

Date of meeting:	20 March 2023
Title of Report:	Risk Management Monitoring Report / Scrutiny Update – March 2023
Lead Member:	Councillor Mark Shayer (Deputy Leader and Cabinet Member for Finance and Economy)
Lead Strategic Director:	Giles Perritt (Assistant Chief Executive)
Author:	Ross Jago, Head of Governance Performance and Risk
Contact Email:	Ross.jago@plymouth.gov.uk
Your Reference:	RS/RMMar22
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

The attached report provides an update on the Strategic register for the organisation.

Strategic Risk Register

The total number of strategic risks being managed is 22. Six risks have a rating of Red; these relate to responding to Council expenditure, the growing volume and complexity of demand on the Children, Young People and Families Service, IT supply chain constraints, cyber-attacks, lack of adult social care workforce, accounting methods concerning a pension transaction and the Sustainable Drainage Systems (SuDS) Approval Body.

Risk number 17 “Risk of failure to deliver the range of housing to meet Plymouth’s need” has had its risk score decreased to 9 and is now green.

Risk number 6 “Risk to vulnerable children and young people in the care system” has been reported as green at the last two reviews and now is considered sufficiently mitigated and has been moved to the Operational Register.

Risk @ Scrutiny

The Performance Finance and Customer Focus, Education and Children’s Social Care, Health and Adult Care and the Growth and Infrastructure Overview and Scrutiny Committee Overview all considered risks pertinent to the committee’s terms or reference in the most recent cycle of meetings. The risk register also formed part of budget scrutiny recommendations. There were no specific recommendations resulting as initial reviews of the risk register have resulted in items scheduled for future meetings.

Recommendations and Reasons

The Audit and Governance Committee is recommended to note the current position with regard to the Strategic Risk 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.

Financial Risks

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:

Failure to deliver against actions in the Climate Emergency Action Plan and Corporate Carbon Reduction Plan are included on risk registers.

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.*

The risk registers specifically supports the council's overall governance arrangements.

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	Risk Monitoring Report							

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)						
	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.						
	1	2	3	4	5	6	7

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: 15/03/2023											
Cabinet Member approval - Councillor Mark Shayer											
Date agreed: 15/03/2023											

APPENDIX A - RISK MANAGEMENT MONITORING REPORT

March 2023



Introduction

This report provides the position with regard to the strategic and operational risk registers.

The next formal review of the strategic risk and opportunity register will take place in June 2023, 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.

Strategic Risk Register – Monitoring Summary

The updated strategic risk register is summarised below. The register offers additional information including detail on Key Controls and Sources of Assurance and how progress against mitigation will be measured.

Strategic Risk Register

During this review of the strategic risk register there has been three new risks added, bringing the total strategic risks managed to 22. The new risk relates to funding and governance issues in relation to the Peninsula Sub-National Transport Body and the creation of a Sustainable Drainage Systems (SUDs) Approval body. In addition “Response to Ofsted Focused Visit to the Front Door does not result in required improvements” has been added to the register. It is currently reported as amber and will remain on the strategic register until further visits by OFSTED, anticipated to be within the next twelve months.

In total there are six red risks. These are shown below;

1	The Council's expenditure exceeds the resources available to meet that expenditure within the medium term financial plan period (2022/23-2025/26).
2	Failure to meet statutory duties due to growing volume and complexity of demand for children's social care services
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.
4	IT supply chain constraints results in increased costs and extended lead times for equipment.
5	Lack of adult social care workforce and growing fragility of Adult Social Care Market leading to inability of Authority to meet statutory duties and meet eligible need.
20	Lawful Accounting Treatments in Respect of the Pensions Fund
21	The Government intends to implement Schedule 3 of the Flood and Water Management Act in 2024 and put in place a Suds Approval Body (SAB). Schedule 3 provides a This is highly likely to be introduced from 2024 and will be a risk for the local authority from 2024/2025. No provision has yet been made in the MTFP (which is under review).

Risk Register No.	Description	Mitigation	Previous risk rating	Current risk rating	Risk Owner
1	<p>The Council's expenditure exceeds the resources available to meet that expenditure within the medium term financial plan period (2022/23-2025/26).</p>	<ul style="list-style-type: none"> • The Council has also taken the following steps to adopt a 5 year MTFP and has adopted 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. • 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. • It was of critical importance to the Council and City that CMT and Cabinet found mitigations to reduce the costs of the Council to fully mitigate the forecast budget shortfalls in future years. The Deputy leader/PFH for Finance is meeting each week with S151 Officer and Strategic Director for Customer & Corporate Services to review the 2022/23 Monitoring position. • In year, at Month 10 the forecast overspend has reduced to £1.318m. At the Full Council meeting 27 February 2023, the revenue and capital budget 2023/24 was approved, including setting the Council Tax charge for 	25	25	David Northey

		the financial year. The S151 Officer is now ensuring the 2023/24 budget allocations and resource assumptions are incorporated into the 5 year MTFP. Further refinement of the Capital Programme and reports are being reviewed.			
2	Failure to meet statutory duties due to growing volume and complexity of demand for children's social care services	<ul style="list-style-type: none"> • Additional social work capacity agreed to support effectively delivery of casework. Recruitment is ongoing to some of these posts on a permanent basis. • Fostering Project Delivery Plan in place to increase foster carer resource to reduce costs. • High cost placement review takes place on a frequent basis each month to ensure all costs closely monitored and reduced. • 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 DMT. • Service redesign is occurring to ensure an operating model that supports much earlier intervention and prevention of children coming into care wherever possible. 	20	20	Sharon Muldoon
3	A Cyber-attack renders all of the Council's IT inaccessible for an extended period of time therefore impacting on the Councils ability to deliver services.	<ul style="list-style-type: none"> • LGA Cyber 360 review completed in March - review findings and recommendations due in April. • Cyber 360 recommendations will be included in the Cyber improvements plan overseen by the Cyber Governance Board and Optimising our Assets Programme Board • Cyber security briefing for SLT planned in April to raise awareness further of the threat and requirements of staff to reduce the risk of attack. Hackney Council are due to speak about their experience recovering from a major ransomware attack • Cyber security awareness week planned for May 23, including a business continuity exercise, Member awareness training and staff briefings 	20	20	Andy Ralphs

		<ul style="list-style-type: none"> Finance, Customer and Performance Scrutiny Panel reviewed PCC cyber security and readiness in February and have requested a further update (date TBC) IT Health check (previously PSN certification) testing to take place in March, remediation to be included into the Cyber improvements plan 			
4	IT supply chain constraints results in increased costs and extended lead times for equipment.	<ul style="list-style-type: none"> 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. Delt have been provided with the Capital plan for 2022/23 Delt engagement with current suppliers and escalation of any changes to current prices / lead times Assessment of alternative suppliers 	20	20	Andy Ralphs
5	Lack of adult social care workforce and growing fragility of Adult Social Care Market leading to inability of Authority to meet statutory duties and meet eligible need.	<ul style="list-style-type: none"> Health & ASC Winter Plan which will bring in additional elements of contingency planning Establishment of Community Capacity Command Centre to provide greater oversight of market and capacity Local Authority has set up a Care Company to ensure continuity of provision in the event of market failure Care Home liaison work being undertaken by Livewell Southwest, to increase levels of support to Residential and Nursing care marker Risk to be continued to be monitored through contract monitoring and market intelligence Supporting market wide workforce recruitment / retention across residential and domiciliary sector Remodelled bed bureau launched to support Care Homes to manage complex discharge cases Incentive payments to workforce. Managing risks for the domiciliary care market 	20	20	Anna Coles

6	Insufficient economic performance to sustain the City's economy and growth plans.	<ul style="list-style-type: none"> We are seeking to maximise all opportunities to secure additional funding for economic initiatives including focussing on creating new jobs in the Blue and green economy. The initiatives include: The Plymouth and South Devon Freeport, National Marine Park. We will continue to maximise all funding opportunities for our city region. 	16	16	Anthony Payne
7	Ongoing COVID-19 rates (with potential for further peaks)	<ul style="list-style-type: none"> The key mitigation of vaccination has now reached around 85% (one or more doses) of those eligible. There have been reductions in the mitigations (reduced testing, support payments and legal need for self-isolation) and this has created uncertainty around case rates and the risk of delayed detection of new variants. The longstanding advice to the general public remains in place and is re-emphasised at regular intervals. 	16	16	Ruth Harrell
8	Failure to reduce Health Inequalities will mean our poorest residents continue to live shorter lives as well as more years in ill health.	<ul style="list-style-type: none"> Persistent action across the Council is required at many levels to tackle inequalities by addressing the wider detriments of health. Failures of NHS England to provide required capital funding for the West End Health Hub (Cavell Centre) is likely to reinforce inequalities experienced within the City Centre area, the Council continues to lobby government in an attempt to resolve this issue. The Public Health Team and partners continue to work with employers and schools 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. Subsequently, Thrive Plymouth Year seven was launched in May 2022 with a focus on Listening and Reconnecting. 	16	16	Ruth Harrell

		<ul style="list-style-type: none"> The Local Care Partnership priorities are being refreshed and includes tackling inequalities. Both of these routes bring partners together to understand the issues and the steps needed to tackle health inequalities in the City. In addition to this, to support the work of the Council's cross-party Child Poverty Action Plan Working Group, a high level review of the evidence of the impacts of the pandemic on the mental wellbeing of children and young people has been carried out. As already stated, the primary role of the ODPH and the Public Health Team in particular is now to minimise the impact of COVID-19 in the city therefore protecting most deprived communities from further negative impacts. 			
9	Increased and sustained pressure on Adult Social Care budget due to increased costs of providing care, growing numbers of people and increased complexity of need.	<ul style="list-style-type: none"> Real time management information Established Review Programme Commissioning Intentions and Commissioning Activity to develop new models of care Budget containment meetings in place Focus on reviews and reablement to right size packages of care including focused work on 18 to 64's Emergency Plan to cover need to prioritise critical services 	16	16	Anna Coles
10	Adult Social Care (ASC) Reforms - There are a number of reforms to ASC that have created significant financial uncertainty in terms of being able to accurately understand the cost, volume and funding that will be made available to deliver these reforms.	<ul style="list-style-type: none"> This risk will continue to be monitored closely as the reform programme progresses. We will assess the impact of Charging reforms on 'trailblazer' local authorities who are early adopters of these reforms. We will continue cost of care exercises locally, including working with our local care market to better understand impact on finance and resources We will continue engagement with Local Government Agency and regional and national groups (such as ADASS) to determine approach to managing all reforms. We will continue to seek to understand impacts of all reforms through our established reform programmes, and will consider potential use of Offers and Asks due to cost of new burdens on the service. 	16	16	Anna Coles

11	The Council having insufficient workforce capacity and resilience to deliver the required range of services to meet statutory obligations and administration priorities	<ul style="list-style-type: none"> • Targeted support for Children Services – resourcing and capacity • Grading review • Review of People Strategy for 2024 • Recruiting to key chief officer roles • Reviewing Recruitment and retention strategy • Improving induction processes • Reviewing market factor supplements • Support for employee wellbeing 	15	15	Andy Ralphs
12	The Council not meeting its obligation to keep data secure by failing to adhere to Data Protection Act 2018 Regulations results in loss of trust in the Council and/or financial penalty from the Information Commissioner's Office (ICO)	<ul style="list-style-type: none"> • Continued roll out staff awareness training to all staff. • Implement greater reporting consistency within directorates. • Implement improved incident analysis within the Service Desk. • Improved contract management with partners. • Improve Privacy notice templates and ensure all gaps are addressed • Standardised breach management processes distributed to key staff. • Reviewed policies to be communicated to all staff 	15	15	Andy Ralphs
13	Sustainability of School Improvement Partnership	<ul style="list-style-type: none"> • Plymouth Education Board (PEB) (and sub groups) has been reviewed with the new Board started, strengthening education partnership. School Causing Concern procedure has been reviewed and strengthened. • These have lead to a partnership of distinct interventions to drive improvement and raise achievement. • Cause for concern meetings, Early Years Board, Primary and Special School Partnership, Inclusion Strategy Board have added strength to the work governed by PEB. • Proposed Inclusion Mark for the City to celebrate inclusion. • The Plymouth Standards Partnership Recovery & Improvement Plan: A key priority is work to support disadvantaged pupils. The work of the Plymouth Commission has been extended to focus on attainment for secondary aged pupils and school improvement. Schools have been 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 	15	15	Sharon Muldoon

		<p>following Covid. Schools have been sent a survey to confirm how this has been spent and the effectiveness of any programmes introduced. Summer 2021 GCSE, AS and A level were teacher assessed with the reintroduction of exams in 2022. Initial unvalidated indications are that 2022 examination outcomes are very positive and show an improving Plymouth picture against national benchmarks.</p>			
14	<p>The Council not meeting its legal obligations regarding the health, safety and wellbeing of its workforce.</p>	<ul style="list-style-type: none"> • Reviewing of risk assessments and DSE assessments to ensure compliance • Review of mandatory training to ensure compliance • Targeted audits across the council • IOSH for senior managers • Development at SLT and Team Plymouth 	15	15	Andy Ralphs
15	<p>Risk of financial impact of delivering proposed changes to Waste Services as set out in the Government's Draft Environment Bill.</p>	<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ○ To understand the implications of, and ensure the Council meets, the government's requirements as proposed in the Resources & Waste Strategy ○ To help inform the future design of the Council's household waste collection service and understand the implications in terms of reprocessing infrastructure ○ To understand the likely impact that changes to the current household waste collection service will have on the Council's recycling performance ○ 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 ○ To appraise whether existing waste management infrastructure and assets in Plymouth, and the surrounding area, are likely to be sufficient for future 	12	12	Anthony Payne

		requirements; and if they are deemed not to be then to provide options to inform the Council's waste strategy and spatial planning.			
16	Risk of failing to meet carbon reduction targets to reach net zero by 2030.	<ul style="list-style-type: none"> Year 1, 2 and 3 CCRPs and CEAPs have been prepared to date, covering the period 2020-2022. The focus of the CCRP is on the things in the direct control of the City Council; the focus of the CEAP is on the wider things the Council is able to influence as well as some of the climate actions of City partners. The Climate Emergency strategy and action plan process is currently under review, with a view to making revisions from 2023, providing a more strategic approach. Growth and Infrastructure Overview and Scrutiny Committee receive 6 monthly performance updates 	12	12	Anthony Payne
17	Risk of failing to deliver the range of housing to meet Plymouth's need	<ul style="list-style-type: none"> Strategic Land Review completed and released 50 housing sites to the market. Established Housing Investment Fund in Plan for Homes 3 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 DLUHC, HE and PCC/S&WD 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 and Deeds of Variations on four legacy sites to unlock delivery. Launched the Plymouth Eco-Homes Programme to support building a pipeline of 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, and identifying a pipeline of future sites to support our direct delivery ambitions. 	12	9	Anthony Payne

		<ul style="list-style-type: none"> Developed two 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 JLP sites completed and monitored, with delivery strategies being implemented. Secured £2.2m Brownfield Land Release Funding to help unlock 325 affordable homes on PCC owned land. 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. We will work with DLUHC and Homes England. Continuing to bring long term empty homes back into use. 			
18	Risk to vulnerable children and young people in the care system.	<ul style="list-style-type: none"> 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	6	Moved to operational register.
19	Viability of commercial bus operators	<ul style="list-style-type: none"> The Council continues to pay concession fare reimbursement above actual level of travel, although this is reducing in line with Government guidance by 5% every 2 months until such time it is less than reimbursement based on actual trips. To address loss of commercial services from 4th September, a virement from concession fares reimbursement budget to non-commercial services budget of £557K in 23/24 to pay for non-commercial services secured through competitive tender and enable all areas of Plymouth to continue to have a bus service, at least on Mondays to Fridays. To make the budget go as far as possible, routes have been redesigned where possible to be able to use developer 	15	15	Anthony Payne

		<p>contributions to part or wholly fund some non-commercial routes.</p> <ul style="list-style-type: none"> Schemes continue to delivered through the Transport Capital Programme to encourage patronage returning to pre-Pandemic levels as soon as possible. Increased commitment to non-commercial services is up until March 2024. Tenders will be sought late in 2023 when it is envisaged that commercial viability on a number of routes will have improved. 			
20	Lawful Accounting Treatments in Respect of the Pensions Fund	<ul style="list-style-type: none"> Mitigations are limited to different legal accounting methods 	N/A	25	David Northey
21	The Government intends to implement Schedule 3 of the Flood and Water Management Act in 2024 and put in place a Suds Approval Body (SAB). Schedule 3 provides a This is highly likely to be introduced from 2024 and will be a risk for the local authority from 2024/2025. No provision has yet been made in the MTFP (which is under review).	<ul style="list-style-type: none"> This is proposal and would not be implemented until 2024. Previously when the LLFA's were established, ring fenced government funding was provided for the first 3 years on a reducing basis. Consultation likely in 2023 and therefore responses need to reflect the need for funding to take on this function. The key considerations will be: <ul style="list-style-type: none"> Policy requirements; national standards and guidance requirements; cost and funding; future working with partners; skills and capability of local authority to take on this function. 	NEW	20	Anthony Payne
22	The Department for Transport (DfT) has set out expectations of the Peninsula Transport Body (STB) for a core team of staff representing a single point of contact between the STB and the DfT and perform a wider strategic role supporting individual Local Transport Authorities.	<ul style="list-style-type: none"> The DfT has restated their commitment to ensure that the host authority for these positions will not be liable for all costs relating to these posts and any redundancies should they be required. A meeting between the STB, DfT and PCC will take place to understand whether DfT are able to honour their commitment to cover cost of salaries and underwrite cost of redundancies before commencing recruitment. 	NEW	8	Anthony Payne

	Currently the DfT is unable to confirm funding to cover 23/24 salary costs.				
23	Response to Ofsted Focused Visit to the Front Door does not result in required improvements.	<ul style="list-style-type: none"> • A new Improvement Board is in place for the Children's Services across the Plymouth (March 2023). • Service Director chairs a fortnightly Improvement Board for the Front Door which has partner engagement (Feb 23). • Improved capacity in management structures has been in place since January 2023. • Review of processes and focus on performance improvement in place. • Key metrics are reviewed alongside Audit activity to test quality of decision making. 	NEW	9	Sharon Muldoon