertfordshire Waste Partnership** – now incorporated into an updated TR59.003.
- 8.2.5 Deleted Waste sub risk RR455 – Snow and Ice Clearance** – now covered under RRNEW 1.
- 8.2.6 Deleted Waste sub risk TR59 – Waste and Street Cleansing Contract Renewal** – now covered by the new Parent risk RRNEW 1.
- 8.2.7 Deleted Waste sub risk TR59.001 – Trade Waste** – now covered by the new Parent risk RRNEW 1.
- 8.2.8 Deleted Waste sub risk TR59.002 – Waste and Recycling Service for Flats** – The funding that previously came from the Department for Communities and Local Government has now stopped and the specific issue has been covered with the commencement of the new contract.
- 8.2.9 Deleted Waste sub risk TR59.004 – Commingled Waste** – now covered by updated risk TR59.007 (Sale of Materials)
- 8.2.10 Deleted Waste sub risk TR59.005 – Street Cleansing** – now covered by the new risk RRNEW 1.

- 8.2.11 **Deleted Waste sub risk TR59.006 - Shared Procurement Opportunity** – no longer required as the opportunity has been realised.
- 8.2.12 **Amended Waste sub risk – TR59.007 – Sale of Recyclable Materials** – risk has been updated to incorporate Commingled Waste. The risk score has been increased from an 8 to a 9.
- 8.2.13 **New Waste sub risk – RRNEW 2 – Route optimisation of Collection rounds** – new risk introduced to cover the transition period when collection rounds are changed. Proposed risk score is 7.
- 8.3 **Office Accommodation Project.** In July 2018, Officers agreed that the Office Accommodation risk should be deleted following the project being signed off as complete.

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 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.

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.