

PLYMOUTH CITY COUNCIL

Subject:	Strategic Risk and Opportunity Register – Monitoring Report
Committee:	Audit Committee
Date:	15 September 2016
Cabinet Member:	Councillor Darcy
CMT Member:	Lesa Annear (Strategic Director for Transformation and Change)
Author:	Mike Hocking, Head of Assurance 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 March 2016 to August 2016.

A review of the strategic risk and opportunity register was undertaken at the beginning of the year to ensure the risks included on it are those that affect or are created by our strategic objectives and allow the Corporate Management Team to carry out more proactive management of the key risks that may impact on our Corporate Plan.

Appendix A to the report provides the revised risk and opportunity register showing the current status of each risk and the movement in risk score compared with the previous monitoring period.

Overall, as a result of the review, the total number of risks now reported on the strategic risk and opportunity register has increased from 12 to 14.

The 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	DVS2 6373	Mon Off		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 [24 March 2016](#) and this report now provides a summary of the latest monitoring exercise covering the position as at 31 August 2016.

2.0 Strategic Risk & Opportunity Register Review

- 2.1** Strategic risks can be defined as risks that affect the aims and objectives of the corporate body or hinder/stop successful achievement of corporate aims or priorities. As such they are key matters for the Corporate Management Team and impact on the whole organisation rather than just one department or service area.
- 2.2** As reported in March's committee, a review of the format and content of the strategic register was carried out at the beginning of the year in order to allow the Corporate Management Team to focus only on those risks and opportunities arising from our Corporate Plan objectives and high level outcomes and provide more oversight and challenge on action plans for mitigating those risks.
- 2.3** This new format now gives a fuller picture of individual risks with a more detailed risk description and consequences, links to the delivery of key objectives or projects as well as information on existing and planned mitigations.

3.0 Strategic Risk and Opportunity Register – Monitoring Summary

- 3.1** In accordance with the strategy requirement for twice-yearly monitoring, the latest review and monitoring exercise was completed in August 2016 with the results discussed and agreed by CMT on 16 August 2016 and Cabinet Planning on 23 August 2016.
- 3.2** Attached to this report at Appendix A is the revised strategic risk and opportunity register 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.

4.0 Headline Issues

4.1 New Risks

Amber Risk 114 - The organisation's ability to meet performance and delivery expectations in relation to statutory duties and deadlines are reduced – (Row No. 8)

This risk is included in the strategic risk register being the strategic highlight of a number of related operational risks across directorates. A number of Council services undertake statutory duties such as regulation and enforcement. Increasing public demand and reduced staff resilience are creating pressures (both of complexity and volume) on services. This potentially creates risk in a number of areas such as product safety, food borne illness and contaminated land. Key areas of work in directorates have been risk assessed and prioritised in order to focus

attention on those areas of highest need. In addition, where relevant, services deploy triage systems to focus resources in areas of greatest risk. However, residual risk remains during times of change to service design and delivery.

Amber Risk 116 - Risk of non-delivery of a plan for waste that delivers increased recycling levels in Plymouth – (Row No. 9)

A Programme Plan has been developed with milestones reviewed and monitored by the Project Board (Members and Senior Officers). This will help to ensure the city's recycling targets are achieved and the service is modernised and fit for purpose so that the increase in demand on the service in accordance with the Plymouth Plan Housing Growth can be met.

4.2 Risk Score Unchanged

Red Risk 95 – Medium Term Financial Strategy 2016-2020 (Row No. 1)

The Council has approved a balanced 2016/17 revenue and capital budget and the development of an MTFS to 2019/20. A revised MTFS is being prepared and is due to be considered by Cabinet in October and a recommendation made to Full Council.

Amber Risk 21 - Being unable to deliver Council services within the envelope of the resources provided in 2016/17 – (Row No. 2)

Budget is presented to senior officers and members in scoreboard format which is delivering greater transparency and challenge. Progress is reported within monthly finance reporting to Cabinet members and Scrutiny Board.

Amber Risk 83 – Failure to reduce health inequalities (Row No. 3)

Thrive Plymouth framework has been adopted by full council. Work continues with major employers and schools to influence healthier lifestyles.

4.3 Risk Score Increased

Amber Risk 46 – The Council not meeting its obligations to keep citizen data secure – Increased from 12 to 16 (Row No. 5)

In order to maintain the level of awareness in directorates due to the global increase in the number of data breaches, the risk probability score has been increased for this risk. The Information Governance Manager is undertaking targeted awareness sessions at team meetings and continuing to monitor completion rates for the eLearning training that has been rolled out to staff. Data breach incident reporting is being improved to provide a greater level of consistency across directorates.

5.0 Leaving the EU

5.1 Following the UK referendum vote to leave the EU on 23 June a Leaving the EU working group has been formed, chaired by the Assistant Chief Executive.

5.2 The working group will support the Council in understanding, interpreting and engaging in the Brexit process. Being informed, prepared and proactive will ensure that the Council is in the best possible position to take advantage of opportunities that arise as well as being ahead of the game to potential risks.

- 5.3** A risk log has been developed and an initial scoping exercise has taken place to identify potential risks and opportunities under the following risk category headings:-
- The Plymouth Plan
 - Planning
 - Procurement
 - Community
 - Jobs
 - Skills
 - Adult Social Care
 - Child Care
 - Legislation and Regulation
 - Financial
 - The Economy
- 5.4** The working group will also provide the link to other organisations such as the Local Enterprise Partnership, the Growth Hub and business representative bodies such as Chambers of Commerce to gather some initial views from local businesses on the impact of the referendum.
- 5.5** The Working Group Chair will provide CMT with a monthly update and also update Cabinet where necessary.

6.0 Devolution

- 6.1** In the Summer of 2015, Plymouth City Council, together with all the councils across Devon and Somerset worked together to submit a Statement of Intent to Government expressing the desire to explore a Devolution Deal that would transfer powers and funding from central Government, and enable greater influence over a wide range of public service areas.
- 6.2** On 25 May 2016, a meeting was held between the leaders of Plymouth City Council, Somerset and Devon County Councils and the Mayor of Torbay Council, with the Secretary of State for Communities and Local Government. At that meeting, the Secretary of State offered to support and open up negotiations for a Devolution Deal, if each council, and the respective MPs covering the area were able to provide evidence of an 'in principle' agreement for the creation of a new Combined Authority to administer any Devolution Deal. Negotiations are expected to progress with a draft deal and business case being developed.

7.0 The Plymouth Plan

- 7.1** This year we agreed a new Plymouth Plan. The aim is to raise Plymouth's population from 261,000 to more than 300,000 creating 22,700 homes (including around 7,250 affordable homes) and 18,600 jobs.
- 7.2** The plan replaces over 100 existing strategies covering areas such as health, children and young people, culture, transport and the economy. The Part Two draft was

published in June 2016 and the whole plan will be submitted to the Government for public examination by January 2017.

- 7.3** The next review of the strategic risk register will include a risk to cover the latest overarching position on the progress of the Plymouth Plan and any potential risks arising from delays in delivery milestones.

8.0 Finance Fit Risk Management Review

- 8.1** The Finance FIT project has been launched with the objective of managing delivery of a modern, fit for purpose, cost efficient, cost effective and customer focused Finance Service.

- 8.2** A review of our risk management approach to drive better value from risk management activities is one of the Assurance work stream objectives of the project.

- 8.3** This review took place during July as a joint working collaboration between the Corporate Risk Team and Devon Audit Partnership.

- 8.4** A risk perception questionnaire was sent to all third tier managers and Assistant Directors have been interviewed to get their view on how well risk management is working within their service as well as any areas they would like to see develop.

- 8.5** An audit report is being produced that will include actions to be implemented over the coming 12 months.

- 8.6** The output from the review will be used to create tools to allow the Council to become less risk averse by using risk management as a business driver and therefore better able to maximise opportunities.

- 8.7** Progress of the review will be reported to future meetings of this Committee.

9.0 Summary and Conclusion

- 9.1** 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.

- 9.2** 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.

- 9.3** The inclusion of risk management considerations is a key feature in the Council's key corporate processes featuring in the Corporate Plan preparation, Change Plans, Budget Planning and Monitoring and Performance Management.

- 9.4** This embedded approach 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.

9.5 The next formal review of the Strategic Risk and Opportunity Register will take place in February 2017.