

Audit and Governance Committee



Date of meeting:	26 July 2021
Title of Report:	Strategic Risk and Opportunity Register
Lead Member:	Councillor Nick Kelly
Lead Strategic Director:	Giles Perritt (Assistant Chief Executive)
Author:	Rob Sowden
Contact Email:	robert.sowden@plymouth.gov.uk
Your Reference:	GP/RS
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 February 2021 to June 2021.

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 17 with the inclusion of a new risk on the Council's response to the climate emergency and on the financial impact of Government's draft Environmental Bill on waste services.

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:

Risk I6 directly relates to the achievement of the City's Carbon Reduction targets.

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:

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Originating Senior Leadership Team member: Assistant Chief Executive

Please confirm the Strategic Director(s) has agreed the report? Yes

Date agreed: 16/07/2021

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

Date approved: 09/07/2021

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 considered by Corporate Management Team on 13 July 2021. An update was most recently presented to the Audit and Governance Committee in October 2020.

2.0 Strategic Risk and Opportunity Register – Monitoring Summary

- 2.1 Risk Champions have reviewed the strategic risks to identify those that could impact the work directed towards the recovery and reinstatement of council services, including ensuring safe systems of work for staff and customers and the recovery of the economy. Risk owners have been asked to update current mitigation and action plans with the results presented today.
- 2.2 Attached to this report at Appendix B is the updated Strategic Risk and Opportunity Register. The Appendix offers additional information including detail on Key Controls and Sources of Assurance and how progress against mitigation will be measured.

3.0 Headline Issues

- 3.1 Two strategic risks have a risk rating of Red, these relate to Finance and Education attainment. Two further risks relating to the demands on Children's Social Care and the economic impact of COVID-19 have been reduced to an amber rating.




Two new risks have been added to the register, these are;

Risk number 16 - Failure to meet Carbon Reduction target to reach net zero by 2030, this risk has been rated amber. Mitigation includes actions within the Climate Emergency Action Plan and the City Carbon Reduction Plan.

Risk number 17 - Risk of financial impact of delivering proposed changes to Waste Services as set out in the Government's Draft Environment Bill.

Risk number 15 relating to Adult Social Care provider or market failure has a new score of 16, up from 12, this because the implications of the risk being changed from 'moderate risk' to a 'major risk' for the Council. The risk does however retain the amber rating. Increasing demands on services for care and hospital pressures was the main consideration when re-scoring the risk.

4.0 Risk update table

No.	Description	Mitigation	Risk Score	Current risk rating	Risk Owner
1	The Council's expenditure exceeds the resources available to meet that expenditure within the medium term financial plan period (2020-2022)	Investment in income earning assets. Ambitious capital programme and strategic investments from income earning assets. Cross department strategy on grant maximisation and savings delivery. Regular review of Medium Term Financial Plan and resource position.	20	Red  Red since Feb 2020	Brendan Arnold
2	Failure to meet statutory duties due to growing volume and complexity of demand for children's social care services	Additional social work capacity agreed to support effectively delivery of casework. Fostering Project Delivery Plan in place High cost placement review supported by named Service Manager Adolescent Support Team reunification and edge of care service supporting over 60 young people at anyone time. Ongoing rigour in decision making to manage demand via Placement Panel which takes place weekly and overseen by a dedicated service manager with responsibility for reducing costs of individual placements and ensuring timely step down. Ensuring action plan milestones are reached via monthly monitoring at Programme Board/Finance Directorate Management Team meetings. All delivery plans have been reviewed and progress is being achieved to mitigate delays caused by COVID-19 response.	15	Amber 	Alison Botham
3	Insufficient pupil attainment to achieve economic / quality of life outcomes across secondary cohort	Plymouth Education Board (PEB) (and sub groups) is being reviewed to strengthen education partnership. Strengthen School Causing Concern procedure - New data tracking process has been put in place with regular meetings for officers to discuss identified schools. A clear criteria has been developed and is being shared with schools.	20	Red  Red since July 2020	Alison Botham


		<p>School improvement work will create a partnership of distinct interventions to drive improvement and raise achievement.</p> <p>Cause for concern meetings. Inclusion Strategy Board as an added strand of PEB work.</p> <p>Proposed Inclusion Mark for the City to celebrate inclusion.</p> <p>The work of the Plymouth Commission has been developed into a Department for Education piloted place-based initiative for school improvement. Schools are being offered a catch up premium of £80 per pupils for most schools, to assist with programmes of learning to support pupils who require additional support. Inclusion Strategy Board has been established to scrutinise and monitor the city's inclusion projects and actions with a shared aim. Good buy in and commitment from school leaders and Multi Academy Trust CEOs.</p>			
4	Insufficient economic performance to sustain the City's economy as a result of the ongoing impact of the coronavirus pandemic	<p>The impact of COVID-19 on the economy has been sharp and has affected different sectors of the economy in different ways. We are focussing, through Resurgam, on 6 areas to help our economy to recover, to protect local jobs and to support our communities. These are:</p> <ul style="list-style-type: none"> • Spend 4 Plymouth – A massive focus on local procurement for local jobs. • Build 4 Plymouth – An ambitious capital programme and economic stimulus to support construction jobs, building a better and greener Plymouth. • Skills 4 Plymouth – Extensive new support for young people and retraining our workforce for future jobs through our skills launch pad. • City Centre Renaissance programme – support for our city centre and a regeneration plan. • Resurgam Beacons – A focus on our future. We will seek to create new jobs in the Blue and green economy. That is our amazing marine sector and a new green deal for jobs. • Sector Action Plans – a bespoke package of interventions lead by the private sector for our 11 key sectors, building on our Resurgam plans and innovating and collaborating together though our newly established Sector Hub. <p>Supporting our sectors whether they are in critical shock, stable, or capable of high growth. These sectors are:</p> <ul style="list-style-type: none"> o Construction and The Built Environment o Creative Industries 	16	Amber ↓	Anthony Payne

		<ul style="list-style-type: none"> o Digital o Defence o Health and Care o Fishing o Manufacturing o Marine o Retail o Tourism and Hospitality o Transport and Distribution <p>We have also established the cross cutting theme of inclusive growth. Our aim is to 'build back better' growing a prosperous economy that reduces inequality, is sustainable and truly serves the wellbeing of all the people of Plymouth.</p>			
5	Ongoing COVID-19 rates (with historically high current infection rates) affect city's recovery / reset plans. It is not yet clear what mitigations will be needed for us to live with COVID-19.	(1) Vaccination programme continues, with additional work to reduce health inequalities (2) Local Outbreak Management Plan revised and includes ability to respond to new variants of concern, as well as various mitigations which will help the city to live with COVID-19 such as asymptomatic testing.	16	Amber █	Ruth Harrell
6	Failure to reduce Health Inequalities	Persistent action across the Council is required at many levels to tackle inequalities by addressing the wider detriments of health. The public health team and partners continue to work with employers (year one focus) and schools (year two focus) to influence healthier lifestyles. The team continues to embed and promote the national One You campaign across the city. The 'five ways to wellbeing' has been adopted across the city as the single approach to improving mental wellbeing. The work that started in year five on 'people connecting through food' is ongoing with a number of new initiatives developed. The focus on arts, culture, heritage and health (using the Mayflower 400 commemorations) will continue throughout 2020 and 2021. The Thrive Plymouth Network will continue to meet on a quarterly basis to ensure delivery of the programme. As a result of the COVID-19 pandemic, the Public Health Team is developing a framework which provides an approach to assessing the broad health and wellbeing impacts and resulting inequalities on the population of Plymouth as a result of COVID-19. The work will aim to	16	Amber █	Ruth Harrell

		bring partners together via the Health and Wellbeing Board to contribute to a discussion on how these impacts can be mitigated. In addition to this, to support the work of the Council's cross-party Child Poverty Working Group, a high level review of the evidence of the impacts of the pandemic on the mental wellbeing of children and young people will be carried out. As already stated, the primary role of the Office of the Director of Public Health and the Public Health Team in particular is now to try to prevent a resurgence of COVID-19 in the city therefore protecting most deprived communities from further negative impacts.			
7	The Council having insufficient workforce capacity and resilience to deliver the required range of services to meet statutory obligations and administration priorities	<p>Develop online training programmes</p> <p>Implementation of 'The Way We Work' programme (technology, information management, accommodation) to enable the right conditions for success.</p> <p>Review of senior structure</p> <p>Review of service business plans</p> <p>Possible remodelling of services</p> <p>Ongoing 1:1s with staff</p> <p>Working towards Silver Wellbeing at Work Award</p> <p>Increase in number of Wellbeing Champions to 60 (from 44)</p> <p>Implement New Ways of working and deliver Accommodation Strategy</p>	15	Amber █	Andy Ralphs
8	The Council not meeting its obligation to keep data secure by failing to adhere to Data Protection Act 2018 Regulations	<p>Roll out staff awareness training to all staff.</p> <p>Implement greater reporting consistency within directorates.</p> <p>Implement improved incident analysis within the Service Desk.</p> <p>Improved contract management with partners.</p> <p>Implement greater reporting consistency within directorates.</p> <p>Implement improved incident analysis within the Service Desk.</p> <p>Standardised breach management processes distributed to key staff.</p> <p>Implement compliance requirements into DELT business as usual - This is a work stream of the information management project.</p> <p>Corporate Privacy Notice complete, service specific Notices being finalised.</p>	15	Amber █	Andy Ralphs
9	The Council is unable to fulfil its legal obligations regarding the safety of its citizens and service recipients	<p>Statutory Post holders</p> <p>Commissioning and service Improvement plans</p> <p>Budgetary Management</p> <p>Revision of business plans</p>	12	Amber █	Alison Botham/ Craig McArdle

10	The Council not meeting its legal obligations regarding the health, safety and wellbeing of its workforce.	Agree substantive future working arrangements according to worker type Follow up survey Delivery of 20/21 Health, Safety & Wellbeing action plan Taking action on future Government guidelines in relation to COVID-19	15	Amber █	Andy Ralphs
11	Departure from EU single market without a trade deal further decreases city economic output	Continued regional engagement to maintain strong influence. Monitor proposed regulatory changes for service impact. Continue to act promptly on government guidelines when issued. Develop port facilities in partnership with Association of British Ports and develop business case for a Free Zone.	12	Amber █	Giles Perritt
12	Risk of failing to deliver the range of housing to meet Plymouth's need	Strategic Land Review completed and now released 45 housing sites to the market. Established Housing Investment Fund to support interventions to unlock housing delivery. Working with Homes England to develop a Placed Based Strategic Partnership to unlock and deliver a pipeline of housing sites, support City Centre renaissance and to help align Government funding with housing site opportunities. Proposal to establish a tripartite partnership between Ministry of Housing, Communities and Local Government (MHCLG), HCG, Homes England and Plymouth City Council /South Hams/West Devon with the vision to transform the pace and quality of housing provision to fully meet housing need including the 35% urban uplift. Work with Homes England has led to agreed solutions on legacy sites to unlock delivery. Launched the Plymouth Eco-Homes Programme to deliver over 250 low-carbon and net-zero homes across Plymouth. Embarking on our Direct Delivery of new homes to drive up good design, quality and sustainable living. Identifying a pipeline of future sites to support our direct delivery ambitions. Developing Housing Partnership Agreements with key Housing Association Partners to maximise their investment and delivery in the city. Considering site acquisitions and provided funding to help unlock stalled JLP sites. Reviews of Joint Local Plan sites completed and monitored, with delivery strategies being implemented. Bidding to a number of Government funding programmes to support new homes.	9	Green █	Anthony Payne

		<p>Ongoing work with Homes England and MHCLG to unlock funding and making the case for a fairer allocation of national funding for homes.</p> <p>Ongoing innovation to improve the proactive and fast track approach to planning to deliver housing. Monitoring development activity in the construction sector to understand the effect of Covid-19 on housebuilding. We will manage the 5 year land supply position to ensure that decisions on sites are taken using a balanced and objective assessment of market conditions. Work with Resurgam programme to develop measures to support and boost housebuilding, supporting Plymouth's economic recovery and other Resurgam activity.</p> <p>Work with the Plymouth Housing Development Partnership to leverage their investment and progress housing projects to stimulate affordable housing delivery, and support Small and Medium Enterprise's to start building again. We will work with MHCLG and Homes England to maximise investment in new homes and infrastructure.</p>			
13	Risk to vulnerable children and young people in the care system, by not delivering early intervention and prevention	Continue to drive forward change across the partnership in relation to whole family working, engagement with the Early Help Assessment Tool process, data exchange and achieving the outcomes required within the Troubled Families Outcomes Plan.	6	Green —	Alison Botham
14	Increased and sustained pressure on Adult Social Care budget due to increased numbers of people or increased complexity of need	<p>Budget Containment meetings in place</p> <p>Brief providers around risks relating to COVID-19 and infection control and safe system measures.</p> <p>Focus on reviews and reablement to right size packages of care</p> <p>Emergency Plan to cover need to prioritise critical services.</p>	16	Amber —	Craig McArdle
15	Risk of Market or Provider failure	<p>Establishment of Community Capacity Command Centre to provide greater oversight of market and capacity</p> <p>Local Authority is taking steps to set up a Care Company to ensure continuity of provision in the event of market failure.</p> <p>Care Home liaison work being undertaken by Livewell Southwest, to increase levels of support to Residential and Nursing care marker.</p>	16	Amber ↑	Craig McArdle

		<p>Risk to be continued to be monitored through contract monitoring and market intelligence.</p> <p>Supporting market wide workforce recruitment / retention across residential and domiciliary sector.</p>			
16	Risk of failing to meet carbon reduction targets to reach net zero by 2030	<p>Year 1 action plans have been completed for both Climate Emergency Action Plan (CEAP) and Corporate Carbon Reduction Plan (CCRP).</p> <p>Year 2 action plans for both CEAP and CCRP have been approved by Full Council (January 2021)</p> <p>Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee have received 6 monthly performance updates (October 2020 and March 2021)</p> <p>Year 3 action plans for both CEAP and CCRP are timetabled in to Full Council in January 2022</p>	12	Amber 	Anthony Payne
17	Risk of financial impact of delivering proposed changes to Waste Services as set out in the Government's Draft Environment Bill.	<p>One of the earliest tasks will be to flesh out a programme, having regard to these dates. However, it can be anticipated that the work would need to cover the following basic elements:</p> <ol style="list-style-type: none"> 1. Documentation of the context for a new waste plan – e.g. all legal and policy drivers as well as the local and regional context 2. Review of high level policy aspirations – including the Plymouth Plan policy – to ensure it continues to work for the current context 3. Evidence base review – waste arising forecasts for the period to 2041 4. Review of effectiveness of current approaches and plans for managing these new waste management demands and challenges into the future 5. Identification of strategic alternatives for waste management, including site specific implications of these alternatives and using the Joint Local Plan (JLP) sustainability framework model to ensure that this is robust and will be found sound when tested at JLP public examination 6. Identification of preferred options/s for waste management – with identification of specific sites where needed 7. Draft plan for waste published 8. Draft waste policies of JLP published 9. Plan for waste approved 10. JLP review tested through its various statutory stages 	12	Amber (New Risk)	

5.0 Conclusion and Summary

- 5.1 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.
- 5.2 Risk management is formally aligned and working alongside other compliance functions which helps to promote a joined-up approach to all aspects of governance.
- 5.3 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.
- 5.4 The next formal review of the Strategic Risk and Opportunity Register will take place in August 2021.

6.0 Scoring Guidance and Risk Matrix

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:-

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 Death (single or multiple) or work related diagnosis leading to death Adverse national publicity – highly damaging, severe loss of public confidence Significant public interest Litigation certain and difficult to defend Breaches of law punishable by imprisonment Very significant exposure of public funds with funding being managed across organisations and complex reporting Very complex stakeholder community with new partnerships, collaborations and suppliers/stakeholder environment volatile or with significant external change factors

		Extensive use of leading edge, novel or innovative technology which requires specialist management and external audit
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>
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>
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>

		First aid injury Unlikely to cause any adverse publicity, internal only Breaches of local procedures/standards Budget within delegation and relatively small or within operational costs
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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