

PLYMOUTH CITY COUNCIL

Subject:	Strategic Risk and Opportunity Register – Monitoring Report
Committee:	Audit Committee
Date:	26 March 2015
Cabinet Member:	Councillor Lowry
CMT Member:	Lesa Annear (Strategic Director for Transformation and Change)
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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 2014 to February 2015.

The total number of strategic risks reported remains at 31 with the addition of 1 new risk and the deletion of 1. The number of red risks has decreased from 6 to 5.

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: Malcolm Coe, Assistant Director for Finance													
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 [25 September 2014](#) and this report now provides a summary of the latest monitoring exercise covering the position as at 28 February 2015.

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 2015 with the results discussed and agreed by the Portfolio Holder on 13 March 2015 and CMT on 17 March 2015.
- 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 105 - The Council's potentially impaired ability to contact and mobilise appropriate operational staff out of hours to respond to a major emergency – (Row No. 6)

Risks potentially result from the current informal on call arrangements across the organisation, which leads to a reliance on 'good will' in mobilising an appropriate operational response following the Civil Protection On-Call Officer initial assessment. There is a further risk of non-compliance with statutory duty of the Civil Contingencies Act 2004.

Call-out rotas for the Senior Management Team are being implemented which, when tested and embedded, will mitigate the risk.

3.2 Risk Score Unchanged

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

Risk register implemented as part of the 2015/16 budget setting process. A continual review of risks is carried out following formal Council approval of the budget. Public facing finance plan report being written explaining what we spend our resources on - internal medium term financial statement being written for CMT as a reference document which will be updated as and when new information received.

Red Risk 92 – Deterioration of the condition of the City's Highway Network (carriageway and footways) – (Row No. 2)

Survey work has been carried out of the highway network. The Council will be investing £4.8m into roads and pavements and the Highways Maintenance contract has been extended until March 2017. The condition of the network is improving with the number of potholes at a record low level following a major programme of repairs and financial commitment by the Council. The repairs have also been helped by innovative approaches and the investment in new equipment. The risk remains high, however, due to the sheer scale of the investment required.

Red Risk 49 – Future of Civic Centre and Council House following listed status as not currently fit for purpose – (Row No. 4)

The Council has received an offer for the freehold of the Civic Centre tower from Urban Splash which has been accepted, subject to contract. It is intended that the legal transfer will take place by 30 September 2015, once existing Council staff and equipment have been relocated and the tower has been physically separated from the Council House, which will be retained in civic ownership and use.

Red Risk 72 – Significant pressure on Adult Social Care budget – (Row No. 5)

A significant overspend remains. Adult Social Care Budget Containment Plan continues to be monitored by the Clinical Commissioning and Adult Social Care Senior Management Team on a fortnightly basis.

Amber Risk 51 – Delivery of sustained and accelerated economic and population growth in line with the Council's Corporate Plan and vision for the City – (Row No. 17)

Plymouth is experiencing an upturn in private sector growth and investment and unemployment has reduced, sitting below the national average. The city has also been successful in securing a City Deal and finance from both rounds of the Growth Deal. These deals enable the redevelopment of key employment generating sites such as South Yard, various business support and trade development initiatives and improvements to infrastructure. Local initiatives such as the 1000 Club and Building Plymouth have helped more people get into work. As the economy continues to strengthen, the city needs to ensure that the labour pool has the right skills to match with the needs of businesses and that it delivers ease of access to sites where businesses can invest, expand or relocate. Initiatives such as a potential Enterprise Zone at South Yard and the bringing forward of sites for development within the city centre will be crucial in order to maximise the benefits of national economic improvements.

Green Risk 97 – Integration of Adult Social Care and Community Health under the Integration Health & Wellbeing Transformation Programme — (Row No. 29)

Shadow Integration Management Team established to develop a combined operating model based on high level structure agreed by Cabinet November 2014. The Council will have a place at Executive Team and Board of the newly merged organisation which is on schedule for implementation on 1 April 2015.

3.3 Risk Score Reduced

Amber Risk 99 – Governance arrangements between ODPH, CCG and NHSE Area Team (decreased from 25 to 15) – (Row No. 13)

The risk in Public Health commissioned services has been significantly reduced by the appointment of a Governance Pharmacist in PCHealthcare and the wider system risk is being addressed with the Clinical Commissioning Group and NHS England.

Amber Risk 33 – Ensuring there is adequate capital for Education Infrastructure (decreased from 16 to 12) — (Row No. 19)

Project plans in place for Knowle, St Matthew's CE Primary and Nursery Academy and expansions at Woodford and Holy Cross. Business cases will be presented to the City Council Investment Board on Pencycross and Pomphlett early in 2015. There are sufficient places across the city for all pupils requiring statutory education.

3.4 Risk Score Increased

Amber Risk 94 – Delivering the Early Intervention and Prevention Strategy (increased from 12 to 16) — (Row No. 12)

Early intervention and prevention is key to reducing referrals to Children's Social Care and this is being addressed through Transformation and the post Ofsted action plan. Although some areas of risk have been managed down through strategic processes, the overall risk is now clearer and more acute and has therefore increased the risk rating.

3.5 Deleted Risk

Green Risk 91 - Failure to keep abreast of and track new and emerging legislation as part of the powers following Localism Act (regulations) — (Row No. 32)

Remove from register as being tracked as business as usual.

4.0 Transformation

As described within the last Strategic Risk Report in August 2014 the Transformation Programme has been delivering a number of programmes and associated projects in line with the Council's Corporate Plan in order to meet the current financial challenge. In November 2014 the decision was made to align the Council's budgets and the expected benefits from the programme of work. This has been completed and the financial benefits from the projects and programmes are now aligned with the Council's budget.

The five original programmes will shortly be joined with a further programme to support the Council's ICT infrastructure moving into the future.

Financial benefits are being tracked by Finance to ensure there is a clear vision of benefit realisation on behalf of the Council. This reduces the risk of double counting benefits and also the risk of not identifying source budgets and removing the funding in subsequent years. A report to be provided to this Committee by the Portfolio as a separate agenda item on the risk of non-delivery of Transformation will cover benefits and risks in more detail, however, in February 2015 the predicted financial benefit realisation for the Council through Transformation was £7,180k against a budgeted £6,768k, therefore a £412k positive position.

Risk and Issue Management is now at the core of the Portfolio, Programme and Project (P3M) methodology and closely linked to the corporate risk reporting process. All projects, programmes and portfolio maintain a risk and issue register which is managed in line with best practice. Risks and Issues are an agenda item at each 'Performance' board on a monthly basis with escalation and de-escalation happening as required. All provide clear management processes around the life of risks and issues both within the Portfolio and within the wider organisation context of services and departments. The Transformation programme recently completed an external maturity assessment in line with Cabinet Office best practice which is known as the P3M3. Risk Management gained a level 3 assessment on a scale of 1-5. Level 3 is seen as an industry standard best practice rating of 'mature process'. This is measured against a database of over 200 other organisations using the same process.

5.0 Risk & Opportunity Management Strategy

5.1 A review of the strategy is due to be undertaken in the next few months following consultation with key stakeholders to ensure it remains current. A revised draft will be presented to this Committee in June this year.

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 August 2015.