

# APPENDIX B - RISK MANAGEMENT MONITORING REPORT

November 2022



## 1.0 Introduction

- 1.1 This report provides the position with regard to the strategic and operational risk registers.
- 1.2 The next formal review of the strategic risk and opportunity register will take place in December 2022, the operational risk register will also be reviewed at this time. Risk registers are however a live document and will be regularly discussed at Directorate Management Teams.

## 2.0 Strategic Risk Register – Monitoring Summary

- 2.1 Attached to this report at Appendix C is the updated strategic risk register. The register offers additional information including detail on Key Controls and Sources of Assurance and how progress against mitigation will be measured.

## 3.0 Strategic Risk Register

- 3.1 During this review of the strategic risk register there have been three risks removed and one new risk added, bringing the total strategic risks managed to 20.

The three risks removed from the strategic register were:

- The Council is unable to fulfil its legal obligations regarding the safety of its citizens and service recipients. (Duplication)
- Staff resilience to causative factors of stress variable resulting in the primary reason for short and long term absences being due to stress / psychological factors; reduced morale, loss of productivity with impact on delivery. (Moved to operational risk)
- Departure from EU single market with The Trade and Cooperation Agreement could further decrease city economic output.

In total there are three red risks pertinent to the committee. These are shown below;

**Risk Number one in table one** relates to the Council's expenditure exceeds the resources available to meet that expenditure within the medium term financial plan period.

**Risk number three in table one** relates to the potential for a cyber-attack to render all of the Council's IT inaccessible for an extended period of time therefore impacting on the Council's ability to deliver services.

**Risk number four in table one** relates to IT supply chain constraints results in increased costs and extended lead times for equipment. This will lead to budget pressures for the Council plus Service delivery pressures as new and replacement IT equipment experiences considerable delays.

### 3.2 Strategic Risk update table one

Table one provides an update on strategic risks with mitigation that is fully influenced by Plymouth City Council, this is 11 of the 20 risks on the strategic risk register

**Table one – Strategic Risks fully mitigated by Plymouth City Council**

Risk Register No.	Description	Mitigation	Risk Score	Previous risk rating	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 (2022/23-2025/26)	<p>The Council has also taken the following steps</p> <p>(1) to adopt a 5 year MTFP moving forward rather than a 1 year or 3 year model</p> <p>(2) to adopt a system of monthly financial reporting to Directorate Management Teams, Corporate Management Team, and Cabinet and Quarterly to Full Council, with monthly consideration of directorate level financial issues at each Scrutiny Committee</p> <p>In addition the Council has introduced a system of detailed monitoring of the delivery of savings targets so that a view is published monthly in Cabinet reports. This will also include any significant issues which emerge from the cost of living crisis. The Council also holds an annual review of fees and charges and has annual and ongoing programmes of work to identify and understand potential savings opportunities. The governance system of the Council - as unpacked in the Annual Governance Statement comprise a rigorous system of financial control.</p> <p>It is of critical importance to the Council and City that CMT and Cabinet select means of reducing the costs of the Council to fully mitigate the forecast budget shortfalls in future years.</p>	25	<p><b>Red</b></p> <p>↑</p> <p>Red since May 2022</p>	<p><b>Red</b></p> <p>—</p>	David Northey

Risk Register No.	Description	Mitigation	Risk Score	Previous risk rating	Current risk rating	Risk Owner
		<p>At the <a href="#">Cabinet meeting of the 10 November 2022</a>, councillors received an update on progress on the development of the 2023/24 budget, and to seek support of Cabinet for the savings proposals developed to date.</p> <p>A summary of the proposed budget savings was been included for Members' consideration.</p> <p>At the time of writing, the Government's Autumn Statement is expected mid-November, with the Provisional Local Government Settlement expected late December. Full details of both events will be included in subsequent reports.</p> <p>The <a href="#">10 November 2022 Cabinet</a> meeting also considered the month 6 monitoring report which included information on savings to the in-year budget as a result of management actions and approved reports which would lead to further budget savings.</p>				
3	A Cyber-attack renders all of the Council's IT inaccessible for an extended period of time therefore impacting on the Council's ability to deliver services.	<ul style="list-style-type: none"> <li>- Cyber Governance board implemented</li> <li>- Delt undertaking a programme of Cyber security improvements. The programme is at the initiation stage, however will produce recommendations for improving aspects such as end point detection and defence, improved identity and asset management</li> <li>- Programme report and plan developed in September required reworking, now expected in November 22</li> </ul>	20	<b>RED</b> ████████	<b>RED</b> ████████  Red since January 2022	Andy Ralphs

Risk Register No.	Description	Mitigation	Risk Score	Previous risk rating	Current risk rating	Risk Owner
		<ul style="list-style-type: none"> <li>- It will also improve the annual IT Health Check by looking at repeat issues and introducing process changes to prevent them from reoccurring.</li> </ul>				
4	<p>IT supply chain constraints results in increased costs and extended lead times for equipment.</p> <p>This will lead to budget pressures for the Council plus Service delivery pressures as new and replacement IT equipment experiences considerable delays.</p>	<ul style="list-style-type: none"> <li>- PCC to pre plan as far ahead as possible on any purchases of technical goods or services, notifying Delt during the planning phase of such work.</li> <li>- Delt engagement with current suppliers and escalation of any changes to current prices / lead times</li> <li>- Assessment of alternative suppliers</li> <li>- Budget monitoring</li> <li>- IT Service Level Management</li> <li>- Monitoring of procurement lead times</li> </ul>	20	<b>RED</b> New Risk	<b>RED</b> <div style="background-color: black; width: 20px; height: 5px; margin: 0 auto;"></div>	Andy Ralphs
11	<p>The Council having insufficient workforce capacity and resilience to deliver the required range of services to meet statutory obligations and administration priorities the delivery of the savings proposals for 23/24</p>	<ul style="list-style-type: none"> <li>- Driving forward the organisational change as set out in our people strategy</li> <li>- Review of structures across the Council giving our people the opportunity to progress</li> <li>- Review of business plans to ensure they focus on the priorities</li> <li>- Redefining service levels and being clear on the impacts to communities</li> <li>- Support of the organisations wellbeing as well as working towards Gold Wellbeing at Work Award</li> <li>- Increase in number of Wellbeing Champions to 60 (from 44)</li> <li>- Implement New Ways of working and deliver Accommodation Strategy.</li> <li>-</li> </ul>	15	<b>Amber</b> <div style="background-color: black; width: 20px; height: 5px; margin: 0 auto;"></div>	<b>Amber</b> <div style="background-color: black; width: 20px; height: 5px; margin: 0 auto;"></div>	Andy Ralphs

Risk Register No.	Description	Mitigation	Risk Score	Previous risk rating	Current risk rating	Risk Owner
12	The Council not meeting its obligation to keep data secure by failing to adhere to Data Protection Act 2018 Regulations.	<ul style="list-style-type: none"> <li>- Continued roll out staff awareness training to all staff</li> <li>- Implement greater reporting consistency within directorates</li> <li>- Implement improved incident analysis within the Service Desk</li> <li>- Improved contract management with partners</li> <li>- Improve Privacy notice templates and ensure all gaps are addressed</li> <li>- Standardised breach management processes distributed to key staff</li> <li>- Reviewed policies to be communicated to all staff.</li> </ul>	15	<b>Amber</b> ████████	<b>Amber</b> ████████	Andy Ralphs
14	The Council not meeting its legal obligations regarding the health, safety and wellbeing of its workforce.	<ul style="list-style-type: none"> <li>- Agree substantive future working arrangements according to worker type</li> <li>- The Big Listen - employee engagement survey in progress.</li> <li>- Delivery of 22/23 HS&amp;W action plan</li> <li>- Focus on mandatory training compliance July 2022</li> <li>- Introduction of new KPI's for incident management</li> <li>- Audit programme commenced in quarter two.</li> </ul>	15	<b>Amber</b> ████████	<b>Amber</b> ████████	Andy Ralphs
16	Risk of financial impact of delivering proposed changes to Waste Services as set out in the Government's Environment Act.	The Council have partnered with the Waste Industry body WRAP to jointly commission external support to assess the likely impacts and opportunities of the Environment Act. The funding for this work has been wholly met by DEFRA. The initial report was completed with broadly inconclusive findings. The scope of ongoing work is as follows:	12	<b>Amber</b> ████████	<b>Amber</b> ████████	Anthony Payne

Risk Register No.	Description	Mitigation	Risk Score	Previous risk rating	Current risk rating	Risk Owner
		<ul style="list-style-type: none"> <li>- To understand the implications of, and ensure the Council meets, the government's requirements as proposed in the Resources &amp; Waste Strategy</li> <li>- To help inform the future design of the Council's household waste collection service and understand the implications in terms of reprocessing infrastructure</li> <li>- To understand the likely impact that changes to the current household waste collection service will have on the Council's recycling performance</li> <li>- To consider where operational efficiencies can be achieved whilst still delivering a service that meets the needs of its residents and allows the Council to maintain high levels of customer satisfaction</li> <li>- To appraise whether existing waste management infrastructure and assets in Plymouth, and the surrounding area, are likely to be sufficient for future requirements; and if they are deemed not to be then to provide options to inform the Council's waste strategy and spatial planning.</li> </ul>				
20	In 2019/20 the Council adopted under legal advice a proposal to make additional upfront contributions to offset the Council's pension fund deficit.	<ul style="list-style-type: none"> <li>- Liaison with legal advisers</li> <li>- Consultation with the Auditor</li> <li>- Possible Consultation with Government</li> <li>- Legal Advice now close to reconciliation and CIPFA accounting treatment agreed. Looking for acceptable resolution with all parties before Christmas break</li> </ul>	TBC – subject to ongoing legal advice			David Northey