

**FINANCE AUDIT AND RISK COMMITTEE**  
**21 March 2019**

**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 ,and the proposed changes to these risks.

**2. RECOMMENDATIONS**

2.1 That the Committee notes the changes to the Corporate risks for the Quarter, namely

- ° North Hertfordshire Museum and Hitchin Town Hall Project to be reduced from a 9 to a 3 on the risk matrix.
- ° New Brexit Corporate risk to be introduced with a score of 9 on the risk matrix.

**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 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 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 December meeting of the Finance, Audit and Risk Committee, the Committee noted that there were no changes to the Corporate risks and the report was approved and referred on to Cabinet. The report was subsequently approved by Cabinet.

## **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, the Council's performance and risk management software. Table 1 shows the last date that each Corporate risk was reviewed by the risk owner.
- 8.1.2 The North Hertfordshire Museum and Hitchin Town Hall Project risk was discussed at the Risk Management Group and a revised summary of the risk is provided at Appendix A. It is proposed that the risk score is reduced from a 9 to a 3. This is to reflect the completion of the purchase of 14 and 15 Brand Street and the fact that the rest of the project is now under full NHDC control.
- 8.1.3 A new Service risk was proposed for Brexit and this was discussed at the Risk Management Group. A summary of this new risk is provided at Appendix B. After discussion, it was proposed that this risk should be classified as a Corporate risk rather than a Service risk, due to its far reaching implications. The proposed risk score of 9 was discussed at length and it was agreed that the risk score should remain high to reflect the current level of uncertainty.

**Table 1: Risk and Opportunities Matrix –Proposed Changes**

Likelihood	3 High	4	7 <ul style="list-style-type: none"> <li>• Income Generation (13.11.18)</li> <li>• Sustainable Development (10.10.18)</li> </ul>	9 <ul style="list-style-type: none"> <li>• Local Plan (10.10.18)</li> <li>• Managing the Council's Finances (21.12.18) ↔</li> <li>• Waste Management, Recycling and Street Cleansing (15.11.18)</li> <li>• Brexit (11.02.19) <b>NEW</b></li> </ul>
	2 Medium	2	5 <ul style="list-style-type: none"> <li>• Increased Homelessness (27.12.18) ↔</li> <li>• Workforce Planning (25.09.18)</li> </ul>	8 <ul style="list-style-type: none"> <li>• Cyber Risks (27.09.18)</li> </ul>
	1 Low	1	3 <ul style="list-style-type: none"> <li>• North Hertfordshire Museum and Hitchin Town Hall Project (07.02.19) ↓ (from a 9)</li> </ul>	6
		1 Low	2 Medium	3 High
		<b>Impact</b>		

## **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- Summary of changed North Hertfordshire Museum and Hitchin Town Hall Project risk.
- 15.2 Appendix B – Summary of proposed new Brexit risk

**16. CONTACT OFFICERS**

Rachel Cooper  
Controls, Risk & Performance Manager  
[rachel.cooper@north-herts.gov.uk](mailto:rachel.cooper@north-herts.gov.uk)  
01462 474606

Ian Couper  
Service Director- Resources  
[ian.couper@north-herts.gov.uk](mailto:ian.couper@north-herts.gov.uk)  
01462 474243

**17. BACKGROUND PAPERS**

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