



Oversight and Governance

Chief Executive's Department
Plymouth City Council
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CABINET

Monday 16 December 2019
9.30 am
Council House, Plymouth

Members:

Councillor Evans OBE, Chair

Councillor Pete Smith, Vice Chair

Councillors Haydon, Coker, Dann, Lowry, Penberthy, Jon Taylor, Laing and Kate Taylor.

Members are invited to attend the above meeting to consider the items of business overleaf.

This meeting will be webcast and available on-line after the meeting. By entering the Warspite Room, councillors are consenting to being filmed during the meeting and to the use of the recording for the webcast.

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For further information on attending Council meetings and how to engage in the democratic process please follow this link - [Get Involved](#)

Tracey Lee

Chief Executive

Cabinet

Agenda

Part I (Public Meeting)

1. Apologies

To receive apologies for absence submitted by Cabinet Members.

2. Declarations of Interest (Pages 1 - 2)

Cabinet Members will be asked to make any declarations of interest in respect of items on this agenda. A flowchart providing guidance on interests is attached to assist councillors.

3. Minutes (Pages 3 - 10)

To sign and confirm as a correct record the minutes of the meeting held on 11 November 2019.

4. Questions from the Public

To receive questions from the public in accordance with the Constitution.

Questions, of no longer than 50 words, can be submitted to the Democratic Support Unit, Plymouth City Council, Ballard House, Plymouth, PL1 3BJ, or email to democraticsupport@plymouth.gov.uk. Any questions must be received at least five clear working days before the date of the meeting.

5. Chair's Urgent Business

To receive reports on business which, in the opinion of the Chair, should be brought forward for urgent consideration.

6. Leader's Announcements

7. Monthly Activity Round Up

8. Pledge Update (to follow)

9. Declaration on Climate Emergency (to follow)

10. Bereavement Services - Legal Structures and Arrangements (to follow)

11. Risk Management Strategy (Pages 11 - 36)

OFFICIAL

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DECLARING INTERESTS – QUESTIONS TO ASK YOURSELF

What matters are being discussed?



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Does the business relate to or is it likely to affect a disclosable pecuniary interest (DPI)? This will include the interests of a spouse or civil partner (and co-habitees):

- any employment, office, trade, profession or vocation that they carry on for profit or gain
- any sponsorship that they receive including contributions to their expenses as a councillor or the councillor’s election expenses from a Trade Union
- any land licence or tenancy they have in Plymouth
- any current contracts leases or tenancies between the Council and them
- any current contracts leases or tenancies between the Council and any organisation with land in Plymouth in they are a partner, a paid Director, or have a relevant interest in its shares and securities
- any organisation which has land or a place of business in Plymouth and in which they have a relevant interest in its shares or its securities

No

Yes



Declare interest and leave (or obtain a dispensation)



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Does the business affect the well-being or financial position of (or relate to the approval, consent, licence or permission) for:

- a member of your family or
- any person with whom you have a close association; or
- any organisation of which you are a member or are involved in its management (whether or not appointed to that body by the council). This would include membership of a secret society and other similar organisations.

Yes

No



You can speak and vote



Will it confer an advantage or disadvantage on your family, close associate or an organisation where you have a private interest more than it affects other people living or working in the ward?

Yes

No



Declare the interest and speak and vote



Speak to Monitoring Officer in advance of the meeting to avoid risk of allegations of corruption or bias

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Cabinet members must declare and give brief details about any conflict of interest* relating to the matter to be decided and leave the room when the matter is being considered. Cabinet members may apply to the Monitoring Officer for a dispensation in respect of any conflict of interest.

*A conflict of interest is a situation in which a councillor’s responsibility to act and take decisions impartially, fairly and on merit without bias may conflict with his/her personal interest in the situation or where s/he may profit personally from the decisions that s/he is about to take.

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Cabinet

Monday 11 November 2019

PRESENT:

Councillor Evans OBE, in the Chair.

Councillor P Smith, Vice Chair.

Councillors Haydon, Coker, Dann, Lowry, Penberthy, Jon Taylor, Laing and Kate Taylor.

The meeting started at 1pm and finished at 3.50pm.

Note: The full discussion can be viewed on the webcast of the City Council meeting at www.plymouth.gov.uk. At a future meeting, the Council will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

56. **Declarations of Interest**

There were no declarations of interest.

57. **Minutes**

The minutes of the meeting held on 08 October 2019 were agreed as a true and accurate record.

58. **Questions from the Public**

There were no questions from members of the public.

59. **Chair's Urgent Business**

There was no urgent business from the Chair.

60. **Leader's Announcements**

The Leader, Councillor Evans OBE made the following announcements:

- Councillor Penberthy received an award from the Local Government Information Unit Awards under the Innovation and Transformation section and was commended for his balanced approach to risk, and his work on the City Challenge Fund;
- The opening of the Barcode complex which houses the third largest Imax cinema in the UK;
- The arrival of figureheads at the Box – the biggest conservation project of this kind in the UK;
- Commencement of work on Oceansgate phase two;
- A 126 Bed hotel has been announced for Millbay

- Securing of £700k of funding to host the British Arts Show in 2021;
- A planning application to be submitted prior to Christmas for Langage phase three;
- Broadley Park – work will start on site in January 2020 on a project which will develop 22,500 sq. ft.
- Plymouth International Business Park which will develop 20,000sq ft.
- Work at Brunel Plaza continues with planning consent now granted to the University of Plymouth for a change of use for Intercity House to become the Faculty for Medical Sciences;
- Mount Batten Watersports Centre is being reimagined to do more to encourage participation. Councillors Derek and Goslin are driving a piece of work to encourage greater participation of young people on the water. Cabinet will be updated in March on progress;
- The Council has been shortlisted for four Local Government Chronicle Awards including team of the year for the Joint Local Plan team; Community Involvement for the City Change Fund; the Housing award for Plan for Homes and for the entrepreneurial work for the Plymouth Family of Companies;
- Congratulations were offered for the exceptional memorial service conducted on Plymouth Hoe yesterday; thanks were extended to the Council staff and the volunteers who supported the event.

61. **Monthly Activity Round Up**

Councillor Kate Taylor, Cabinet Member for Health and Adult Social Care made the following announcement:

- Last week saw the launch of the culinary care cookbook, a collaboration between Plymouth City Council, City College Plymouth and Plymouth College of Art. The book brings together a selection of favourite recipes, offering choice and variety and acting as a resource library for care homes.

Councillor Haydon, Cabinet Member for Customer Focus and Community Safety made the following announcements:

- A consultation has been launched regarding Public Space Protection Orders to tackle alcohol related antisocial behaviour. The proposal is not a ban on consuming alcohol outside in the city but to tackle antisocial behaviour and keep residents safe;
- The Best Bar None awards take place tomorrow evening with awards being given to establishments for being safe places to drink. All of these establishments took part in the Purple Flag Award.
- The new crematorium will be situated on 7.1 hectares of space next to the Drake Memorial Park Cemetery. This new development has yet to be named and suggestions are welcome to be sent to the bereavement team; the site is due to open in summer 2021.

Councillor Lowry, Cabinet Member for Finance made the following announcements:

- There are currently 450 CCTV cameras in Plymouth and investment in these continues, particularly on housing estates and in anti-social behaviour hotspots. Recently a number of additional cameras have been installed both to tackle anti-social behaviour and to monitor traffic flow.

Councillor Dann, Cabinet Member for Environment and Street Scene made the following announcements:

- Attendance at a recent International Air Quality Summit saw the importance of urgent action to eliminate air pollution highlighted as a national priority. Since a Climate Emergency was called by the Council actions have already been underway such as the replacement of our fleet to electric vehicles and improved pedestrian access; cycle lanes will be a priority going forward;
- The Plymouth Waterfront Partnership has received a special recognition award for their work on the elimination of single use plastics.

Councillor Coker, Cabinet Member for Strategic Planning and Infrastructure made the following announcements:

- Plymouth City Council has been shortlisted for the People's Award for Transport Planning for the Plymotion initiative – 13 per cent of those residents engaged with by the programme are now cycling where they wouldn't have before and 22 per cent are leaving their car at home. Plymotion have also engaged with 2300 employees in 44 workplaces to talk to them about sustainable travel. Free bus travel has also been negotiated, working with Jobcentre Plus this has supported people to attend interviews, with over 50 individuals securing employment.

Councillor Jon Taylor, Cabinet Member for Education, Transformation and Skills made the following announcements:

- The procurement tender for the full fibre network will go to tender this week, this is an important investment in the city's infrastructure;
- The Customer Advocacy Service will be launched in December - this service will assist those individuals who cannot access digital services. The service will also act as a signpost to offer help and support to those who could access digital services with the right support and training;
- There has been some positive news on school funding with removal of the gains cap. However, a report from the National Education Union predicts that the vast majority of constituencies will see schools with less funding in 2020 than they had in 2015. Cabinet will receive a report once further detail is known - a select committee has also been established;
- There is still concern over funding for maintained nurseries given the vital role they play, a report will be taken to Full Council in due course.

Councillor Penberthy, Cabinet Member for Housing and Cooperative Development made the following announcements:

- In respect of the award nominations, Plan for Homes 3 is currently underway; 5563 new homes were delivered in 5 years under phase one and two, 1529 of which were affordable homes;
- The topping out ceremony at Millbay took place last week at the Abbeyfield site, this scheme will provide specialist homes for older people with a wealth of onsite facilities, especially for those living with dementia;
- Planning permission has been granted for five socially rented bungalows with planning permission for a further five submitted. These homes will help local older people to downsize to homes that meet their needs and remain in the community;
- The Make a Change campaign has been launched and 14 referrals have already been received from people reporting rough sleepers. The 'Tap to Give' points are also in operation for donations to nominated homeless charities in Plymouth;
- The numbers of people in temporary accommodation has reduced from 170 to 148 and as this point there are no children living in Bed and Breakfast accommodation;
- As part of the work on co-operatives, Plymouth Arts Centre will be screening a special showing of the Rochdale Pioneers this week and It's a Wonderful Life in December.
- The Social Enterprise Festival will take place during the latter part of November.
- Crowdfund Plymouth has secured a global award for our work as an engaged city. This has involved funding of 80 projects, attracting 8697 supporters who otherwise may not have known these projects existed, raising well over £1.5m.

Councillor Pete Smith, Deputy Leader made the following announcements:

- The annual bonfire celebration recently took place on Plymouth Hoe and attracted in the region of 20,000 people. Positive feedback was received from the emergency services on the reduction in demand due to the provision of this communal event;
- A PA system is due to be installed across the waterfront which will allow the public to be kept informed in the event of an emergency;
- The Illuminate festival commences on the 28 November and runs to 01 December, this marks the beginning of the Mayflower 2020 celebrations;
- Plymouth has been awarded the National Diving Championships for 2020 taking place in the Life Centre;
- Refurbishment of the Elizabethan House is well underway with traditional techniques being applied to renovate this historic building; the house is on track to reopen in 2020.

62. **Scrutiny Recommendations: Impact of Brexit on Plymouth**

The Leader, Councillor Evans OBE invited Councillor Winter, Chair of the Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee to introduce the report on Scrutiny Recommendations: Impact of Brexit on Plymouth.

Following a discussion, Cabinet agreed to:

- seek a response to the letter written by Councillor Evans OBE, Leader of the Council to the Rt Hon Robert Jenrick MP, Secretary of State for Housing, Communities and Local Government regarding the potential impact of Brexit on the City of Plymouth;
- seek a formal response from the city's three MPs regarding the support and assistance they are providing to the City Council with Brexit-related issues;
- seek clarification on the methodology behind the initial assessment undertaken by central Government which had not identified Plymouth as a Strategic Port, and request a reassessment, acknowledging that Plymouth is a growing port city.

63. **Completed Pledges Report**

Councillor Mark Lowry, Cabinet Member for Finance introduced the report on completed pledges.

Following the completion of a further 6 pledges in October, the total number of pledges completed is 60 out of 100.

After a discussion, Cabinet agreed to:

- Note the completion of pledges 6, 56, 64, 46, 50 and 53 in October 2019, bringing the total number of completed pledges to 60.

64. **Corporate Performance, Capital & Revenue Monitoring Report 2019/20 - Quarter 2**

Councillor Lowry, Cabinet Member for Finance introduced the Corporate Performance, Capital and Revenue Monitoring Report 2019/20 – Quarter 2.

In terms of performance against the Corporate Plan, this report provides analysis as at the end of September 2019 of performance against the Council's key performance indicators (KPIs), providing a detailed performance update against the Corporate Plan priorities.

The Revenue and Capital report outlines the finance monitoring position of the Council as at the end of September 2019. The primary purpose of this report is to detail how the Council is delivering against its financial measures using its capital and revenue resources, to approve relevant budget variations and virements, and to report new schemes approved in the capital programme

Following a discussion, Cabinet agreed to:

- Note the Corporate Plan Quarter Two Performance Report and consider the implications for delivery of the Council's priorities;
- Note the current revenue monitoring position and action plans in place to reduce/mitigate shortfalls;

- Approves the non-delegated virements which have occurred since 1 July 2019;
- Recommend to Council that the Capital Budget 2019-2024 is revised to £845.354m (as shown in Table 5 of the Capital and Revenue Monitoring Report 2019/20 Quarter 2).

65. **Joint Arrangements: Torbay Council Children's Services (to follow)**

Councillor Laing, Cabinet Member for Children and Young People introduced the report on Joint Arrangements: Torbay Council Children's Services. The Director for Children's Services then provided an overview of the proposals and the options considered. This was following an annual stocktake meeting held early in October 2019 between both local authorities and the Department for Education.

Following a discussion, Cabinet agreed:

- That the joint arrangement for the provision of children's services between Plymouth and Torbay Councils be drawn to a close by mutual agreement with effect from the end of January 2020, in recognition of the need to revert to a full time, dedicated Director of Children's Services (DCS) in Torbay and to establish equivalent DCS capacity in Plymouth.

66. **Healthy Weight Declaration**

Councillor Kate Taylor, Cabinet Member for Health and Adult Social Care, introduced the Healthy Weight Declaration.

The 'Healthy Weight Declaration' sets out a number of commitments to support development of a Healthy City; produced by Food Active, this has been adopted by Public Health England, and provides a national benchmark on how serious local authority areas are in tackling this issue

Following a discussion, Cabinet agreed that:

- The Council makes the Healthy Weight Declaration communicating the consistent progress which has been made as a result of the Plymouth Plan, Thrive Plymouth and other health related strategies in the city.
- The Council commits to continuing to prioritise healthy lifestyles in the city through progressing the 14 commitments of the declaration
- The Council commits to progressing the three local commitments
- The Council agree to support the delivery of the action plan

67. **Adoption of Highways Permitting Scheme (to follow)**

Councillor Coker, Cabinet Member for Strategic Planning and Infrastructure introduced the report on the Adoption of Highways Permitting Scheme.

Under the new permitting scheme anyone wishing to carry out works on the public highway must initially apply to the City Council as Highway Authority for permission. As such the Highway Authority can refuse, approve and place conditions on each notice.

Following a discussion, Cabinet agreed:

- For the Council to proceed to the statutory consultation process;
- That following the consultation process, any objections or comments are considered by the Cabinet Member Strategic Planning & Infrastructure and delegated authority is provided to the Head of Plymouth Highways to proceed to adopt the Plymouth City Council Permit Scheme.

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Cabinet



Date of meeting:	16 December 2019
Title of Report:	Risk and Opportunity Management Strategy
Lead Member:	Councillor Mark Lowry (Cabinet Member for Finance)
Lead Strategic Director:	Giles Perritt (Assistant Chief Executive)
Author:	Julie Hosking
Contact Email:	Julie.hosking@plymouth.gov.uk
Your Reference:	SM/JKH
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

The Risk and Opportunity Management Strategy provides a comprehensive framework and process designed to support members and officers in ensuring that the council is able to fully discharge its risk management responsibilities. The Strategy details the process of identifying and evaluating risks and the reporting structure.

The strategy is reviewed annually to ensure it remains current and fit for purpose. A copy of the latest version, which was approved by the Audit and Governance Committee on 23 September 2019, is attached at appendix A.

Recommendations and Reasons

That Cabinet:

- Agree the Risk and Opportunity Management Strategy 2019-21

Reason: Risk management is a statutory requirement under the Local Government Act 1999 and forms part of the Statement of Internal Control within the Annual Governance Statement.

Alternative options considered and rejected

Effective risk management processes are an essential element of internal control and as such are an important element of good corporate governance. For this reason alternative options are not applicable.

Relevance to the Corporate Plan and/or the Plymouth Plan

Maintaining sound systems of internal control and risk management enables the council to monitor and review the key risks that may prevent it from achieving its corporate and service objectives.

Implications for the Medium Term Financial Plan and Resource Implications:

None arising specifically from this report.

Carbon Footprint (Environmental) Implications:

None arising specifically from this report.

Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:

* When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.

The Risk and Opportunity Management Strategy specifically supports the council's overall governance arrangements.

Appendices

*Add rows as required to box below

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable)						
		1	2	3	4	5	6	7
A	Risk and Opportunity Management Strategy 2019-21							

Background papers:

*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable)						
	1	2	3	4	5	6	7

Sign off:

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Originating Senior Leadership Team member: Assistant Chief Executive, Giles Perritt											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 02/12/2019											
Cabinet Member approval: Councillor Lowry approved via email											
Date approved: 02/12/2019											

RISK AND OPPORTUNITY MANAGEMENT STRATEGY 2019-2021

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EXECUTIVE SUMMARY

We live in very challenging times, and also one that provides us with real opportunities. We are a large, complex organisation and need to continuously looking at how we can be more efficient and customer focused. Risk and opportunity management is both a statutory requirement and an indispensable element of good corporate governance and good management. It has never been more important to have an effective Risk and Opportunity Management Strategy in place to ensure we are able to discharge our various functions and deliver public services efficiently and cost effectively.

Risk is unavoidable. It is an important part of life that allows us all to move forward and develop. Successful risk management is about ensuring that we have the correct level of control in place to provide, as far as reasonably practicable, sufficient protection from harm without stifling our development. The Council's overriding attitude to risk is to operate in a culture of creativity and innovation, in which all key risks are identified in all areas of the business and are understood and proactively managed, rather than avoided. In respect of health and safety risks, this requires the weighing up of the risk verses the time, cost and effort to control the risk, irrespective of the risk score. Risk and opportunity management therefore needs to be at the heart of the Council and our key partners. We need to have the structures and processes in place to ensure the risks and opportunities of daily Council activities are identified, assessed and addressed in a standard way. We do not shy away from risk; we seek to proactively manage it. This will allow us not only to meet the needs of the community today, but also be prepared to meet future challenges.

The Council will record the significant risks identified as potential threats to the delivery of its objectives within Risk and Opportunity Registers and incorporate mitigation controls within action plans to include details of any opportunities that may arise from the successful management of each risk. Risks will be monitored every six months and findings reported via the Council's formal reporting process.

The benefits gained with a Risk and Opportunity Management Framework are improved strategic, operational and financial management, better decision making, improved compliance and, most importantly, improved customer service delivery and better outcomes for the citizens of Plymouth.

We embrace risk and opportunity management to support the delivery of our vision for the city and to enable the provision of high quality services to the citizens of Plymouth.

Cllr Mark Lowry
Cabinet Member for Finance

Tracey Lee
Chief Executive

Giles Perritt
Assistant Chief Executive

THE RISK AND OPPORTUNITY MANAGEMENT STRATEGY

1. Definitions

What is a Risk?

Risk is most commonly held to mean “hazard” and something to be avoided but it has another face – that of opportunity. Improving public services requires innovation – seizing new opportunities and managing the risks involved. In this context risk is defined as uncertainty of outcome, whether positive opportunity or negative threat of actions and events. It is the combination of likelihood and impact, including perceived importance.

What is Risk and Opportunity Management?

Risk and opportunity management is the culture, processes and structures that are directed towards effective management of potential opportunities and threats to an organisation achieving its objectives and delivering services to the community.

This Strategy is intended to reaffirm and improve effective risk and opportunity management in Plymouth, comply with good practice and in doing so, effectively manage potential opportunities and threats to the Council achieving its objectives.

2. Types of risk - Strategic and Operational

Strategic risks affect or are created by our business strategy and strategic objectives. They can be defined as the uncertainties and untapped opportunities embedded in strategic intent and how well they are executed. As such, they are key matters for our Corporate Management Team and impact on the whole organisation, rather than just an isolated department. Inclusion of a risk in the strategic risk and opportunity register indicates that it is one of a number of risks that the Council (particularly elected members and senior managers) need to be aware of and ensure appropriate management arrangements are in place to manage/mitigate them.

Operational risk is defined as the risk of loss resulting from inadequate or failed processes, people and systems. Operational risks should link to each service area’s Business Plan/Performance Framework or Partnership Plan, high level documents that bring key information together in one place and demonstrate the service’s focus on Council and city priorities. All major risks facing the service and to other services and partners resulting from the consequences of a service’s plans should be recorded with brief mitigation and potential outcome.

3. Risk management responsibilities

Risk and opportunity management is the responsibility of all employees, working together within teams and management structures to ensure timely consideration and control at the appropriate level.

The Corporate Risk Management Group will monitor and manage the delivery of the Risk and Opportunity Management Strategy at a strategic level. The Group’s purpose is to effectively embed risk and opportunity management within the ethos of the Council’s culture as an integral part of strategic planning, decision-making and its performance management framework. The Group is also be responsible for the development and monitoring of the Strategic Risk and Opportunity Register.

The Operational Risk Management Group, comprising departmental Risk Champions and chaired by the Oversight and Governance Manager, will be responsible for the delivery of this strategy at an operational level and for the development and monitoring of service level Operational Risk and Opportunity Registers.

Any risks to health, safety or wellbeing of our employees or others affected by our operations are compiled into a separate risk register and additionally monitored by the HSW Steering Group on a quarterly basis. This may result in additional assurance being required to ensure controls are reducing risk to as low as reasonably practicable. HSW Assurance Specialists support service areas to ensure risk assessments are suitable and sufficient.

4. Risk and Opportunity Management Policy Statement

Plymouth City Council is aware that, as a large organisation, it is exposed to a very wide range of risks and threats to the delivery of key services to the community it serves.

The Council recognises that it has a responsibility to identify, evaluate and manage risk whilst still creating a fertile climate for innovation. It therefore supports a structured approach to risk and opportunity management through this corporate Risk and Opportunity Management Strategy, the aims and objectives of which are described below:

The aims of the Risk and Opportunity Management Strategy are to:

- Integrate and raise awareness of risk and opportunity management for all those connected with the delivery of Council services
- Embed risk and opportunity management as an integral part of strategic, service, information use, business, financial and project planning and policy making
- Establish a standard systematic approach to risk identification, analysis, control and monitoring and reviewing
- Provide a process for identifying threats or drawbacks that also includes finding and considering opportunities
- Provide a robust and transparent framework for managing risk and supporting decision making
- Support well thought-through risk taking
- Anticipate and respond to changing external and internal environment
- Embed risk and opportunity management as an integral part of delivering and aligning successful partnerships

The objectives of the Risk and Opportunity Management Strategy are:

- To embed Risk and Opportunity Management as part of the Council's culture of governance
- To provide a robust and systematic framework for identifying, managing and responding to risk
- To provide a robust and transparent track record of managing, communicating and responding to risk
- To encourage staff to think creatively about ways to work better, simpler and more effectively

5. Framework

The Council maintains two main types of Risk and Opportunity Register; Strategic and Operational. The Strategic Register records risks that affect the aims and objectives of the corporate body – risks that could have an effect on the successful achievement of our long term core priorities and outcomes, e.g:-

- risks that could potentially have a council-wide impact; and/or
- risks that cannot be managed solely at a business unit level because higher level support/intervention is needed.

The Operational Register records those risks affecting the day to day departmental operations, e.g:-

- Potential process failures
- Failure to adhere to internal policies
- Poor quality management

Both registers detail the following:-

- possible consequences of the risks identified, both negative (risks and threats) and positive (opportunities)
- potential impact and likelihood of the risk identified
- existing controls in place to mitigate the risks
- actions planned to mitigate the risks with relevant timescales and the responsible officers

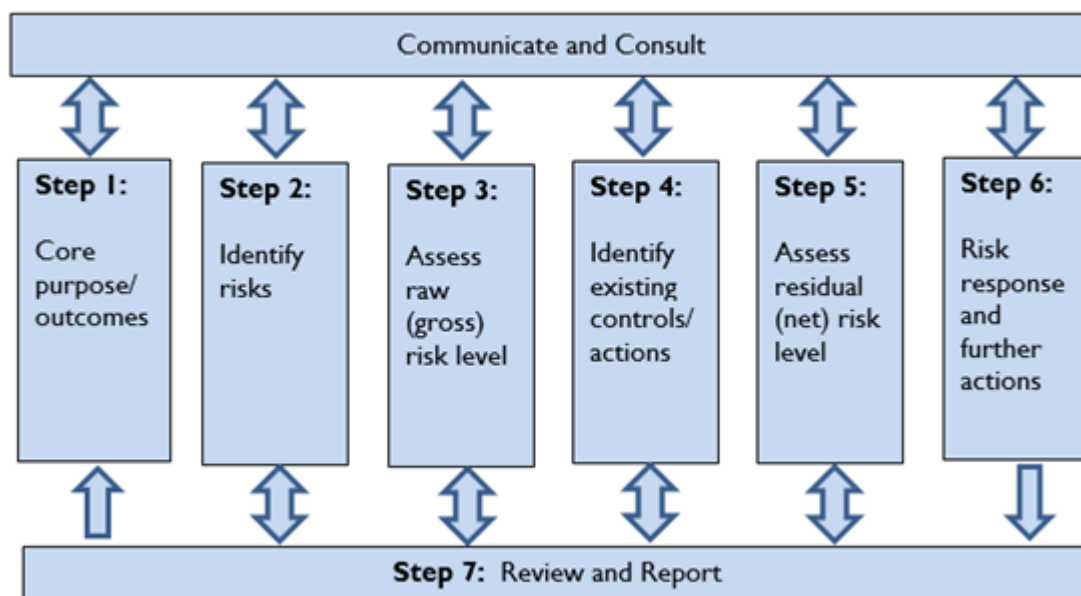
The Strategic Register is owned by the Corporate Management Team in its capacity as the Corporate Risk Management Group and maintained by the Corporate Risk Advisor. Operational Registers are owned by the relevant Service Director and maintained by the relevant department's Risk Champion.

6. Approach

For a number of years the Council has been working towards a comprehensive and integrated approach to risk management where:

- staff are clear about what risk management is intended to achieve;
- significant risks are being identified and managed effectively;
- training and guidance on risk management are easily accessible;
- a consistent corporate approach is followed using a common 'risk language'; and
- it is seen as an integral part of good corporate governance.

This section details the agreed arrangements that are needed to ensure the effective management of risk across the organisation. The Council's approach to risk management is based on best practice and involves a number of key steps as outlined below:-



Effective communication and consultation are critical to the successful management of risk. These are not one off standalone events but important factors at every point of the process and it is vital that staff at all levels across the organisation are involved if risk management is to be truly embedded and a useful management tool.

Step 1: Core purpose / outcomes

Before we can identify our risks we need to establish the context by looking at what we are trying to achieve and what our proposed outcomes are. Depending on the area under review, the relevant objectives and outcomes will usually be detailed in existing documents, including the following:

- Corporate Plan (for core purpose, priorities and outcomes)
- Business Plans (for directorate/departments aims, priorities and actions)
- Project Plans (for project aims and objectives)
- Partnership Agreements (for partnership aims and objectives)

Step 2: Identify risks

There are a number of different types of risks that an organisation may face including financial loss, failure of service delivery, risks to people and damage to reputation.

Opportunities can also be identified by giving consideration to those that have been neglected because of perceived, but unexamined risk. These include:-

- Learning from the past – whilst past experience cannot necessarily be a predictor for future performance, signals that were ignored and missed opportunities can provide insight into organisational blind spots.
- Customer sensitivity – trying to understand customer needs and creating systems to exploit this information can lead to great gains.
- Learning from others – exploring and sharing best practice with other organisations can lead to benefits.
- Scenario planning – can be a powerful tool for generating new ideas.

Once the opportunity has been identified it should be described to include the expected benefits, contributions to business objectives and stakeholders.

A checklist for risk and opportunity identification is shown below as a guide (not an exhaustive list):

Category of Risk	Risk Examples
Compliance, Regulation and Safeguarding	<ul style="list-style-type: none"> ▪ Legislation and internal policies/regulations ▪ Health, safety and wellbeing ▪ Grant funding conditions ▪ Legal challenges, legal powers, judicial reviews or public interest reports ▪ Change in government policy
Operational/Service Delivery	<ul style="list-style-type: none"> ▪ Emergency preparedness/business continuity ▪ Poor quality/reduced service delivery ▪ Health and safety

	<ul style="list-style-type: none"> ▪ Information security and retention accuracy ▪ ICT integrity and availability ▪ Damage to physical assets ▪ Changing needs and expectations of customers – poor communication/consultation
Financial	<ul style="list-style-type: none"> ▪ Budgetary pressures ▪ Loss of/reduction in income/funding, increase in energy costs ▪ Cost of living, interest rates, inflation etc. ▪ Financial management arrangements ▪ Investment decisions, sustainable economic growth ▪ Affordability models and financial checks ▪ Inadequate insurance cover ▪ System/procedure weaknesses that could lead to fraud
Reputation	<ul style="list-style-type: none"> ▪ Negative publicity (local and national) ▪ Image ▪ Increase in complaints ▪ Brand building ▪ Fines
Strategic Change	<ul style="list-style-type: none"> ▪ New initiatives, new ways of working, new policies and procedures ▪ New relationships – accountability issues/unclear roles and responsibilities ▪ Monitoring arrangements ▪ Managing change ▪ Add value or improve customer experience/satisfaction ▪ Reduce waste and inefficiency ▪ Improve staff skills/morale ▪ Business alignment ▪ New operating models and revenue streams ▪ Market needs/growing competition ▪ New technologies
Development and Regeneration	<ul style="list-style-type: none"> ▪ Demographics ▪ Economic downturn – prosperity of local businesses/local communities ▪ Impact of planning or transportation policies ▪ Environmental, landscape, countryside, historic environment, open space ▪ Property, land, buildings and equipment

People & Culture	<ul style="list-style-type: none"> ▪ Political personalities ▪ Member support/approval ▪ New political arrangements ▪ Loss of key staff, recruitment and retention issues ▪ Training issues ▪ Lack of/or inadequate management support ▪ Poor communication/consultation ▪ Capacity issues – availability, sickness and absence etc.
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Risk Description

The risks and opportunities identified need to be recorded in a structured format. A description covering the Cause, Event and Effect is used to scope a risk or opportunity. Guidance on some typical phrasing or statements are listed below:-

Cause	Event	Effect
Because of As a result of Due to	<an uncertain event i.e. risk or opportunity> may occur	which would lead to <effect on objective(s)>
Event	Cause	Effect
Risk of Failure to Failure of Lack of Loss of Uncertainty of Delay in Inability to Inadequate Partnership with Development of / Opportunity to due to leads to and/or result in

Example of risk description – Risk of being unable to deliver Council services within the envelope of the resources provided in (year) which would lead to a negative impact on budgets, loss of reputation, negative impact on front line services and a negative opinion from external audit.

Step 3: Assess raw (gross) risk level

To ensure resources are focussed on the most significant risks, the Council’s approach to risk management is to assess the risks in terms of both the potential likelihood and impact so that actions can be prioritised.

The risk management process requires each new risk to be assessed twice – raw (gross) and residual (net) levels.

The first assessment (the raw/gross risk level) is taken on the basis that there is no action being taken to manage the identified risk and/or any existing actions are not operating effectively. In other words, the worst case scenario if the risk were to occur.

To ensure that a consistent scoring mechanism is in place across the Council, risks are assessed using the agreed criteria for likelihood and impact. Risk scoring guidance is shown below:-

Risk Analysis and Scoring Guidance

Score	Likelihood	Threat / Risk
5	Almost Certain (80-100%)	Is expected to occur in most circumstances Will undoubtedly happen, possibly frequently e.g. annually or more frequently Imminent/near miss For health and safety risk – one in 100 chance of the adverse event happening
4	Likely (50-80%)	Will probably occur in many circumstances Will probably happen, but not a persistent issue e.g. once in three years Has happened in the past For health and safety risk – one in 1000 chance of the adverse event happening
3	Possible (25-50%)	Could occur in certain circumstances May happen occasionally, e.g. once in 10 years Has happened elsewhere For health and safety risk – one in 10,000 chance of the adverse event happening
2	Unlikely (10-25%)	May occur only in exceptional circumstances Not expected to happen, but is possible e.g. once in 25 years Not known in this activity For health and safety risk – one in 100,000 chance of the adverse event happening
1	Rare (0-10%)	Is never likely to occur Very unlikely this will ever happen e.g. once in 100 years For health and safety risk – one in a million chance of the adverse event happening

Risk Impact (Severity)

Score	Impact	Threat / Risk
5	Catastrophic Risk	Risks which can have a catastrophic effect on the operation of the Council or service. This may result in critical financial loss, severe service disruption or a severe impact on the public. Examples:- Unable to function without the aid of government or other external Agency Inability to fulfil obligations Medium – long term damage to service capability Severe financial loss – supplementary estimate needed which will have a catastrophic impact on the Council's financial plan and resources are unlikely to be available

		<p>Death (single or multiple) or work related diagnosis leading to death</p> <p>Adverse national publicity – highly damaging, severe loss of public confidence</p> <p>Significant public interest</p> <p>Litigation certain and difficult to defend</p> <p>Breaches of law punishable by imprisonment</p> <p>Very significant exposure of public funds with funding being managed across organisations and complex reporting</p> <p>Total project budget in excess of £5,000,000</p> <p>Very complex stakeholder community with new partnerships, collaborations and suppliers/stakeholder environment volatile or with significant external change factors</p> <p>Extensive use of leading edge, novel or innovative technology which requires specialist management and external audit</p>
4	Major Risk	<p>Risks which can have a major effect on the operation of the Council or service. This may result in major financial loss, major service disruption or a significant impact on the public. Examples:-</p> <p>Significant impact on service objectives</p> <p>Short–medium term impairment to service capability</p> <p>Major financial loss – supplementary estimate needed which will have a major impact on the Council’s financial plan</p> <p>Extensive injuries, major permanent harm, long term sick</p> <p>Permanent/significant disability</p> <p>Major adverse local publicity, major loss of confidence</p> <p>Litigation likely and may be difficult to defend</p> <p>Breaches of law punishable by fines or possible imprisonment</p> <p>Relatively large budget £1M - £5M</p>
3	Moderate Risk	<p>Risks which have a noticeable effect on the services provided. Each one will cause a degree of disruption to service provision and impinge on the budget. Examples:-</p> <p>Service objectives partially achievable</p> <p>Short term disruption to service capability</p> <p>Significant financial loss – supplementary estimate needed which will have an impact on the Council’s financial plan</p> <p>RIDDOR (Reporting of injuries, diseases and dangerous occurrences regulations) or major injury</p> <p>Medical treatment required, semi-permanent harm up to one year</p> <p>Some adverse publicity, needs careful public relations</p> <p>High potential for complaint, litigation possible</p> <p>Breaches of law punishable by fines only</p>

		Budget between £500k - £1M
2	Minor Risk	<p>Risks where the consequences will not be severe and any associated losses will be minor. As individual occurrences they will have a negligible effect on service provision. If action is not taken, then such risks may have a more significant cumulative effect. Examples:-</p> <p>Minor impact on service objectives</p> <p>No significant disruption to service capability</p> <p>Moderate financial loss – can be accommodated at head of service level</p> <p>Three day + injury</p> <p>First aid treatment, non-permanent harm up to one month</p> <p>Some public embarrassment, no damage to reputation</p> <p>May result in complaints/litigation</p> <p>Breaches of regulations/standards</p> <p>Budget within delegation</p>
1	Insignificant Risk	<p>Risks where the consequences will not be severe and any associated losses will be relatively small. As individual occurrences they will have a negligible effect on service provision. If action is not taken, then such risks may have a more significant cumulative effect. Examples:-</p> <p>Minimal impact, no service disruption</p> <p>Negligible impact on service capability</p> <p>Minimal loss – can be accommodated at senior technical accounting level</p> <p>First aid injury</p> <p>Unlikely to cause any adverse publicity, internal only</p> <p>Breaches of local procedures/standards</p> <p>Budget within delegation and relatively small or within operational costs</p>

When assessing the risk, the highest measure identified in each table is the score taken to plot the risk level on the risk matrix. The risk ratings for each part of the assessment are multiplied to give an overall ranking for each risk. The risk matrix uses a “traffic light” approach to show high (red), medium (amber) and low (green) risks.

Risk Matrix Table

Likelihood / Probability	Almost Certain	5	10	15	20	25
	Likely	4	8	12	16	20
	Possible	3	6	9	12	15
	Unlikely	2	4	6	8	10
	Rare	1	2	3	4	5
		Insignificant	Minor	Moderate	Major	Catastrophic
Impact / Severity						

Risk Tolerance		
Red (High Risk)	20 - 25	Must be managed down urgently
Amber (Med/High Risk)	12 - 16	Seek to influence medium term/monitor (as per risk appetite escalation)
Amber (Medium Risk)		
Green (Low Risk)	6 - 10	Acceptable – continue to monitor if circumstances are subject to change, if not, remove from register
Yellow (No risk)	1 - 5	Can be removed from register and managed locally within team but consider adding to risk register if controls are likely to change

Step 4: Identify existing risk controls / actions

Existing controls and actions, which are helping to eliminate or minimise the likelihood and/or impact of the risk occurring, are identified for each risk. These actions are specifically those in place or completed.

Step 5: Assess residual (net) risk level

The second assessment (the residual or net level) re-evaluates the risk, taking into consideration the effectiveness of the identified existing actions. In other words, the reality if the risk were to occur in the immediate future. Residual risks are prioritised by applying the same criteria and matrix for assessing the raw risk level (Step 3). It is the risk owner’s responsibility to ensure the agreed residual risk level for each risk is an accurate reflection of the likelihood and impact measures.

Step 6: Risk response and further actions

Not all risks can be managed all of the time, so having assessed and prioritised the identified risks, cost effective action needs to be taken to manage those that pose the most significant threat. Risk response may be managed in one, or a combination of, the following ways:-

Risk Response	Risk Examples (not exhaustive list)
<p>Avoid – The risk is avoided by process changes which bypass the risk or deciding where possible not to continue with the activity in view of the level of risk involved.</p>	<p>Some political risks e.g. adverse public opinion. Some technical/operational/infrastructure risks e.g. maintenance problems.</p> <p>Legal and regulatory risks e.g. regulatory controls, licensing requirements.</p>
<p>Transfer – Some or all of the risk is transferred to a third party e.g. insurance.</p>	<p>Some strategic/commercial risks e.g. theft insolvency can be insured against.</p> <p>Environmental risks e.g. natural disasters, storms, flooding may also be insured against.</p>
<p>Treat/Reduce – Action is taken to reduce either the likelihood of the risk occurring or the impact that it will have, if cost effective. Consider use of KPI metrics to monitor progress of risk treatment action plans and key controls.</p>	<p>The most frequently used response to risk. Widely applicable –</p> <p>Technical/Operational/Infrastructure e.g. negligence, performance failure, scope creep, unclear expectations.</p> <p>Organisational/management/human factors e.g. personality clashes, poor leadership and poor staff selection.</p>
<p>Tolerate/Accept – The risk may be accepted perhaps because there is a low impact or likelihood. A contingency plan will be identified should it occur.</p>	<p>Some political, legal and regulatory and economic / financial risks may need to be accepted with a contingency plan in place e.g. civil disorder, exchange rate fluctuation.</p>
Opportunity response	Opportunity Types (not exhaustive list)
<p>Share – An opportunity is shared with a partner or supplier to maximise the benefits</p>	<p>Shared resource/technology/infrastructure, Improved designs</p>
<p>Exploit – A project could be adjusted to take advantage of a change in technology or a new market</p>	<p>Economic/financial/market e.g. new and emerging markets, positive changes in exchange rates or interest rates</p>
<p>Enhance – Action is taken to increase the likelihood of the opportunity occurring or the positive impact it could have</p>	<p>Strategic/commercial opportunities such as new partnerships, new capital investment, new promoters</p>
<p>Reject – Here no action is taken and the chance to gain from the opportunity is rejected</p>	<p>*Contingency plans may be put in place should the opportunity occur.</p> <p>Political or environmental e.g. new transport links, change of government bringing positive changes in policy/opportunities for lobbying etc.</p>
<p>*Note: Contingency plans should identify the actions that will be taken if a risk occurs. Contingent actions will often have associated costs and a budget should be set aside in the business case to cover this.</p>	

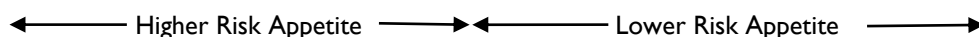
Risk Appetite

Risk appetite is the amount of risk, on a broad level, that Plymouth City Council is willing to accept in pursuit of value. It is strategic and reflects the organisations risk management philosophy, and in turn influences the organisation’s culture and operating style. Risk appetite guides resource allocation and provides the infrastructure necessary to effectively respond to and monitor risks. Our aim is to consider all options to respond to risk appropriately and make informed decisions that are most likely to result in successful delivery of benefits whilst also providing an acceptable level of value for money.

The risk appetite table below helps to align risk exposure with management and escalation activities. An event or risk is assessed and assigned a risk score by multiplying the impact and likelihood scores. Ranges of risk scores are then associated with different levels of management attention. The acceptance of risk is subject to ensuring that all potential benefits and risks are fully understood and that appropriate measures to mitigate risk are established before decisions are made. We recognise that the appetite for risk will vary according to the activity undertaken and hence different appetites and tolerances to risk apply. Specifically, our approach is to minimise exposure to compliance, regulation, safeguarding and reputation risk, whilst accepting and encouraging an increased degree of risk in other areas in pursuit of our strategic and business objectives as illustrated in the following table:

Residual Risk Score		6-10	12-15	16	20	25
Risk Category	Compliance, Regulation & Safeguarding (including Health, Safety & Wellbeing)	Accept but monitor	Management effort worthwhile	Management effort required	Extensive management essential	Extensive management essential
	Financial	Accept but monitor	Management effort worthwhile	Management effort required	Extensive management required	Extensive management essential
	Reputation	Accept but monitor	Manage effort worthwhile	Management effort required	Extensive management required	Extensive management essential
	Operational/Service Delivery	Accept but monitor	Manage & monitor	Management effort worthwhile	Considerable management required	Extensive management essential
	Strategic Change	Accept but monitor	Manage & monitor	Management effort worthwhile	Considerable management required	Extensive management essential
	Development & Regeneration	Accept but monitor	Manage & monitor	Management effort worthwhile	Considerable management required	Extensive management essential
	People & Culture	Accept but monitor	Manage & monitor	Management effort worthwhile	Considerable management required	Extensive management essential

	Lower Risk			Higher Risk		
Risk Appetite Scale	Accept but monitor	Manage & monitor	Management effort worthwhile	Management effort required	Considerable management required	Extensive management essential



Appetite Level	Escalation / Action Required
Extensive management essential	<p>Escalate to Strategic Risk Register and brief Portfolio Holder.</p> <p>Monthly review at Senior Leadership Team level.</p> <p>Quarterly review at Corporate Management Team.</p> <p>Risk owner to review monthly.</p> <p>Consider use of performance indicators to monitor performance of action plans and key risk controls.</p>
Considerable management required	<p>Consider escalation to Strategic Risk Register and brief Portfolio Holder.</p> <p>Monthly review at Department Management Team level.</p> <p>Quarterly review at Corporate Management Team.</p> <p>Risk owner to review monthly.</p> <p>Consider use of performance indicators to monitor performance of action plans and key risk controls.</p>
Management effort required	<p>Add to Operational Risk Register and review at least quarterly at Department Management Team level (consider escalation to Strategic Risk Register if risk cannot be mitigated at department level and ensure Portfolio Holder is briefed).</p> <p>Six month review by Corporate Management Team.</p> <p>Risk owner to review monthly.</p> <p>Consider use of performance indicators to monitor performance of action plans and key risk controls.</p>
Management effort worthwhile	<p>Add to Operational Risk Register and review quarterly at Department Management Team level.</p> <p>Risk owner to review at least quarterly.</p> <p>Consider use of performance indicators to monitor performance of action plans and key risk controls.</p>
Manage and monitor	<p>Add to Operational Risk Register.</p> <p>Risk owner to review at least quarterly.</p>
Accept but monitor	<p>Risk owner to review every six months.</p>

Risk Classifications

Compliance, Regulation and Safeguarding (no appetite for risk) - The Council recognises the need to place high importance on compliance, health, safety and wellbeing, regulation, and public protection and has no appetite for breaches in statute, regulation, professional standards, ethics, bribery or fraud. It is not acceptable for any hazard, risk or safety incident to be ignored by any member of our workforce and the Council will ensure that systems and processes exist to identify and mitigate risk as well as for reporting, investigating and learning from incidents when they do occur. All health, safety and wellbeing risks should be managed as per absolute duties cited in relevant regulations or to as low as reasonably practicable irrespective of risk score.

Operational/Service Delivery (higher appetite for risk) - The Council and accepts a moderate to high level of risk arising from the nature of the Council's business operations and service delivery

to deliver an appropriate level of service at value for money, whilst minimising any negative reputational impact.

Financial (lower appetite for risk) - The Council acknowledges the responsibility it has for administration of public funds, and wishes to emphasise to both the public and its employees the importance it places upon probity, financial control and honest administration. Financial Regulations provide the framework for managing the Council's financial affairs and should be adhered to at all times. All schemes must be fully financed and approved by the Capital Delivery Board. Finance Business Partners are an integral part of Department Management Teams and should be consulted when planning any new project.

Reputation (lower appetite for risk) - It is regarded as essential that the Council preserves a high reputation and hence it has set a low appetite for risk in the conduct of any of its activities that puts its reputation in jeopardy through any adverse publicity.

Strategic Change (higher appetite for risk) - The environment the Council works in is continually changing through both its internal operations and the services it provides. Change projects provide the Council with an opportunity to move forward and develop and establish benefits for the longer term. The Council recognises that this may require increased levels of risk and is comfortable accepting the risk subject to always ensuring that risks are appropriately managed.

Development and Regeneration (higher appetite for risk) - The Council has a continuing obligation to invest in the development and regeneration of the city. To continue to be progressive and innovative in the work performed the Council is willing to accept a higher risk appetite whilst ensuring that benefits are assessed and risks are fully scrutinised and appropriately mitigated before developments are authorised.

People and Culture (higher appetite for risk) - The Council recognises that staff are critical to achieving its objectives and therefore the support and development of staff is key to making the Council an inspiring and safe place to work. It has moderate to high appetite for decisions that involve staffing or culture to support transformational change and ensure the Council is continually improving.

The Council's Risk Appetite Statement will be continually monitored to ensure it supports the organisation's risk and opportunity management strategy. Risk appetite is an important tool for effective risk monitoring and provides the following benefits:-

- Forms an integral part of corporate governance
- Guides the allocation of resources
- Guides an organisations infrastructure, supporting its activities related to identifying, assessing, responding to and monitoring risks in pursuit of organisational objectives
- Is multi-dimensional, including when applied to the pursuit of value in the short term and the longer term of the strategic planning cycle
- Requires effective monitoring of the risk itself

Step 7 – Review and report

The reason for monitoring key risks is to create an early warning system for any movement in risk – key risks are defined as those which score 12 or above in accordance with the Council's risk appetite. High level red risks may be referred to the Scrutiny Board subject to Audit and Governance Committee recommendation. Risks scoring below 12 are considered to be managed effectively and therefore within the Council's "risk tolerance". Any risk scored below six can be removed from the risk register and archived.

Risk Registers are living documents and therefore must be regularly reviewed and amended. The Risk and Opportunity Management Strategy requires risks recorded on the Strategic Risk and Opportunity Register and service level Operational Risk and Opportunity Registers to be formally

monitored every six months by departmental risk champions in consultation with senior managers and lead officers.

Monitoring reports are presented for approval to the Corporate Risk Management Group prior to final ratification by the Audit and Governance Committee. Operational red risks may be referred to the Overview and Scrutiny Management Board.

The questions asked during monitoring are:-

- Is the risk still relevant?
- Is there any movement in the risk score?
- Are the controls still in place and operating effectively?
- Has anything occurred which might change its impact and/or likelihood?
- Have potential opportunities been considered and maximised?
- Have any significant control failures or weaknesses occurred since the last monitoring exercise?
- If so, does this indicate whether the risk is increasing or decreasing?
- If the risk is increasing do I need to devise more controls or think of other ways of mitigating the risk?
- If the risk is decreasing can I relax some existing controls?
- Are controls/actions built into appropriate documented action plans?
- Are there any new or emerging risks?
- Have any of the existing risks ceased to be an issue (and can therefore be archived?)

7. Evaluating Key Controls

A framework exists to performance measure effectiveness of key controls aligned to the Council's risk appetite. Risks where we have a lower appetite for risk taking are treated with a higher level of management activity and oversight.

Examples of key controls

Preventative key controls	Detective key controls	Corrective key controls
Policies and procedures	Review of performance	Business continuity plans
Authorisation and approval	Reconciliations	Insurance
Verifications	Audit and investigations	Disaster recovery plans
Staff training	Data analysis	Variance reports
	Monitoring	Case reviews

Managers should contact the Performance and Risk Team for further advice on setting up key control performance measures for risks categorised under compliance, regulation, safeguarding, financial and reputation.

8. Fraud Risk Controls

Fraud is a major drain on the Public Purse and it is therefore imperative that all staff prevent fraudulent activity and understand the threats and risks. The Anti-Fraud, Bribery and Corruption

Strategy and [Policy](#) will assist the Council in becoming more resilient to fraud risks. The aim is to minimise fraudulent activity with a zero tolerance approach to those who commit criminal acts of fraud against Plymouth City Council whether the threat is from outside or internally within the Council.

Operational managers and supervisors are responsible for:-

- Ensuring that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively;
- Preventing and detecting fraud;
- Assessing the types of risk involved in the operations for which they are responsible;
- Reviewing and testing the control systems for which they are responsible regularly;
- Ensuring that controls are being complied with and their systems continue to operate effectively;
- Implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place.

9. Health, Safety and Wellbeing Performance Standards and Risk Assessments

The Council's health and safety policies, performance standards and [guidance](#) notes should be regarded as the health and safety standard each department, service unit and team is expected to achieve and against which health and safety performance will be monitored and audited.

The purpose of the performance standard is to:

- Support the implementation of a health and safety risk management system and assist the Council in meeting its legal obligations in providing a safe working environment where risks are effectively controlled to their lowest tolerable level.
- Identify managers and risk assessors' responsibilities and encourage employees to recognise and inform their managers of hazards and risks associated with their work activities, report defects in processes and equipment and to assist in developing a positive health and safety culture.

It is the manager's responsibility to develop and maintain action plans relating to risk assessments and record them in a Health, Safety and Wellbeing Risk Assessment Register (HSWRAR). The action plan also assists in prioritising, planning and monitoring the effectiveness of the actions and controls that have been identified to reduce the risk of a particular hazard.

Risk assessments follow Health and Safety Executive (HSE) guidance and scoring methodology.

Any significant hazard requires risk control measures and/or a risk treatment plan to be put into place in order to minimise risk to an acceptable level either by reducing the likelihood of an adverse event or the severity of its consequence, or both.

Generally actions relating to risk assessments can be managed locally at team level, however, it may be necessary to escalate a health, safety and wellbeing risk to the departments Operational Risk Register in order to achieve a higher degree of management oversight. Examples of escalation criteria are:-

- Treatment of the risk requires decisions/actions, e.g. expenditures that are beyond what the budget holder is authorised to decide;
- risk controls cannot be implemented within appropriate timescales (as identified in consultation with a HSW Advisor);
- the risk is widespread beyond local area span of control;
- the risk is assessed to be significant - one in which staff, members of the public or facilities may be subject to legal, media or other interest and where, if not managed effectively, the risk could result in loss of life or significant loss of the council's assets or reputation;
- addressing the risk requires corporate changes to policy;
- Grievances from stakeholders have been received to which the risk owner cannot impartially and/or effectively respond.

A HSW risk escalation procedure within The Council’s HSW Policy ensures that risks threatening the health, safety and wellbeing of employees and other people using Council premises and services are escalated in real time. Risks should be managed at the most local level, however there are some circumstances that should be notified to relevant members of the Corporate Management Team and to the Chief Executive as the accountable person for HSW as quickly as possible. [Click here](#) for access to the Council’s Risk Escalation Procedure

10. Embedding Risk and Opportunity Management

The Risk and Opportunity Management Strategy is reviewed annually to ensure it remains up to date and presented to the Audit and Governance Committee. The Cabinet Member for Finance and the Assistant Chief Executive jointly champion the process.

Each directorate has an officer appointed as Risk Champion who is trained to advise staff on best practice to ensure that the risk and opportunity management process is embedded in the Council’s business processes, including:-

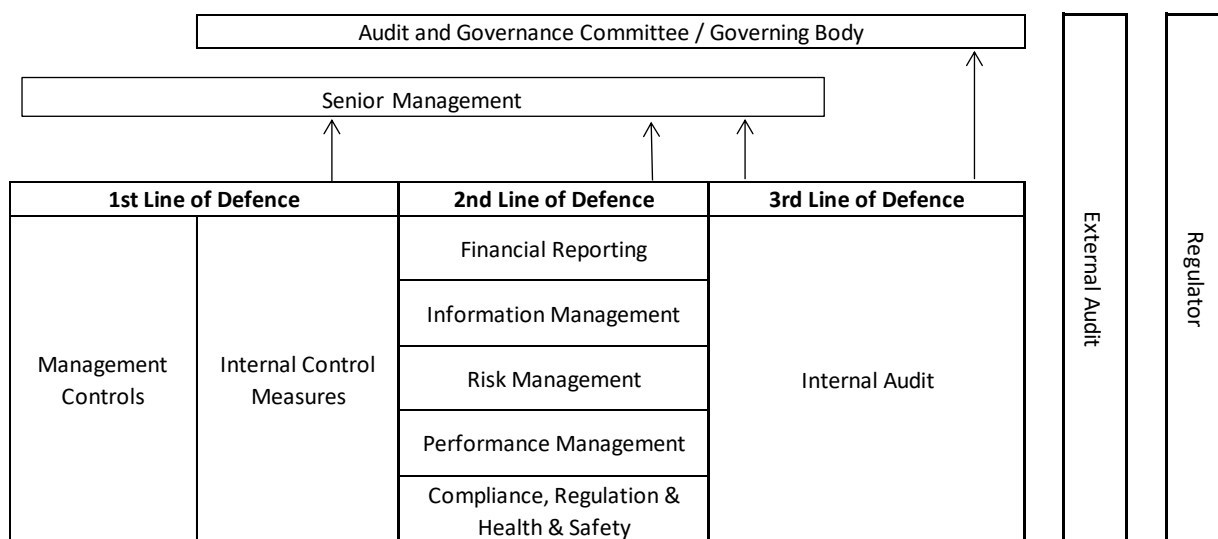
- strategic and business planning
- information quality and use
- financial planning
- policy making and review
- project management

11. Guidance and Assistance

The Chief Executive Office, through the Oversight and Governance Manager and Corporate Risk Advisor, will promote and monitor good practice, provide guidance, support, advice and information and organise training. There is also a Risk Management eLearning module available on the Staff Room Page of the intranet within the Learning Zone.

12. Corporate Governance and Integrated Assurance

Integrated Assurance has resulted in risk management being formally aligned and working alongside other compliance functions to promote a joined-up approach to all aspects of corporate governance. The Three Lines of Defence Model is used as the primary means to demonstrate and structure roles, responsibilities and accountabilities for decision making, risk and control to achieve effective governance and integrated assurance. The diagram below shows the relationship between these functions:-



First Line of Defence – Management Controls and Internal Control Measures

Line managers are responsible for ensuring that a risk and control environment is established as part of day to day operations. Line management should be adequately skilled to create risk definitions and make risk assessments. The risk profile needs to be proactively reviewed, updated and modified for changes to the business environment and emerging risk changes. Active risk management and periodic reporting on risk is crucial to quick identification and response.

The first line of defence provides management assurance by identifying risks and business improvement actions, implementing controls and reporting on progress.

Second Line of Defence – Oversight Functions

The second line of defence consists of activities covered by several components of internal governance. This line of defence monitors and facilitates the implementation of effective risk management practices by operational management and assists the risk owners in reporting adequate risk related information across the organisation. These are usually management functions that may have some degree of objectivity, but are not entirely independent from the first line.

Third Line of Defence – Internal Audit

Internal audit forms the third line of defence. An independent internal audit function will, through a risk-based approach to its work, provide assurance to the organisation's senior management. This assurance will cover how effectively the organisation assesses and manages its risks and will include assurance on the effectiveness of the first and second lines of defence. It encompasses all elements of the council's risk management framework (from risk identification, risk assessment and response, to communication of risk related information) and all categories of organisational objectives.

Financial Reporting

Financial Regulations provide the framework for managing the Council's financial affairs. They apply to every member, committee, school governing body, department, officer, partner, employee of the Council, and anyone acting on behalf of the Council. The Responsible Finance Officer (Section 151 Officer) carries out the statutory duties in relation to the financial administration and stewardship of the Council. Departmental finance managers are required to bring the Responsible Finance Officer's attention to any section 151 issue they are unable to resolve.

Information Management

Like its people, information is a key Council asset. Information management is how our information is collected, used, evaluated, protected and distributed. Information must be obtained, handled, retained and disposed of in line with organisation guidelines.

Information practices must help to improve the efficiency of the services offered by the Council.

Performance Management

Managing employee or system performance and aligning their objectives facilitates the effective delivery of strategic and operational goals and maintains transparency. Effective performance management by using performance indicators to monitor performance of action plans and risk mitigation can also provide an early warning indicator so that issues can be resolved before they become a risk to the achievement of objectives.

Compliance, Regulation and Health and Safety

Adequate compliance monitoring is required in order to ensure we are working within applicable laws and regulations in areas such as health and safety, supply chain, business continuity, civil protection, statutory complaints, environmental, anti-fraud, legal, safeguarding, HR and equalities.

External Auditors and Regulators

External auditors and regulators reside outside of the Council structure but have an important role in the overall governance and control structure by providing an independent and objective function to assess the whole, or some part of the first, second or third line of defence.

Audit and Governance Committee

All three lines of defence have specific tasks in the internal control governance framework. It is the Audit and Governance Committee's role to maintain oversight and to monitor the effectiveness of internal controls and risk management processes, as well as internal audit activities.

13. Roles and Responsibilities

Cabinet Member for Finance

- Approve the Council's Risk and Opportunity Management Strategy
- Receive and approve monitoring reports on the Strategic Risk and Opportunity Register and an annual Risk and Opportunity Management report

Corporate Risk Management Group/CMT

- Ensure the Council implements and manages risk effectively through the delivery of the Risk and Opportunity Management Strategy and consider risks affecting delivery of services
- Appoint a Senior Information Risk Officer (currently the Strategic Director of Customer and Corporate Services). This role also includes being the Senior Responsible Officer for overseeing the impact on the Council from the use of covert surveillance
- Ensure risk and opportunity management is considered by the Corporate Management Team Agenda on a quarterly basis
- Provide assurance to Members and the Audit and Governance Committee regarding risk and opportunity management compliance
- Be responsible for and monitor the Strategic Risk and Opportunity Register
- Receive and approve risk and opportunity management status reports from the Operational Risk Management Group
- Approve and monitor the progress and effectiveness of the Risk and Opportunity Management Strategy and Operational Risk Management Group
- Support the embedding of risk and opportunity management within the culture of the Council as an integral part of strategic/business planning, decision-making and performance management framework
- Approve risk and opportunity management monitoring reports to Members and the Audit and Governance Committee.

Lead Member and Officer for Risk and Opportunity Management

- The Cabinet Member for Finance and the Assistant Chief Executive act as Member and Officer risk champions respectively
- Ensure that the Council manages risk effectively through the development of a robust and comprehensive Risk and Opportunity Management Strategy.

Oversight and Governance Manager / Corporate Risk Advisor

- Support the Council and its departments in the effective development, implementation and review of the Risk and Opportunity Management Strategy

- Share experiences across the Council and partners, promoting, facilitating and overseeing the arrangements for managing and monitoring of risk
- Provide training and guidance in risk and opportunity management
- Support the Corporate Risk Management Group
- Lead and direct the work of the Operational Risk Management Group.

Operational Risk Management Group

- Monitor, review and communicate information on operational and strategic risks within their directorate
- Ensure risk and opportunity management is embedded within departmental business plans.
- Review cross cutting operational issues
- Report to the Corporate Risk Management Group every six months
- Meet at least four times per year

Audit and Governance Committee

- Provide independent assurance to the Council on the effectiveness of the Council's risk and opportunity management, internal control and overall assurance framework.

Directors

- Take responsibility for the promotion of the Risk and Opportunity Management Strategy within their areas
- Ensure that operational risk and opportunity registers are managed, monitored, responded to and communicated effectively in their areas
- Ensure that risk and opportunity management is a key consideration in the delivery of the Council's priorities.

Managers

- Identify, evaluate, prioritise and control risks and opportunities facing the Council in achieving its objectives
- Support, assist and inform their Directorate Risk Champion on risk issues
- Include staff without direct responsibility for owning and managing risk in risk discussions to ensure teams identify potential risks associated with service delivery.

Risk Champions

- Attend Operational Risk Management Group meetings
- Promote, maintain and monitor risk and opportunity registers in line with risk and opportunity management/business planning guidance
- Support and provide guidance on the risk and opportunity management process in their department
- Promote and advise on the risk and opportunity management strategy
- Integrate and raise awareness of risk and opportunity management within their directorate.

Employees

- Assess and manage risks effectively in their job and report hazards/risks to their service managers
- Undertake their job within contractual, policy and statutory guidelines

- Consult with department Risk Champion as necessary.

Devon Audit Partnership

- Provide a risk based Audit Plan to monitor the effectiveness of internal controls and provide a trigger and action plan for management intervention
- Audit the Risk and Opportunity Management Strategy and processes
- Deliver professional counter fraud advice, guidance and investigatory work via its dedicated Counter Fraud Team.

Insurance

- Ensure appropriate risk-financing arrangements are in place to mitigate against identified insurable risks
- Work with the Corporate Risk Advisor to identify and control insurable risks effectively and economically.

Health, Safety and Wellbeing (HSW)

- Provide independent health and safety advice to the Operational Risk Management Group
- Ensure that risks threatening the health, safety and wellbeing of employees and other people using Council premises and services are escalated in real time via the HSW Steering Group
- Support the Council in managing and monitoring health and safety performance.

Civil Protection Team

- Assess, manage and monitor risks associated with civil emergencies
- Co-ordinate and advise on the production, maintenance and testing of a Business Continuity Management Plan for the council.

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