

NON EXEMPT

HAVANT BOROUGH COUNCIL

GOVERNANCE & AUDIT COMMITTEE

29 June 2016

Quarterly Update on Corporate Risks from the Executive Board

Report by Cheryl Lincoln, Governance and Information Manager

FOR NOTING

Cabinet Lead for Governance & Logistics

Key Decision: N/A

1.0 Purpose of Report

1.1 Risk is a part of life and of business. If the Council avoided risk it would not be able to deliver its services or achieve its ambitions outlined in the Corporate Strategy. Risk management is a way of understanding, evaluating and mitigating risks to ensure we can achieve the Council's objectives.

- A 'risk' is a specific thing that might cause harm to the business
- 'Risk management' is a good governance process to understand the threats to the business and put in place processes and actions that will bring greater safety and reduce risk
- Inclusion of a risk on the risk register does not mean that managers believe that the risk will happen
- The entry on the risk register will include an assessment of (a) the likelihood and (b) the impact of a risk, as well as the actions and processes in place to reduce both risk and impact

1.2 Efficient organisations have clear frameworks and processes led from Board level. The Council's Constitution names the Governance & Audit Committee as the Councillor board responsible for managing risk.

1.3 The details of how the Council manages risk are outlined in the statement of arrangements for managing risk. The Governance & Audit Committee reviews this statement every year in June. In their role as the Councillor body overseeing the way Council officers manage risk the Governance & Audit Committee reviews the highest risks remaining in the Council after each management meeting.

1.4 This report gives the Committee an update on the highest corporate risks reviewed by the Executive Board in June 2016.

2.0 Recommendation

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2.1 The Committee notes the most serious corporate risks reviewed by the Executive Board on 14 June 2016.

3.0 Summary

3.1 This report tells the Committee about the risks the Executive Board felt remained high after mitigation at their last review meeting.

4.0 Subject of Report

4.1 To oversee the effectiveness of risk management the Governance & Audit Committee note the most important risks facing the Council at the last quarterly review of the risk registers by the Executive Board. The last quarterly review was on 14 June 2016.

4.2 There are no risks showing red on our corporate risk register after mitigation. Whilst not 'red' there are two risks which the organisation is closely monitoring as it is now within the organisations gift to fully mitigate, we are reliant on government agencies:

- Funding Losses – Reductions in government funding e.g. New Homes Bonus and reductions in council tax and the review of business rates may lead to difficulties balancing the Councils budget and insufficient funds to deliver services. Medium term financial planning, structured budget setting, implementation of the Corporate Strategy programme will help to mitigate and work is currently underway on long term financial planning. This risk remains high as losses from further austerity are unclear and part of the councils funding is based on government grants.
- Budget reduction – we could face a significant increase in LGPS contributions from next year following the results of a pension scheme valuation process currently underway. Budgeting is currently underway to anticipate an increase which will be developed throughout the year. Actual increase will not be known until quarter 4 2016/17.

4.3 Following this review, the remaining risks have either been further mitigated or remain unchanged.

5.0 Implications

5.1 Resources:

There are no resource implications of this report because risk management is one of the regular funded functions of the management of the Council.

5.2 Legal:

There are no legal implications arising from this report.

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5.3 Strategy:

Sound risk management supports the Council's objective of financial sustainability by ensuring financial risks are controlled and customer service excellence by ensuring the continuity of our services.

5.4 Risks: (Environmental, Health & Safety and Customer Access Impact Assessment)

This report forms part of the Council's risk management arrangements.

5.5 Communications:

There is no need for communications following this report.

5.6 For the Community:

There is no community impact from this report but it will assist in ensuring the community continue to receive vital council services.

5.7 The Integrated Impact Assessment (IIA) is not needed for this report because it does not contain a decision.

6.0 Consultation

Executive Board.

Background Papers:

None

Agreed and signed off by:

Head of Legal Services: 6th June 2016

Head of Customer Services: 14th June 2016

Head of Finance: 14th June 2016

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