

Audit and Governance Committee



Date of meeting:	23 March 2020
Title of Report:	Strategic Risk and Opportunity Register
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:	GP/JH
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

This report provides a summary of the latest formal monitoring exercise completed for the Strategic Risk and Opportunity Register for the period September 2019 to February 2020.

Appendix B to the report provides the revised Strategic Risk and Opportunity Register showing the current status of each risk and the movement in risk score compared with the previous monitoring period.

Overall, as a result of the review, the total number of risks reported on the Register has increased from 15 to 16.

Recommendations and Reasons

The Audit and Governance Committee is recommended to:

Approve the current position with regard to the Strategic Risk and Opportunity Register. Reason: As part of the Committee's responsibility for monitoring the implementation and ongoing processes for identifying and managing key risks of the authority.

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

The Strategic Risk and Opportunity Register includes links to the Corporate Plan priorities – monitoring of control action for strategic risks therefore contributes to the delivery of the council's core objectives.

Implications for the Medium Term Financial Plan and Resource Implications:

None arising specifically from this report but control measures identified in Directorate Operational Risk and Opportunity Registers could have financial or resource implications.

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.

None arising specifically from this report but community safety, health and safety issues and risks are taken into account in the preparation of risk and opportunity registers.

Appendices

*Add rows as required to box below

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Strategic Risk Monitoring Briefing							
B	Plymouth City Council's Strategic Risk and Opportunity Register							

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) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7

Sign off:

Fin	pl.19. 20.27 6	Leg	ALT/ 3050 8/11	Mon Off	Click here to enter text.	HR	Click here to enter text.	Assets	Click here to enter text.	Strat Proc	Click here to enter text.
Originating Senior Leadership Team member: Assistant Chief Executive											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 05/02/2020											

Cabinet Member approval: *[electronic signature (or typed name and statement of 'approved by email/verbally')]* Approved via email

Date approved: 10/03/2020

Appendix A – Strategic Risk Monitoring Briefing

1.0 Introduction

1.1 The position with regard to the Strategic Risk and Opportunity Risk Register was last reported to this Committee on [23 September 2019](#). This report provides a summary of the latest monitoring exercise covering the position as at 29 February 2020.

2.0 Strategic Risk and Opportunity Register – Monitoring Summary

2.1 In accordance with the strategy requirement for twice-yearly monitoring, the latest review and monitoring exercise was completed in February 2020 with the results discussed, and further actions agreed, by Corporate Management Team on 25 February 2020.

2.2 Attached to this report at Appendix B is the revised Strategic Risk and Opportunity Register showing the current status of each risk and any movement in risk score compared with previous monitoring periods, together with explanatory commentary on the key issues for each risk.

3.0 Headline Issues

3.1 Red Risks

Red Risk SF2 – Delivering Council services within the envelope of the resources provided in 2019/20-2021/22 Medium Term Financial Plan (MTFP). Risk to services of not delivering within reduced budgets and to delivery of the Plymouth Plan from reduced revenue and funding of the Capital Programme - (Row No. 1)

Grant funding announcements from Central Government have been delayed due to a number of national political events, which makes medium term financial planning extremely difficult. As a result of this uncertainty the MTFP will be presented to Members in the autumn of 2020.

Workforce Modernisation Programme underway looking at initiatives to modernise the way services work in order to operate in a modern and efficient way to meet customer's expectations. This will include examining current budget and actual spend; contracts; income opportunities and any synergies and efficiencies across the whole council to generate savings.

Red Risk SF3 - Being unable to deliver Council services within the envelope of the resources provided in 2019/20 – (Row No. 2)

The inherent assumption within budget planning is that spending departments will absorb the increased cost of service demand and inflation through proactive management action and efficiencies through "business as usual" operations. To minimise the impact upon the overall cost base for the Council, additional costs accepted within budget plans are only those that are exceptional in nature and not avoidable. Additional management solutions and escalated action to deliver further savings from service initiatives will be brought to the table in order to address the in-year forecasted overspend of £2m.

Red Risk SCYPF2 – Projected in-year increase in costs and demand in Children’s Social Care caused by the complexity of need and level of provision and support needed. This includes specialist residential provision – (Row No. 3)

The service has seen additional staffing support required for complex young people arrangements of care and temporary accommodation plans. All placements continue to be regularly monitored and reviewed. Residential block contract "Caring in Partnership" is being maximised to keep children local and to avoid higher out of area associated costs. Central government have recognised the pressure that the sector is under and have provided an additional grant of £5m, however, this will not be available until 2020/21.

Red Risk SEPSI – Continued issues across the secondary education system that impact on the level of pupil attainment – (Row No. 4)

The Policy for Intervention, Challenge and Support for Schools describes how the Council makes the decision to intervene to support a school and what this intervention will look like. Work surrounding raising standards, leadership and peer mentoring programme is ongoing.

3.2 New Risk

Amber Risk SCEO5 - Ensuring departments are adequately prepared and resilient to deliver essential council services in light of the global outbreak of COVID-19 (Coronavirus) – (Row No. 6)

The Council’s response to Covid-19 is being led by the Corporate Management Team and the Director of Public Health. There are well established plans in place to respond to a pandemic in the city, alongside key partners. The Council’s public health team is in daily contact with Public Health England and NHS colleagues and other key partners. Covid-19 leads have been identified for each department and key service areas, who will help ensure issues for each area are identified and managed. Business continuity plans for each service area are also being looked at to ensure we will be able maintain services in the event that there is a significant impact in Plymouth.

3.3 Risk Score Reduced

Amber Risk SCEO3 - Failing to, or inability to understand impacts of the UK leaving the EU in light of uncertainty during transition period adversely affects the Council's ability and capacity to manage changes and deliver its objectives. (Reduced from 16 to 12) – (Row No. 9)

It is now clear the UK will leave the Single Market and Customs Union on the 31 December 2020. The UK and EU have agreed to work towards a future economic and security partnership deal, including an ambitious free trade deal. The Council will keep its ‘no deal’ plans under review to ensure readiness is maintained during the transition period.

4.0 Summary and Conclusion

- 4.1** The Council’s success in dealing with the risks that it faces can have a major impact on achievement of key priorities, objectives and ultimately therefore, the level of service to the community.
- 4.2** Risk management is formally aligned and working alongside other compliance functions which helps to promote a joined-up approach to all aspects of governance.

- 4.3** This aligned approach acts as an effective early warning system for the recording, monitoring and management of risks that threaten the delivery of the Council's strategic objectives and plans.

- 4.4** The next formal review of the Strategic Risk and Opportunity Register will take place in August 2020.