

Audit and Governance Committee



Date of meeting:	21 September 2020
Title of Report:	Operational Risk & Opportunity Management Update Report
Lead Member:	Councillor Mark Lowry (Cabinet Member for Finance)
Lead Strategic Director:	Giles Perritt (Assistant Chief Executive)
Author:	Robert Sowden
Contact Email:	robsowden@plymouth.gov.uk
Your Reference:	AL/RS
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

To support the delivery of the City's vision and to enable the provision of high quality services to the citizens and communities of Plymouth it is imperative that effective risk management arrangements are in place. A fundamental element of Corporate Governance, a risk managed approach to decision making will enable the council to achieve its objectives and deliver services more efficiently and cost effectively.

The management of risk principles and processes equally apply at operational level, supporting improved performance, integration with corporate planning, projects, change programmes and partnerships.

This report now outlines the continuing progress being made across Services in delivering Operational Risk and Opportunity Registers in line with the Council's shared vision and priorities.

The total number of operational risks now reported has increased from 112 to 114, comprising of three high (red) risks, 65 medium (amber) risks and 46 low (green) risks.

Recommendations and Reasons

The Audit and Governance Committee is recommended to: Note and endorse the current position with regard to operational risk and opportunity management

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

Operational Risk and Opportunity Registers are aligned to Corporate Plan Performance Framework Outcomes. This ensures that appropriate links are identified with individual risks where control action contributes to delivery of a key corporate objective.

Implications for the Medium Term Financial Plan and Resource Implications:

None arising specifically from this report but control measures identified in 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 and 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	Operational Risk Monitoring Briefing							

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
Operational risk registers							

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Sign off:

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Originating Senior Leadership Team member: Giles Perritt											
Please confirm the Strategic Director(s) has agreed the report? Yes Date agreed: 25/08/2020											
Cabinet Member approval: <i>[electronic signature (or typed name and statement of 'approved by email/verbally')]</i> approved by Councillor Lowry Date approved: 20/07/2020											

Appendix A – Operational Risk Monitoring Briefing**1.0 Introduction**

- 1.1 The position with regard to Operational Risk Register monitoring was last reported to this Committee on [9 December 2019](#) and this report now provides a summary of the latest monitoring exercise covering the position as at 31 August 2020.

2.0 Background

- 2.1 Plymouth City Council's Risk and Opportunity Management [Strategy](#) is reviewed each year and updated to ensure it remains fit for purpose. The latest version was endorsed by this Committee on 23 September 2019.
- 2.2 To comply with the Risk and Opportunity Management Strategy each Directorate must implement a robust process of managing risks to corporate, service, project and partnership objectives for which they have responsibility. To support the promotion and co-ordination of risk management each Directorate/Service has a dedicated Risk Champion.

3.0 Operational Risk and Opportunity Registers and Analysis of Risks Identified

- 3.1 The impacts of the Covid-19 pandemic have been felt across all sectors and communities. The initial emergency response phase in Plymouth and the UK has focussed since early March 2020 on taking action to deal with the immediate impacts of the pandemic on our communities, infrastructure and economy.
- 3.2 The Covid-19 situation is dynamic and subject to change in government advice and policy on a

weekly, if not daily basis. It has been necessary for staff to be redeployed to deal with the emergency response and this has had an obvious impact on business as usual activity.

- 3.3** In order for the Council to fulfil its legal obligations regarding the safety of its citizens and service recipients, revision of some business plans will be necessary to mitigate further risks. Services were asked to review their operational risks identifying areas that have been impacted by Covid-19.

4.0 Red Risks

- 4.1** Detail on the red risks reported is shown below:-

<p>Finance:</p> <p>The Council's expenditure exceeds the resources available to meet that expenditure within the medium term financial plan period (2020-2022)</p>	<p>The main pressures are within Children's Services due to unprecedented demands within the Service. Other pressures include non-delivery of legacy savings within Customer Services and pressures within Street Services. The impact of Covid-19 is being assessed. Due to the lockdown the council has had to incur significant new costs e.g. the procurement of a temporary mortuary, and has lost significant sums of income e.g. car parking. The full impact is being continually assessed and reported.</p>
<p>Comments/Mitigation: Quarter one monitoring report will focus on Covid-19 related costs. Emergency budget planned for September Council approval. The full impact is being continually assessed and reported.</p>	
<p>Children, Young People and Families:</p> <p>Failure to meet statutory duties due to growing volume and complexity of demand for children's social care services</p>	<p>Plymouth's position for Children's Services is similar to other parts of the country. There has been a significant increase in the cost of specialist residential placements and high cost care packages.</p> <p>'Hidden harm' consequences of Covid-19 infection control measures and safe systems of work limitations add to existing pressures on service. Financial savings targets will be harder to balance with increased service pressure.</p>
<p>Comments/Mitigation: The Service through business as usual have continued to hold expenditure wherever possible through the quarterly budget review exercise, holding vacant positions and grant maximization. The Service continue to keep the pressure on going into the new financial year by continuing with the following actions to address the pressure in the system.</p> <ul style="list-style-type: none"> ▪ Looked after Children – only one point of contact for all new entrants. ▪ Fortnightly placement review to ensure step down of high cost placements. ▪ Maximize contribution from partners including Health and Education. ▪ Maximize local residential placements to avoid higher out of area costs. <p>Ongoing work continues, all placements are reviewed regularly in order to reduce the pressure on cost and volume where appropriate.</p>	

<p>Transformation (Information Governance):</p> <p>Volume of Subject Access Requests (SAR) / Data Protection Act (DPA) / Freedom of Information (FOI) requests exceeds the capacity of the Customer Relations Team leads to a breach of DPA / FOI legislation</p>	<p>Information Governance Team requests have now increased by 53%.</p> <p>Overall Social care SARs have fallen by 75% for the year, however they dropped off considerably during lockdown, and are now increasing exponentially, with a 20% increase last month.</p> <p>Court orders are now at 214% increase.</p>
<p>Comments/Mitigation: Workload monitored by Information Governance Manager. Manager drawing up a business plan to meet excessive volume.</p>	

5.0 Risk and Opportunity Register Information

- 5.1** Operational Risk and Opportunity Registers record mitigation actions and controls for all risks identified together with a named risk owner in each case.
- 5.2** In line with the Council's risk appetite statement, operational risks scored 16 and above that are classed in the low risk appetite categories of 'Finance', 'Reputation' and 'Compliance, Regulation and Safeguarding' were presented to the Corporate Management Team on 25 August 2020. This approach ensures a high level of management oversight is focussed in the areas which could potentially be more damaging should the risk materialise.

6.0 Conclusion

- 6.1** Given the financial challenges facing the Council in the next financial year due to Covid-19, risk identification and monitoring will be more important than ever as the Council moves from recovery to the renewal phase, to help inform future decision making to support our communities.
- 6.2** The vision, values and priorities set out in the Corporate Plan 2018-22 are at the core of the recovery and renewal framework and will continue to form the basis of renewal and recovery planning.
- 6.3** The corporate risk management process to enable service level Operational Risk and Opportunity Registers to be linked to the Corporate Plan is embedded across the Council.
- 6.4** The next operational risk report will be presented to Audit and Governance Committee in March 2021.