

PLYMOUTH CITY COUNCIL

| | |
|------------------------|--|
| Subject: | Strategic Risk and Opportunity Register – Monitoring Report |
| Committee: | Audit Committee |
| Date: | 17 September 2015 |
| Cabinet Member: | Councillor Lowry |
| CMT Member: | Lesa Annear (Strategic Director for Transformation and Change) |
| 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 2015 to August 2015.

The total number of strategic risks reported has increased from 31 to 36 with the addition of 8 new risks and the deletion of 3. The number of red risks has reduced from 5 to 3.

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 | djn15 16.34 | Leg | DVS2 3760 | Mon Off | DV S23 760 | HR | | Assets | | IT | | Strat Proc | |
| Originating SMT Member: Andrew Hardingham, 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 [26 March 2015](#) and this report now provides a summary of the latest monitoring exercise covering the position as at 31 August 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 August 2015 with the results discussed and agreed by CMT on 18 August 2015 and Cabinet Planning on 25 August 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 Risks

Amber Risk 111 – Planning Reforms – (Row No. 4)

The Government recently published Productivity Plan Section 9 ‘Planning Freedoms and more houses to buy’ which proposes Planning Reforms which potentially have a huge impact on the Council’s Planning Service. They include the relaxation of the planning control system involving more permitted development, and a zonal system for identified brownfield land. These measures would result in a significant loss of application fee income and potentially have implications for the Plymouth Plan. An assessment of the resources required to deliver the planning function under the new guidelines underway.

Amber Risk 108 - History Centre Project – (Row No. 6)

Project led by Plymouth City Council to transform the existing museum and art gallery on North Hill into the Plymouth History Centre. The vision is to build a unique visitor attraction, three times its existing size, which will open as the flagship building for the Mayflower 400 commemorations in 2020. Reputational and financial implications if full funding is not received. A Programme Board has been established and expertise in place. Additional funding streams being sought and a programme for Arts Council bidding being put in place with the Culture Board.

Amber Risk 106 – Risk of Judicial Review in relation to Deprivation of Liberty (DOLS) claims – (Row No. 8)

The Deprivation of Liberty Safeguards (DOLS), were introduced to supplement the Mental Capacity Act, to protect people without capacity who are outside the procedural safeguards of the Mental Health Act to decide where to live. [Judgement](#) handed down by the Supreme Court in March 2014 has led to an increase in the number of people in England and Wales who are considered to be deprived of their liberty for the purposes of receiving care and treatment. There is a risk of litigation and compensation claims from patients and their families seeking Judicial Review in relation to potential unlawful detention. A Deprivation of Liberty plan is in place with monitoring to be undertaken by Safeguarding Adults Board (SAB). Care Home paper was taken to Cabinet in March 2015. Further work on fees is being undertaken during 2015/16 and an Action Plan is in place. Additional ‘Best Interest Assessor’ capacity is looking to be sourced with grant funding from central government.

Amber Risk 113 – Data loss and/or compromise of connected national infrastructure or attacks via standard hacking methods, phishing emails or malware infection – (Row No. 14)

Risk of data corruption or loss on a large scale. Although an annual IT health check is carried out as well as regular vulnerability scans there is a need to improve governance and the response to critical issues identified. An IT infrastructure patching policy is in place.

Amber Risk 109 – Failure to secure adequate market interest in the South Yard Marine Industries Production Campus (MIPC) site – (Row No. 20)

Failure to secure adequate market interest would slow or prevent site occupation such that economic growth projections are not achieved and/or the Council has to provide financial revenue support to run and maintain the site. The site is being marketed locally, nationally and internationally and specialist marketing, branding and property agents have been commissioned to promote it.

Amber Risk 110 – Failure to secure adequate funding for the South Yard MIPC site – (Row No. 21)

Failure to secure adequate funding would slow or prevent site development such that economic growth and income projections are not achieved and the Council would have to provide additional financial support to develop and/or run it. £20.5m of capital secured via various grants and loans. Capital investment being prioritised to provide site infrastructure plots and some direct development. Enterprise Zone provisionally approved to allow business rates to be retained to support the site.

Amber Risk 107 - Highway maintenance re-procurement – (Row No. 23)

The core contract period of the existing Highways Services Contract with Amey ends on 30 November 2015 but has been extended until 31 March 2017. There is a need to have in place a new, transitory mechanism for the delivery of highways services. The Council has begun a collaboration and joint exercise with Devon and Somerset County Councils looking at options on a new highway maintenance contract with effect from April 2017.

3.2 Risk Score Unchanged

Red Risk 95 – Transformation Impact on Plymouth City Council Business – (Row No. 2)

Benefits fully integrated with Medium Term Financial Strategy 2015-19. Projects and programmes reviewed at Star Chamber to enable appropriate resource alignment. Future change prioritisation agreed and process being designed. Risk management approach aligned to corporate strategy.

Red Risk 49 – Future of Civic Centre – (Row No. 3)

This risk remains until exchange of contracts. After exchange the responsibility for completion will transfer to Transformation and the risk will be reduced as soon as legal completion is secured.

Amber Risk 28 – Increase in the number of looked after children – (Row No. 12)

The number of looked after children has reduced to 390 which is below the target of 400. Placement monitoring continues through fortnightly Budget Containment meetings. Integrated Commissioning and Looked After Children Strategies remain in place.

3.3 Risk Score Reduced

Red Risk 21 – Medium Term Financial Strategy – decreased from 25 to 20) - (Row No. 1)

The Budget risk register continues to be reviewed and updated as we go through the financial year. Major savings such as the Transformation Programme are subject to individual risk assessments. Monthly monitoring reports include updates to all savings plans.

Red Risk 92 – Deterioration of the condition of the City's Highway Network (carriageway and footways) - decreased from 20 to 16 – (Row No. 5)

Potholes are at record low levels with fewer than 600 reported by customers in July 2015. The Council secured £8.4m from the Government's challenge fund and with a capital contribution of £2.8m which means that £11.2m will be spent on the city's strategic roads over the next 3 years. A pavement repair programme gets underway in 2015 and £1m will be spent in the next 2 years. All investment is aligned to the profile of deterioration of the network through the [Gaist](#) Survey and this had proven to be a sound investment as the Council prepares itself for the next round of Government funding bids.

Amber Risk 72 – Significant pressure on Adult Social Care budget - (decreased from 20 to 16) – (Row No. 7)

Budget containment plan continues to be monitored on a fortnightly basis. Management actions are being resourced from existing structure and measures are in place with actions built into Plymouth Community Healthcare contract.

Amber Risk 76 – Risk of not getting funding to progress development of gypsy sites - (decreased from 15 to 12) — (Row No. 24)

Broadley Park will be delivered as a transit site as a priority for the Council which will reduce expenditure and risks associated with unauthorised encampments. Potential additional sites will be considered as part of the Plymouth Plan.

3.4 Deleted Risks

Amber Risk 33 - Ensuring there is adequate capital for Education Infrastructure – (Row No. 37)

Risk can now be removed. St Matthew's, Knowle, Woodford and Holy Cross will all be ready for additional reception places in September 2015. Some further works continuing through to December 2015. Pennycross and Pomphlett both included in the capital programme and feasibility projects to be completed by September 2016. Continued assessment of population growth will be carried out to ensure that the LA meets its statutory responsibility to provide sufficient places in schools for pupils.

Amber Risk 86 – Strategic Housing Private Sector Housing Intervention – reducing capital resources — (Row No. 38)

To be removed from register as now aligned to the Plymouth Plan which will be supported by an Investment Plan and an Infrastructure Prospectus.

Green Risk 97 – Integration of Adult Social Care and Community Health – (Row No. 39)

Integration took place in April 2015 so the risk can now be removed from the register.

4.0 Summary and Conclusion

- 4.1** 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.

- 4.2** 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.
- 4.3** The inclusion of risk management considerations is a key feature in the Council's key corporate processes featuring in the Corporate Plan preparation, Business Planning Framework, Budget Planning and Monitoring and Performance Management.
- 4.4** 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.
- 4.5** 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.
- 4.6** The next formal review of the Strategic Risk and Opportunity Register will take place in February 2016.