

PLYMOUTH CITY COUNCIL

Subject: Strategic Risk and Opportunity Register – Monitoring Report

Committee: Audit Committee

Date: 15 March 2018

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: 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 2017 to February 2018.

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 15 to 18.

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.

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:

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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 [14 September 2017](#) and this report now provides a summary of the latest monitoring exercise covering the position as at 28 February 2018.

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 2018 with the results discussed and agreed by CMT on 20 February 2018.
- 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 SF2 – Medium Term Financial Strategy (MTFS) 2017-2020 - (Row No. 1)

The MTFS was presented to Council in November 2017. This has been updated as at the end of quarter three to reflect the latest budget position and the impact of the Provisional Local Government Settlement. CMT and Members have been actively consulted and involved in the development of the MTFS. The MTFS has been considered as part of the January Scrutiny meetings.

Amber Risk SF4 – Failing to adhere to the Data Protection Act Regulations from May 2018 – (Row No. 5)

The Information Governance Manager has raised awareness at CMT and DMTs and through staff workshops. Delt are conducting an assessment of ICT systems for compliance and an information audit is underway in all departments.

Amber Risk SCE02 – Potential failure to deliver electoral services functions due to inadequate resourcing and processes and lack of qualified staff – (Row No. 6)

The Chief Executive is the Senior Risk Owner and Assistant Chief Executive is the Project Executive. Gateway reviews provide reassurance on delivery of the elections recovery and development programme. All new electoral posts have been appointed, including Head of Electoral Services.

3.2 Risk Score Increased

Amber Risk SF3 - Being unable to deliver Council services within the envelope of the resources provided in 2016/17 – Increased from 16 to 20 - (Row No. 2)

There has been a reduction in the projected forecast overspend as at the end of quarter three to £1.494m which compares to a £1.272m forecast overspend at the same time last year. Whilst the improved position is welcomed the financial challenges faced by the council are acute and should be set in the context of continuing reduction in resources from government and ever increasing pressures, particularly within Social Care due to increasing demands and complexity needs. Whilst all services must contain their expenditure and look for measures to reduce costs wherever possible there is limited time available to reduce the forecast overspend at this late stage of the financial year. If a balanced budget cannot be achieved at year end, any overspend will have to be funded from reserves i.e. the working balances.

3.3 New Risks

Green Risk SHRI – Maintaining Corporate/Senior Leadership Team capacity and resilience to deliver the Council Plan – (Row No. 14)

Organisational Design proposals approved by Council in January 2018 for full implementation by the Summer. Succession Plans being developed for all critical roles.

Green Risk STPI - Risk of not exploiting the opportunity to explore more cost effective shared service delivery models / Supply back office services to potential future partners and customers / Develop our digital capability in order to support customer service improvement – (Row No. 18)

Delt shared services delivery model being developed and other shared service delivery models are also being considered. Mitigation is reviewed at pre-decision Scrutiny Panel and Cross Party Working Group to ensure all known concerns about any proposed transfers are addressed.

3.4 Risk Score Decreased

Amber Risk SSSI (Reduced from 15 to 12) – Risk of non-delivery of a plan for waste that delivers increased recycling levels in Plymouth – (Row No. 9)

Modernisation Plan in place across Street Scene and Waste Department focussing on back office systems and processes which are designed to improve the delivery of frontline services for customers. Measures either delivered or in progress include communications campaigns; utilising other teams in the Council who are engaging with residents to also encourage recycling; improving service request resolution times; optimising crew routes and new technology to transform task allocations and data recording.

Amber Risk STSI (Reduced from 16 to 12) - Failure to reduce Health Inequalities will mean our poorest residents continue to live shorter lives as well as more years in ill health - (Row No. 10)

Thrive Plymouth framework adopted by Full Council and reading across in Plymouth Plan and Integrated Commissioning Strategies provides good foundation to achieve prevention in all services and decision making processes. The current year 4 focus is on mental wellbeing. Thrive Plymouth is integral to the Plymouth Plan which is

monitored via CMT/Cabinet/Full Council. The Finance and Assurance Review Group review Joint Integrated Commissioning Risk Register quarterly.

4.0 Integrated Assurance

- 4.1** I reported to this committee in December that joint working is underway with Performance Advisors in the Chief Executive Office to enhance performance and risk reporting.
- 4.2** Performance scorecards continue to be reviewed against risk registers to identify any gaps in reporting by the Corporate Risk Advisor attending monthly Performance Service Overview meetings.
- 4.3** The Performance Advisor responsible for Education, Participation and Skills undertook a review of key performance indicators together with the Assistant Director for the service to identify key themes which was then used to identify risks.
- 4.4** Both the Performance Advisor and Corporate Risk Advisor attended the SMT meeting with the department Risk Champion so that the draft risks could be discussed in more detail by the senior management team.
- 4.5** This level of engagement was well received and ongoing review of both KPI and risk information will continue to inform discussion at monthly SMT meetings.
- 4.6** This format will be used by the Performance Team working with the Corporate Risk Advisor and rolled out across the organisation.

5.0 Summary and Conclusion

- 5.1** 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.
- 5.2** Risk management is not a stand-alone activity that is separate from the main activities and processes of the organization. Risk being formally aligned and working alongside other compliance functions helps to promote a joined-up approach to all aspects of governance.
- 5.3** This aligned 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.
- 5.4** The next formal review of the Strategic Risk and Opportunity Register will take place in August 2018.