

## PLYMOUTH CITY COUNCIL

<b>Subject:</b>	Strategic Risk and Opportunity Register – Monitoring Report
<b>Committee:</b>	Audit and Governance Committee
<b>Date:</b>	1 October 2018
<b>Cabinet Member:</b>	Councillor Lowry
<b>CMT Member:</b>	Giles Perritt (Assistant Chief Executive)
<b>Author:</b>	Julie Hosking, Corporate Risk Advisor
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<b>Ref:</b>	CRM/JKH
<b>Key Decision:</b>	No
<b>Part:</b>	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 March 2018 to August 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 reduced from 18 to 14 with the deletion of five and the addition of one new risk.

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

The Strategic Risk and Opportunity Register includes links to the Corporate Plan priorities – 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.

### Equality and Diversity

Has an Equality Impact Assessment been undertaken? Not required.

### Recommendations and Reasons for recommended action:

The Audit and Governance 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's Risk and Opportunity Management [Strategy](#).  
 Previous Strategic Risk Monitoring reports to the Audit and Governance Committee

### 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: Giles Perritt, Assistant Chief Executive													
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 March 2018](#) and this report now provides a summary of the latest monitoring exercise covering the position as at 31 August 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 July and August 2018 with the results discussed, and further actions agreed, by Corporate Management Team on 21 August 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 Red Risks**

#### **Red Risk SF2 – Medium Term Financial Strategy (MTFS) 2017-2020 - (Row No. 1)**

The MTFS was approved at Full Council in November 17 and is updated quarterly and agreed annually by Full Council. An officer working group comprising of our Senior Leadership Team and senior finance management has met regularly to advance the MTFS.

#### **Red Risk SF3 - Being unable to deliver Council services within the envelope of the resources provided in 2018/19 – (Row No. 2)**

Traffic light ratings identified for all savings and cost pressures that emerge during the year. Budget presented to members and senior officers in scoreboard format, delivering greater transparency and challenge. Corporate Management Team has the MTFS as a standing agenda item.

### **3.2 New Red Risk**

#### **Red Risk SEPSI – Reduction in the quality of education provision negatively affecting level of pupil attainment and damage to reputation following poor Ofsted inspection – (Row No. 3)**

80% of Primary schools and 50% of Secondary schools in Plymouth were judged as 'Good' or 'Outstanding' by Ofsted at the end of quarter one. This is lower than the national averages reported (90% and 79% retrospectively, although this includes schools not inspected yet following academy conversion). The risk is very high in Secondary provision and less so in the Primary provision, although the Primary provision remains a concern. Whilst overall there is a desire to improve the quality of school provision in the city, a priority for the Plymouth Education Board is delivering the 'Plymouth Challenge' which is focussed on Secondary provision.

Further action is also being discussed at the Education and Children's Social Care Scrutiny Committee in November 2018.

### 3.3 Risk Score Decreased

**Amber Risk SCEO2 (Reduced from 16 to 12) - Potential failure to deliver effective electoral services functions due to inadequate resourcing and processes and lack of appropriately qualified staff – (Row No. 8)**

Risk score reduced following the successful delivery of both the Local Election on 3 May and Stoke Ward By-Election on 26 July 2018.

### 3.4 Deleted Strategic Risks

**Amber Risk SEDI – Failure to secure adequate market interest and funding in the South Yard Marine Industries Production – (Row 15)**

Risk moved to the Place operational risk register.

**Green Risk STPI – Risk of not exploiting the opportunity to explore more cost effective shared service delivery models – (Row 16)**

Risk moved to the Finance operational risk register.

**Green Risk SFI – Failing to develop a contractual arrangement with Torbay Council to deliver their children's services – (Row No. 17)**

Full Council endorsed the Cabinet's decision to enter into a formal contractual arrangement for Plymouth City Council to manage Torbay Council's Children's Service. Contracts have been signed and the formal arrangement officially started on 1 April 2018.

**Amber Risk SF4 – Failing to adhere to the Data Protection Act Regulations from May 2018 – (Row No. 18)**

Merged with Risk SF5 – The Council not meeting its obligation to keep data secure by failing to adhere to Data Protection Act 2018 - (Row 7).

**Green Risk SF6 – Risk of data loss and/or compromise of connected national infrastructure due to vulnerable infrastructure – (Row 19)**

Merged with Risk SF5 as above.

## 4.0 Performance and Risk

**4.1** Alignment of performance and risk continues to be developed. Risk narrative is included within the Quarter 1 Corporate Plan Performance Report to add value to the quality of information provided.

**4.2** Performance scorecards continue to be reviewed against risk registers to identify any gaps in reporting.

**4.3** Services are also recognising the benefit of coordinating and aligning management information. Place Directorate has established a timeline to collate information from colleagues across the organisation in order to provide operational performance related information to their management team on a monthly basis. Areas include

Performance and Risk, Finance, Customer Services, Human Resources and Health, Safety and Wellbeing.

- 4.4** This approach will be shared with Risk Champions across the organisation as an example of good practice.

## **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 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 February 2019.