

## PLYMOUTH CITY COUNCIL

**Subject:** Strategic Risk and Opportunity Register – Monitoring Report

**Committee:** Audit Committee

**Date:** 16 March 2017

**Cabinet Member:** Councillor Darcy

**CMT Member:** Andrew Hardingham (Interim Joint Strategic Director Transformation and Change)

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**Ref:** CRM/MJH

**Key Decision:** No

**Part:** 1

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### **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 2016 to February 2017.

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 14 to 15.

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### **The Corporate Plan 2016 - 19:**

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.

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### **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.

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**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.

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**Equality and Diversity**

Has an Equality Impact Assessment been undertaken? Not required.

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**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.

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**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.

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**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

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**Sign off:**

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Originating SMT Member: Andrew Hardingham, Interim Joint Strategic Director Transformation and Change													
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 [15 September 2016](#) and this report now provides a summary of the latest monitoring exercise covering the position as at 28 February 2017.

## **2.0 Strategic Risk and Opportunity Register – Monitoring Summary**

- 2.1** In accordance with the strategy requirement for twice-yearly monitoring, the latest review and monitoring exercise was completed in February 2017 with the results discussed and agreed by CMT on 21 February 2017 and Cabinet Planning on 28 February 2017.
- 2.2** 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.

## **3.0 Headline Issues**

### **3.1 Risk Score Unchanged**

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

The Council is expected to approve a balanced 2017-18 budget following the identification of additional efficiencies. Finance and People Directorate senior management team are working in collaboration with the NHS Success Regime to ensure the Plymouth Integrated Fund is not compromised. Corporate Management Team and Cabinet will continue to receive monthly monitoring reports identifying risks and pressures leading to the consideration of proposals for corrective action.

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

The Council has embarked on a large Transformation Programme in order to achieve significant savings. Cabinet members and scrutiny board receive monthly finance progress reports and regular project accounting reports are presented to the Transformation Review Board.

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

The Thrive Plymouth framework has been adopted by full council and links to the Plymouth and South West Devon Joint Local Plan and Integrated Commissioning Strategies. This provides a good foundation to achieve prevention in all services and decision making processes. During the past 2 years work with employers and schools has taken place to embed an understanding and focus to reduce health inequalities. Whilst this work continues, the focus for Thrive Plymouth Year 3 is localising the national ONE YOU campaign to help adults in middle life adopt healthy behaviours. To enable this, the commissioned health improvement service has re-branded to be One You Plymouth.

## 3.2 New Risk

### **Amber Risk – Failing to adhere to the General Data Protection Regulation (GDPR) (Row No. 7)**

The GDPR replaces the Data Protection Act from May 2018. Failure to adhere to the new regulation may lead to a fine from the Information Commissioner's Office (ICO). The ICO has produced an action plan to help organisation's prepare for implementation and progress of this plan will be monitored via the Management of Information Security Forum and Information Lead Officer Group.

## 3.3 Risk Score Decreased

### **Green Risk 93 – Risk of failing to deliver the range of housing to meet Plymouth's need — Decreased from 12 to 9 (Row No. 12)**

New homes delivery for first two years of monitoring the Plan for Homes (14/15-15/16) is 2,215 homes which is on target to meet the council's 5,000 commitment.

### **Green Risk 113 – Risk of data loss and/or compromise of connected national infrastructure or attacks via standard hacking methods, phishing emails and malware infection – Decreased from 16 to 8 (Row No. 15)**

The 2016 IT health check has been completed and all vulnerabilities are being addressed in order to meet compliance requirements.

## 4.0 Leaving the EU

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

4.2 The working group meets on a bi-monthly basis to support the Council in understanding, interpreting, and engaging in the process of Britain leaving the EU. Being informed, prepared and proactive will ensure that Plymouth City Council is in the best possible position to take advantage of opportunities that arise as well as being able to respond to potential risks.

4.3 The working group will also provide the link to other organisations such as the LGA, 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.

4.4 The Working Group Chair will provide CMT and Cabinet with regular updates.

## 5.0 Finance Fit Risk Management Review

5.1 As reported to this Committee in December, a review of our risk management arrangements took place during last year as a joint working collaboration between the Corporate Risk Team and Devon Audit Partnership.

5.2 Two of the common themes raised by participants of the review were the need for 'real time' risk information and alignment with other corporate governance functions such as performance and financial management.

- 5.3** As a result of this a risk software scoping exercise was undertaken and the most favourable option considered was the use of the Project Server + system which is to be used within the Portfolio Team to record project management risks once a system upgrade has taken place.
- 5.4** A trial of the system to record corporate risks was due to be undertaken during January 2017 however, implementation of the upgrade has been delayed and the system will not be available until March/April 2017.
- 5.5** Providing the upgrade is successful we will trial the system within one area of business during the next monitoring period for operational risks in May and June 2017. The results of this trial will be fed back to this committee.

## **6.0 Integrated Assurance**

- 6.1** The creation of the new Integrated Assurance Service will result in risk management being formally aligned and working alongside other compliance functions and other corporate governance processes to promote a joined-up approach to all aspects of governance.
- 6.2** The attached briefing paper at Appendix B describes “The Three Lines of Defence” model which is being proposed to be the framework to demonstrate and structure roles, responsibilities and accountabilities for decision making, risk and control in order to achieve effective governance and assurance.
- 6.3** Colleagues from other compliance functions have been consulted on the draft framework which aims to enhance communications on risk management and control by clarifying essential roles and duties.
- 6.4** Progress will continue to be reported to future meetings of this Committee.

## **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, Change Plans, Budget Planning and Monitoring and Performance Management.
- 7.4** 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.

**7.5** The next formal review of the Strategic Risk and Opportunity Register will take place in August 2017.