

Risk Management Report



Report to: Shareholder Sub Committee
Date: 15 November 2023
Lead Officer: Neil Rowland, Commercial Director, HTS Group Limited

Recommended that the Sub Committee:

- A** Notes the strategic risks as relating to HTS Group Limited together with their analysis and mitigation.
- B** Provides comment on HTS strategic risks.

Background

1. This report covers strategic risk associated within the HTS business activities and plans to develop our methods or Risk Management to support the business.
2. The Shareholder Sub Committee terms of reference includes responsibility to ensure HTS (Property & Environment) Limited (Local Authority Trading Company) (LATC) risks are adequately defined, monitored and controlled.

Issues/Proposals/Information

3. Risk Management Framework
 - a) Following the agreement of the new Business Plan 2022-27, HTS has now developed a Risk Management Framework Policy document for implementation within the organisation. This includes Risk Management process, risk matrix and scoring, roles and responsibilities, risk reporting and the Corporate Risk Register.
 - b) The newly developed Risk Management Policy & Framework will provide the company formal and practical guidance to manage relevant risks faced today and improve current practices. This provides an opportunity to make risk management an integral part of internal processes aligning with governance and reporting arrangements.

- c) Now the policy is complete the Risk Management Policy Framework will formally guide and support those responsible for risk as an integral internal process now that training has been provided.

4. Corporate Risk Register

- a) The Corporate Risk Register is included under Appendix A.
- b) The Register has been updated to ensure that it incorporates strategic risks key to strategic ambitions and objectives set out in the new Business Plan such as Environmental Impacts, Supply Chain and Cyber Security. The updated Risk Register is attached for reference.
- c) The purpose of the Risk Register is to form an agreed record of significant risks that have been identified. It will serve as a record of the controls and mitigating activities that are currently undertaken. It will also be a record of the additional actions that are proposed to improve the control of a particular risk.
- d) The previous Corporate Risk Register had 5No. high-level strategic risks and this has been updated to 14No. taking into account the current climate in the business and the industry.
- e) Any of these could threaten or bring opportunity for the Group's strategic goals and objectives.
- f) The Risk Register has been updated to reflect recent changes:
 - i) A new Non-Exec Chair has been appointed and the recruitment of an Interim and Permanent Managing Director has been delayed.
 - ii) Following agreement with the union HTS has agreed to carry out job evaluations.

5. Governance and Risk Reporting

- a) The Business Plan 2022-27 outlines a strategic ambition to transition to a new governance structure within year 1. This provides an opportunity to align the risk management arrangements with internal governance planning and processes. This will ensure risk receives the attention it deserves, a 'tone from the top' and support the implementation and embedding of Risk Management Framework and its arrangements.
- b) Currently, risk is reported at Board Meetings for review and challenge. Operational risk is reported to the Safety, Health, Environment and Compliance (SHEC) department. This aligns to expected practice to review risks at least quarterly and report updates to decision makers.

- c) A mature reporting structure of the Framework would be seen to review and challenge risks at service level, department level and strategic level being escalated and de-escalated appropriately by the level of risk and the right level to effectively manage it. Having a detailed account of the risk reporting arrangements would keep consistent the monitoring and review step in the risk management policy, provide assurances in reporting and support risk management embedding.

Implications

Equalities and Diversity

None.

Climate Change

None.

Finance

The HTS Group holds insurances, reserves and has agreed investment plans in place to help mitigate and manage the risks highlighted in the report.

Author: Simon Freeman, Deputy Chief Executive and Director of Finance

Governance and Corporate Services

Sound risk management arrangements are a clear indicator of good Governance in any organisation. HTS has an effective mechanism for the review and monitoring of its risk.

Author: Simon Hill, Director of Governance and Corporate Services

Housing

Housing notes the recommendations and current position contained in the reports.

Author: Neil Euesden, Interim Director of Housing

Appendices

Appendix A – Strategic Risk Register

Background Papers

None.

Glossary of terms/abbreviations used

None.