

FINANCE AUDIT AND RISK COMMITTEE
29 July 2019

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: RISK AND OPPORTUNITIES MANAGEMENT UPDATE

REPORT OF: THE SERVICE DIRECTOR – RESOURCES

EXECUTIVE MEMBER: FINANCE AND IT

COUNCIL PRIORITY: / PROSPER AND PROTECT / RESPONSIVE AND EFFICIENT

1. EXECUTIVE SUMMARY

- 1.1 To provide the Committee with an update on the Corporate risks and the proposed changes to these risks.
- 1.2 To present the Annual Report on Risk and Opportunities Management.

2. Recommendations

- 2.1 That the Committee notes the review /changes to the Corporate risks for the quarter, namely
 - New Risk for the impact of Anti Social Behaviour on Council facilities proposed as a Service Risk
 - Workforce Planning to retain its current Risk score of 5.
- 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 risks is that of Cabinet.
- 3.2 This Committee has responsibility to monitor the effective development and operation of risk and opportunities 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 Senior Management Team (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 March meeting of the Finance, Audit and Risk Committee, the Committee noted the reduction in Risk score for North Hertfordshire Museum and Hitchin Town Hall from a 9 to a 3, and the introduction of a new Brexit risk with a risk score of 9. 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 At the Risk Management Group meeting on 29 May, a new risk for the impact of Anti Social Behaviour on Council facilities was discussed. The introduction of the risk was to reflect the rise of Anti Social behaviour at various locations in the District and the impact this has had on service provision and property maintenance. Although introduced as a Service Risk, a proposed high score of 7 on the Risk Matrix promoted some discussion within the Group as to whether this should be a Corporate Risk. After some debate, it was decided that this would be presented as a Service risk to this Committee, with the opportunity to discuss whether it should be increased to a Corporate Risk (subject to referral and approval by Cabinet). The detail of this risk is included in Appendix A.
- 8.1.3 The Workforce Planning Risk was discussed in detail. It was agreed that the current risk score of 5 remained appropriate.
- 8.1.4 The Annual report on Risk and Opportunities Management was reviewed and agreed by the Group. The report summarises all the changes to the Corporate Risks approved

by Cabinet (and monitored by Finance, Audit and Risk Committee) throughout 2018/19. The report is included as Appendix B. Recommendation 2.2 is that this report is referred to Cabinet and Full Council.

Table 1: 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 FARC meeting have been given a direction of travel arrow.

Likelihood	3 High	4	7 • Income Generation (14.03.19) ↔ • Sustainable Development (24.04.19) ↔	9 • Brexit (29.04.19) ↔ • Local Plan (24.04.19) ↔ • Managing the Council's Finances (21.12.18) • Waste Management, Recycling and Street Cleansing (20.03.19) ↔
	2 Medium	2	5 • Increased Homelessness (16.04.19) ↔ • Workforce Planning (05.04.19) ↔	8 • Cyber Risks (25.03.19) ↔
	1 Low	1	3 • North Hertfordshire Museum and Hitchin Town Hall Project (07.02.19)	6
		1 Low	2 Medium	3 High
		Impact		

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 they are proposed to be managed.

10. FINANCIAL IMPLICATIONS

- 10.1 There are no direct financial implications arising from this report.

11. RISK IMPLICATIONS

- 11.1 The Risk and Opportunities Management Strategy requires the Finance Audit and 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 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" policy do not apply to this report.

14. HUMAN RESOURCE IMPLICATIONS

- 14.1 There are no direct human resource implications relating to this report, but it should be noted that there is a separate Corporate risk relating to Workforce Planning.

15. APPENDICES

- 5.1 Appendix A – New Service Risk – Anti Social Behaviour
Appendix B – Annual Report on Risk Management 2018-2019

16. CONTACT OFFICERS

- 16.1 Rachel Cooper, Controls, Risk & Performance Manager
rachel.cooper@north-herts.gov.uk; ext. 4606

Ian Couper, Service Director – Resources
ian.couper@north-herts.gov.uk, ext. 4243

17. BACKGROUND PAPERS

- 17.1 The risks held on Pentana, the Councils Performance and Risk Management IT system.