

CITY OF PLYMOUTH

Subject: Strategic Risk Register - Monitoring Report

Committee: Audit Committee

Date: 24th September 2007

Cabinet Member: Cllr Ian Bowyer

CMT Member: Director of Corporate Resources

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Part: I

Executive Summary:

This report provides a summary of the latest formal monitoring exercise completed for the Strategic Risk Register for the period January – July 2007. The total number of strategic risks reported has increased from 29 to 33. Appendix A to the report includes a traffic light summary showing the current status of each risk, the movement in risk scores compared with previous monitoring periods and explanatory commentary on the key issues for each risk.

Corporate Plan 2004/07:

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

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land:**

None arising specifically from this report but control measures identified in risk registers could have financial or resource implications.

Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk

Management etc.

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 registers.

Recommendations & Reasons for recommended action:

The Audit Committee is recommended to :

- Note and endorse the results of monitoring of the Strategic Register .
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Alternative options considered and reasons for recommended action:

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.

Background papers:

Plymouth City Council Risk Management Strategy and Policy Statement
Strategic Risk Register and associated working papers
Previous reports on risk management to Audit Committee

Sign off:

| | | | | | | | | | | | |
|--|----|-------------|----|------------|--|------------|--|------------|--|--------------------|--|
| Head of Fin | SW | Head of Leg | DS | Head of HR | | Head of AM | | Head of IT | | Head of Strat Proc | |
| Originating CMF Member : Director of Corporate Resources | | | | | | | | | | | |

Report of Director of Corporate Resources to Audit Committee
– 24th September 2007

Strategic Risk Register Monitoring

1. Introduction

1.1 The position with regard to the Strategic Risk Register was last reported to this Committee on 18th December 2006 and this report now provides a summary of the latest monitoring exercise covering the position as at 31st July 2007.

2. Strategic Risk Register – Monitoring Summary

2.1 In accordance with the strategy requirement for twice-yearly monitoring, the latest monitoring exercise was completed during July 2007 with the results discussed and agreed by CMT on 3rd September 2007 and Cabinet Planning on 11th September 2007.

2.2 Attached to this report at Appendix A is a traffic-light summary showing the current status of each risk and any movement in risk scores compared with previous monitoring periods together with explanatory commentary on the key issues for each risk.

2.3 Also attached for information at Appendix B is a copy of the full Risk Register, amended to take account of the latest changes outlined in this report.

3. Headline Issues

3.1 The total number of risks has increased from 29 to 33 with the addition of four new risks :

- Structural condition of North Prospect Estate
- Civic Centre Listing
- Taxi Licensing
- Concessionary Fares

3.2 The table below shows the movement in the number of risks in each category since the last monitoring period.

| | Dec 06 | July 07 |
|--------------|---------------|----------------|
| Red | 7 | 9 |
| Amber | 10 | 9 |
| Green | 12 | 15 |
| TOTAL | 29 | 33 |

3.3 Whilst there has been a net increase of two in the number of red risks, three risks have moved from priority red or amber into green reflecting effective control

action and these are:

- Service to Children at Risk (Risk 26)
- Overall IT Strategy (Risk 30)
- Local Development Framework (Risk Risk 40)

3.4 The unchanged score for four of the red risks, namely Housing Stock, Landfill Allowances, Pay & Reward Strategy and Business Continuity Planning reflects the longer term nature of these risks.

3.5 The summary at Appendix A gives more detailed commentary for each risk but the headline issues are:

- Condition of properties on North Prospect estate a new red risk as a potentially significant capital pressure point for HRA
- Concessionary Fares a new red risk due to significant projected overspend on operator reimbursements
- Civic Centre listing a new red risk with potentially significant cost implications of future refurbishment/disposal options
- Housing Stock options remains a significant risk in view of corporate impact of any proposed transfer
- Landfill Allowance Trading Scheme still a potentially significant long term risk
- Pay and Reward Strategy (JE) remains red due to ongoing uncertainty over financial implications of JE implementation
- Financial management arrangements showing improved longer term position via the Medium Term Financial Plan
- Reported improvements in review processes for Significant Partnerships risk now reflected in positive direction of travel for this risk
- **Significant improvements in Service to Children at Risk means that this risk has moved from red to green**
- Taxi Licensing Account a new amber risk (plans in place to bring account back into balance within three years)
- **IT Strategy moved from amber to green**
- **Local Development Framework moved from amber to green**
- Progress with implementing Business Continuity Planning has stalled reflected in an unchanged risk score (but consultants now engaged to implement by March 08)
- Improved position with regard to Asbestos Management arrangements
- Health and Safety Management showing positive direction of travel

5. Summary and Conclusion

5.1 The Council's success in dealing with the risks that it faces can have a major impact on the achievement of key promises, objectives and ultimately, therefore, the level of service to the people of Plymouth.

5.2 The risk management framework now in place enables managers to view, manage and respond to risk, both in terms of opportunities and threats, in a robust, systematic and documented way.

- 5.3 Risk Registers are now being routinely updated across the Council at both strategic and operational level.
- 5.4 There is therefore now good evidence, providing assurance to Members and stakeholders, that risks are being managed effectively and consistently across the Council.
- 5.5 The next review of the Strategic Register will take place in January 2008.

6. Recommendation

The Audit Committee is invited to :

- 6.1 Note and endorse the results of monitoring of the Strategic Risk Register

Adam Broome

Director for Corporate Resources