

PLYMOUTH CITY COUNCIL

Subject:	Strategic Risk and Opportunity Register – Monitoring Report
Committee:	Audit Committee
Date:	13 March 2014
Cabinet Member:	Councillor Lowry
CMT Member:	David Trussler (Interim Director for Corporate Services)
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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 September 2013 to February 2014.

The total number of strategic risks reported has reduced from 32 to 28 with the addition of 3 new risks and the deletion of 7. 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		Leg		Mon Off		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 [19 September 2013](#) and this report now provides a summary of the latest monitoring exercise covering the position as at 28 February 2014.

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 February 2014 with the results discussed and agreed by CMT and Cabinet Planning on 18 February and 25 February 2014 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 Risks

Red Risk 95 – Transformation impact on Plymouth City Council business (Row No. 2)

Each of the 5 Transformation Programme delivery strands link to a Portfolio risk register which is monitored by the Transformation Board. The project is currently at the planning stage and therefore until the projected outcomes and benefits are realised the risk remains a significant one for the Council, particularly with regard to the delivery of the target budget savings.

Amber Risk 94 – Delivering the Early Intervention and Prevention Strategy (Row No. 22)

The Early Intervention & Prevention Strategy is now embedded and the action plan is being refreshed. Risks are that the Strategy fails to deliver on multi-agency outcomes to reduce the number of referrals into Social Care.

Green Risk 96 – Implementation of the Care Bill and the Dilnot cap on care costs (Row No. 28)

New Strategic risk in respect of changes to the Care Bill which sets out key proposals for reforming the way adult social care is funded from April 2016.

3.2 Risk Score Unchanged

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

A 3 year budget was approved at Full Council in February 2014 but risks remain for year 1, 2014/15, where £16m of cost reduction/additional income will be required. Budget papers include a risk register detailing individual assessments and countermeasures. Years 2 and 3 are heavily reliant on our Transformation Programme which itself is covered by individual risk assessments, which are monitored by the Transformation Board.

Red Risk 49 – Future of Civic Centre and Council House following listed status as not currently fit for purpose – (Row No. 3)

The procurement process has run its course and we continue dialogue with interested parties to take forward a development solution. We have secured new office accommodation at Ballard House which is cost effective and will increase efficiency.

Red Risk 92 – Deterioration of the condition of the City’s Highway Network (carriageway and footways) – (Row No. 4)

The Council have agreed to purchase a new detailed survey of the network to inform future investment aimed at maximising value for money. The system is the right tool to aid the development of our asset management plan and deliver treatments that meet the new Highway Maintenance Efficiency Programme (HMEP) criteria and associated DfT funding models. The survey work will commence in April 2014 and be completed by October, enabling the Council to assess what options to move forward with in terms of MTFP.

Amber Risk 46 – Risk of the Council not meeting its obligations to keep citizen data secure – (Row No. 5)

The Information Lead Officers Group has an action plan which is informed by a recent internal audit of information governance and in preparation for an external audit of Data Protection Act compliance by the Information Commissioners Office in April 2014. An eLearning package for all computer users ‘Data Safe’ has just been provided. Current key issue is the governance and storage of council records, due to the current change in the location of council staff and the use of buildings. Further information is provided at paragraph 4 below.

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

The grant allocation received by the Council to fund its public health work was discussed at the full Council meeting held on 27 January 2014. At this meeting a ‘motion on notice’ was unanimously agreed. As a result of this a joint letter has been sent to the Health Secretary asking that Plymouth’s allocation be reviewed as a matter of urgency. In addition to this, PCC’s Chief Executive and Director of Public Health held a teleconference with Duncan Selbie (Chief Executive, Public Health England) to put the case for additional public health resource being directed to the City. If these approaches result in more funding being forthcoming then the Council will be in a stronger position to put programmes of work in place which will, in the longer term, address the gap in life expectancy.

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

Instances of fraud and irregularity are on the increase nationally, as highlighted by the National Fraud Authority and Audit Commission. This is much to do with the state of the economy and the recent welfare reforms which has seen many with less income. Devon Audit Partnership continues to work with the Council in reviewing its strategy and policies surrounding fraud and corruption. The Council have taken steps to address particular services areas susceptible to fraud such as Single Person Discount within Council Tax and high profile exercises to tackle blue badge fraud. Plymouth is also taking the lead in a project to tackle Social Housing Fraud working in partnership with other Local Authorities and Registered Housing Providers across Devon.

Amber Risk 60 – The impact on Revenue budget of Treasury Management activity (Row No. 18)

A revised Treasury Management Strategy was presented to Audit Committee in January 2014 and Full Council in February 2014 which will allow more delegated authority to the Treasury Management Board and broader remit on borrowing and loan arrangements to maximise interest return and minimise borrowing costs. Monthly strategic Treasury Management Board meetings are minuted and actions logged. These meetings are attended by the Finance lead for both elected parties.

3.3 Deleted Risks

Green Risk 76 – Development of Gypsy Sites (Row No. 29)

Implementation plans in place.

Green Risk 70 – Transformation of Adult Social Care (Row No. 30)

Risk will be monitored operationally.

Green Risk 74 – Client Management IT Systems (Row No. 31)

Risk will be monitored operationally.

Green Risk 85 – Health Integration – (Row No. 32)

This risk can now be removed as transfer of public health commissioning activity and multi-agency engagement at all levels of strategic planning is underway. Further commentary is provided at paragraph 5.

Red Risk 89 – Development of HR Transformation Project – (Row No. 33)

The AX project is complete.

Green Risk 42 – Health & Safety Management – (Row No. 34)

Mitigation is embedded. The risk will continue to be monitored through business as usual.

Green Risk 36 – Staff Stress – (Row No. 35)

Mitigation is embedded. The risk will continue to be monitored through business as usual.

4.0 Information Governance

- 4.1 I reported to this Committee on [12 December 2013](#) that following a high profile staff information governance awareness campaign an eLearning training course entitled 'Data Safe' had been rolled out to staff with computer access.
- 4.2 The percentage of staff that completed and passed this course by the deadline of 17 January 2014 was 76.07%.
- 4.3 Training for members of staff without computer access is currently being developed.
- 4.4 Devon Audit Partnership (DAP) carried out an independent review of our information governance arrangements. They reviewed the assurance level of information governance embeddedness in three areas:-
- in the work of ILOG members
 - in the work of service managers
 - in the work of front-line staff
- 4.5 The DAP assurance opinion recorded 'Improvements Required' for all three areas covered by the audit, however they have acknowledged that the findings in respect of ILOG members and service managers are tending towards the higher end of this range and once the recommendations are adopted, could attain a 'Good Standard' in a reasonably short timeframe.
- 4.6 Based on the recommendations from their report an action plan has been produced which includes responsible officer and target dates for completion. The action plan is to be linked to

the Corporate Transformation Programme and will be actioned where appropriate to a strand of the Programme.

- 4.7 The planned Information Commissioner's Office (ICO) audit which was due to take place in January has been postponed by mutual agreement to April 2014. This will give officers time to implement the majority of the actions arising from the DAP audit.
- 4.8 The results of the ICO audit will be presented to this Committee in either June or September 2014 depending on when we receive a report of their findings.

5.0 Office of the Director of Public Health (ODPH)

- 5.1 A risk workshop is being planned to identify the key risks and opportunities arising from the ODPH business plan. A key focus will be integrated working and using the risk and opportunity framework to help ensure all agencies work collectively and collaboratively across the health and wellbeing agenda.

6.0 Transformation Project

- 6.1 New business planning guidance issued to Assistant Directors in February highlights the need to consider how the five Transformation Programmes may impact on business objectives.
- 6.2 Managers are being advised to cross reference risks to the Transformation Programme risk log and consult their Directorate Business Change Advisor who will support them to successfully prepare for, implement and embed changes being delivered by the Programmes.
- 6.3 The benefits that the projects need to achieve have been challenged and there is confidence in the robustness of the financial plan for 2014. The budget for 2015/16 and 2016/17 have what are considered achievable figures but are still to go through a budget challenge process as part of building the Full Business Case for each Programme.
- 6.4 The Interim Director for Corporate Services will provide a briefing on the governance arrangements, including risk management, in respect of the Transformation Programme to this Committee under a separate agenda item today.

7.0 Summary and Conclusion

- 7.1 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.
- 7.2 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.
- 7.3 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.
- 7.4 Transformation Project risks are being managed at three levels - via the Transformation Board, Programme Boards and at individual project level to ensure the overall risk level of the

Project is determined and delivered within acceptable limits and that mitigating actions are clearly defined and understood by the project team.

- 7.5 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.
- 7.6 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.
- 7.7 The next formal review of the Strategic Risk and Opportunity Register will take place in August 2014.