

PLYMOUTH CITY COUNCIL

Subject:	Strategic Risk and Opportunity Register – Monitoring Report
Committee:	Audit Committee
Date:	19 September 2013
Cabinet Member:	Councillor Lowry
CMT Member:	David Trussler (Interim Director for Corporate Services)
Author:	Mike Hocking, Head of Corporate Risk and Insurance
Contact details	Tel: 01752 304967 email: mike.hocking@plymouth.gov.uk
Ref:	CRM/MJH
Key Decision:	No
Part:	I

Purpose of the report:

This report provides a summary of the latest formal monitoring exercise completed for the Strategic Risk and Opportunity Register for the period March 2013 to August 2013.

The total number of strategic risks reported has decreased from 37 to 32 with the addition of 1 new Risk and the deletion of 6. The number of red risks remains at 4.

Appendix A to the report provides 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.

The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:

The Strategic Risk and Opportunity Register includes links to the 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 and opportunity registers could have financial or resource implications.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

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.

Equality and Diversity

Has an Equality Impact Assessment been undertaken? Not required.

Recommendations and Reasons for recommended action:

The Audit Committee is recommended to:

Note and endorse the current position with regard to the Strategic Risk and Opportunity Register.

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.

Published work / information:

Plymouth City Council Risk and Opportunity Management [Strategy](#).

Background papers:

None.

Title	Part I	Part II	Exemption Paragraph Number						
			1	2	3	4	5	6	7

Sign off:

Fin	Djn13 14.15	Leg	1834 6/D VS	Mon Off	TH 01 27	HR		Assets		IT		Strat Proc	
Originating SMT Member: Tim Howes													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

1.0 Introduction

- 1.1 The position with regard to the Strategic Risk and Opportunity Risk Register was last reported to this Committee on [14 March 2013](#) and this report now provides a summary of the latest monitoring exercise covering the position as at 31 August 2013.

2.0 Strategic Risk and Opportunity Register – Monitoring Summary

- 2.1 In accordance with the strategy requirement for twice-yearly monitoring, the latest monitoring exercise was completed in August 2013 with the results discussed and agreed by CMT and Cabinet Planning on 20 August and 27 August 2013 respectively.
- 2.2 Attached to this report at Appendix A is a summary showing the current status of each risk and any movement in risk score compared with previous monitoring periods together with explanatory commentary on the key issues for each risk.

3.0 Headline Issues

3.1 New Risk

Amber Risk 93 - Failure to deliver the range of housing to meet Plymouth's need (Row No. 24)

As the population increases we need more housing. The Get Plymouth Building Programme has a number of strands to unblock barriers to accelerate housing delivery and in particular bring forward greener and more affordable housing. The key elements of the programme to accelerate housing supply include reviewing all stalled sites, lapsed consents and Area Action Plan sites. It also includes a new call for sites, support for self-build, a small sites initiative, new funding mechanisms and the use of Council and other public land holdings. The Council has brought forward 10 sites in its ownership to enable housing association and developer partners to develop at least 600 new quality homes across the city. This housing activity will secure significant investment into the city and generate significant additional construction jobs which will then support the wider supply-chain.

3.2 Risk Score Increased

Amber Risk 86 – Strategic Housing Private Sector Housing Intervention – Increased from 12 to 16 (Row No. 10)

The Housing Plan 2012-17 together with delivery plans captures the housing priority objectives for improving and investing in people's homes, particularly poor standard housing. Progress has been made on the use of health funding and targeted interventions to reduce a significant number of category 1 hazards and a record number of adaptations quicker at a low unit cost. However, with resources diminishing to government grant next year there are risks of increased waiting times for mandatory adaptations impacting on the health and well-being of people with disabilities and older people, potentially incurring higher social care and health costs for ourselves and our health partners.

Amber Risk 14 – Ensuring robust systems are in place to combat fraud and protect Council assets - Increased from 10 to 15 (Row No. 16)

Instances of fraud and irregularity are on the increase nationally, as highlighted by the National Fraud Authority and Audit Commission, particularly those perpetrated by the public. This is much to do with the state of the economy and the recent welfare reforms which has seen many with less income. The emphasis on Local Authorities to make significant savings is placing pressure on them to maintain services with less staff and in some areas this is coupled

with increases in the demand for those services. Devon Audit Partnership (DAP) will look to review the Council's strategy and policies surrounding fraud and corruption. In the meantime, the City Council under the control of DAP, continue to progress with the Audit Commission's National Fraud Initiative (NFI) with the on-going investigation of the data matches received in February 2013.

3.3 Risk Score Unchanged

Red Risk 21 – Medium Term Financial Forecast (Row No. 1)

The budget was presented to senior officers and members in a different format, itemising all income and gross spend. There is now greater transparency and challenge. Strategic partners engaged to help address future funding gap through a co-ordinated transformation programme.

Red Risk 49 – Future of Civic Centre and Council House (Row No. 2)

The procurement process has identified a preferred bidder and Cabinet will be asked to agree a contract award in September 2013.

Red Risk 89 – Development of HR Transformation Project (Row No. 3)

On-going discussions with KPMG and Microsoft. A decision will be made in September 2013 on future plans.

Red Risk 92 – Deterioration of the condition of the City's Highway Network (Row No. 4)

At Feb 2013 Full Council meeting a further £20m of capital investment over a 10 year period for highway maintenance was approved. In addition, an investment options paper has been completed. We are utilising the Government's new Highway Toolkit and a number of investment and treatment scenarios have been modelled for the carriageway. We need to maximise opportunities to access Government's 2015 funding £6 billion for investment into highways modernisation. Standard risk management and monitoring continues.

Amber Risk 83 – Health Inequalities (Row No. 6)

Health and Wellbeing Strategy finalised and delivery of priorities will be co-ordinated through the Joint Commissioning Partnership. A toolkit is in preparation to address health inequalities down to neighbourhood level across 66 outcomes.

Amber Risk 84 - Welfare Reform (Row No. 7)

Officers working group continues to meet to implement action plan. Support and advice is provided to people most affected by the changes. We are assessing the impact of the large increase in customer contacts through the front office.

Amber Risk 51 – Failure to deliver sustained and accelerated economic and population growth (Row No. 13)

Since February unemployment has fallen slightly each month and some progress has been made in younger age groups but long-term unemployment for some residents remains a stubborn issue. We have secured new funds from the National Apprenticeship Service, Coastal Communities Funds and Flexible Support Fund to help with employment initiatives. A number of businesses have opened or expanded such as Hymec, Mitch Tonks, the Dome and there are significant enquiries from businesses such as God TV. An announcement on our bid into Regional Growth Fund is expected imminently and we are progressing work with the Local Enterprise Partnership to secure new EU and Single Pot monies (although the latter would not start to arrive until 2015). Latest figures have shown an increase in visitor numbers into Plymouth. We have commenced a review of the Local Economic Strategy

which by year end will provide an updated strategic blueprint for economic growth, business support and job creation.

3.4 Deleted Risks

Amber Risk 47 – Concessionary fares (Row No. 33)

This risk is no longer considered a strategic issue but will continue to be monitored via the department's operational risk and opportunity register.

Amber Risk 52 – Ensure the Capital Programme is delivered within agreed financial targets (Row No. 34)

Risk now subsumed into risk 51 (paragraph 3.3) – Delivery of sustained and accelerated economic and population growth.

Green Risk 77 – Risk of failing to achieve Carbon Reduction targets (Row No. 35)

Invest to Save initiatives have been carried out and further investment has been approved and is being procured.

Green Risk 55 – Waste PFI (Row No. 36)

The building of the energy from waste plant is on course. The risk will continue to be monitored via the department's operational risk and opportunity register.

Green Risk 69 – Contribute and support the development of the Life Centre (Row No. 37)

No longer a strategic risk. Reporting mechanisms in place for continued monitoring of the contract.

Green Risk 87 – Failure to maximise opportunities from the Council's property assets (Row No. 38)

Risk now subsumed into risk 51 (paragraph 3.3) – Delivery of sustained and accelerated economic and population growth.

4.0 Information Governance

- 4.1 I reported to this Committee on [13 June 2013](#) in the Information Asset Annual Report a summary of the work that has been undertaken by the Information Lead Officers Group (ILOG) to improve information governance principles across all Directorates.
- 4.2 The group was formed following a Data Protection breach that occurred in November 2011.
- 4.3 Despite the continuing work of the ILOG a further breach occurred in July 2013 involving documents being sent to the wrong recipient and the story was published in the Evening Herald.
- 4.4 As a result of this breach CMT agreed to invite the Information Commissioner's Office (ICO) to carry out an audit of our information governance processes and this audit is due to take place between November 2013 and January 2014.
- 4.5 The ICO have agreed to defer any potential enforcement action resulting from the latest breach until after the audit has taken place.
- 4.6 The results of the audit will be brought to this Committee in March 2014 together with an update on the actions to be implemented.

- 4.7 Following the departure of the Director of Corporate Services who was the council's Senior Information Risk Officer (SIRO) the Strategic Director for People will now take on the role of Chief Information Officer (CIO) until the Strategic Director for Transformation and Change is appointed when this will be reviewed. An Information Management Position Statement prepared for the CIO is included as a separate item on the agenda.
- 4.8 In the meantime, further corporate communications are taking place including a four week concentrated push of publications on the staff room featuring case studies and near miss stories.
- 4.9 Other actions that have resulted from office walkthroughs include flyers relating to the use of multi-function devices and listing a number of "quick wins" and signs on recycle bins reminding staff to check whether paperwork should be shredded. An eLearning package is also due to be rolled out to all staff in the Autumn.

5.0 **ALARM/Cipfa Risk Management Benchmarking Club 2013**

- 5.1 As reported in the Risk and Opportunity Management Annual Report presented to this Committee on [13 June 2013](#) the Council joined this year's national risk management benchmarking club to compare our performance against Alarm's National Performance Model for Risk Management in Public Services.
- 5.2 Our results this year show an increase from last year's exercise in our average score from 85% to 93% and this continues to show our performance level as "driving" the business which is the top score on both the "Enablers" and "Results" sections of the questionnaire. Our results are shown in the table below:-

Enablers Score					Results Score	
Leadership & Management	Policy & Strategy	People	Partnership & Resources	Processes	Risk Handling & Assurance	Outcomes & Delivery
100%	90%	98%	85%	91%	90%	100%

- 5.3 The comparator data which compares our scores with 18 other similar sized authorities shows Plymouth is rated top in the league table.

6.0 **Summary and Conclusion**

- 6.1 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 community.
- 6.2 The movement in risk scores and the consequent changes to the Council's overall strategic risk profile outlined in this latest review provides good evidence of the dynamic nature of the Strategic Risk and Opportunity Register and the maturity of the Council's approach to the identification and management of strategic risk.
- 6.3 The inclusion of risk management considerations is a key feature in the Council's key corporate processes featuring in the Corporate Plan preparation, the Business Planning Framework, Budget Planning and Monitoring and Performance Management.

- 6.4 Managing Risk is also one of the five core management competencies in the Council's

Competency Framework ensuring that the success of managers in managing risk in their area of responsibility is assessed as part of their annual performance appraisal.

- 6.5 This embedded approach now 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.
- 6.6 The next formal review of the Strategic Risk and Opportunity Register will take place in February 2014.