

**FINANCE AUDIT AND RISK COMMITTEE**  
**16 September 2019**

**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.

**2. Recommendations**

- 2.1 That the Committee notes the review /changes to the Corporate risks for the quarter, namely
- Brexit risk to retain its current risk score of 9.
  - Managing the Councils Finances to retain its current risk score of 9

**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 July meeting the Committee noted the introduction of a new risk, Impact of Anti Social Behaviour on Council Facilities with a risk score of 7, and the review of Workforce Planning Risk resulting in an unchanged risk score of 5. It also reviewed the Annual Risk Report on Risk and Opportunities Management. The report was approved and referred on to Cabinet. The report was subsequently approved by Cabinet
- 7.2 At the same meeting the Committee requested that the Service Director- Resources refer an update to the Climate Change risk to the Risk Management Group. There were different views at the time as to whether the risk should wait to be aligned to the forthcoming climate change strategy.

## **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 8 August, the review of the Brexit risk was discussed. Regular Project Board meetings were now scheduled to identify and deal with any developments. However due to the continuing uncertainties, it was agreed that the risk score should remain as a 9.
- 8.1.3 Managing the Council's Finances was reviewed in July. Due to the continuing uncertainty around future funding, it was agreed that the existing risk score of 9 remained appropriate.

## **8.2 Climate Change Risk**

- 8.2.1 The Climate Change risk had been updated in advance of the meeting and the risk score increased from 1 to 5. As presented, the risk commentary provided a broad view of the implications of climate change, the impact on the Council and the District, and what the Council could do in response. Overall it was felt that due to the wide ranging nature of the risk, the risk commentary became somewhat incoherent. It was therefore concluded that the risk should be reviewed again in response to the forthcoming climate change strategy. This would allow the risk to be aligned to the potential for not achieving the actions contained within the strategy, which would allow a better consideration as to what the risk score should be and whether it is a Corporate or Service risk.

**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 <ul style="list-style-type: none"> <li>• Impact of Anti-Social Behaviour on Council Facilities (13.03.19)</li> <li>• Income Generation (14.03.19)</li> <li>• Sustainable Development (24.04.19)</li> </ul>	9 <ul style="list-style-type: none"> <li>• Brexit (30.07.19) ↔</li> <li>• Local Plan (24.04.19)</li> <li>• Managing the Council's Finances (26.07.19) ↔</li> <li>• Waste Management, Recycling and Street Cleansing (01.08.19) ↔</li> </ul>
	2 Medium	2	5 <ul style="list-style-type: none"> <li>• Increased Homelessness (08.07.19) ↔</li> <li>• Workforce Planning (05.04.19)</li> </ul>	8 <ul style="list-style-type: none"> <li>• Cyber Risks (25.03.19)</li> </ul>
	1 Low	1	3 <ul style="list-style-type: none"> <li>• North Hertfordshire Museum and Hitchin Town Hall Project (29.07.19) ↔</li> </ul>	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**

### **15.1**

Appendix A – Reviewed Risk – Brexit

Appendix B – Reviewed Risk – Managing the Councils Finances

Appendix C – The Authority's response to Climate Change

## **16. CONTACT OFFICERS**

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## **17. BACKGROUND PAPERS**

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