

Subject:	Strategic Risk Focus: SR13: Not keeping vulnerable adults safe from harm and abuse; SR20: Inability to integrate health and social care services at a local level and deliver timely and appropriate interventions; SR32: Sub-standard health & safety measures lead to personal injury, prosecution, financial losses and reputational damage; SR33: Not providing adequate housing and support for people with significant and complex needs.	
Date of Meeting:	18 September 2018	
Report of:	Executive Lead Officer, Strategy, Governance & Law	
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Ward(s) affected:	All	

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The Audit & Standards Committee has a role to monitor and form an opinion on the effectiveness of risk management and internal control. As part of discharging this role the Committee focuses on at least two Strategic Risks at each of their meetings.
- 1.2 This report also provides the Committee with details of the changes to the city council's Strategic Risk Register (SRR) last reviewed by the Executive Leadership Team (ELT) on 25 July 2018 following the change to the Risk Management Process agreed at ELT in June 2018.
- 1.3 The Strategic Risk Focus is based on detail provided in Appendix 1 of this report which records the actions taken (existing controls) and future actions to manage these strategic risks.
- 1.4 The officers available to answer Members' questions on SR13 and SR20 will be Rob Persey, Executive Director, Health & Adult Social Care; and David Kuenssberg, Executive Director, Finance & Resources.

2. RECOMMENDATIONS:

That the Audit & Standards Committee:

- 2.1 Note (as detailed in paragraph 3.3) the changes to the risk management process as agreed at ELT's away day in June 2018.
- 2.2 Note (as detailed in paragraph 3.4) the changes to the council's SRR.
- 2.3 Note Appendix 1 for details of SR13; SR20; SR32; and SR33.
- 2.4 Note Appendix 2 'Suggested questions for Members to ask Risk Owners and officers on Strategic Risks'. This provides three generic questions with the intention to support Members to ask the right questions in accordance with their role as a Member of the Audit & Standards Committee.
- 2.5 That, having considered Appendix 1 and any clarification and/or comments from the officers, the Committee makes any recommendations it considers appropriate to the relevant council body.









3. CONTEXT/ BACKGROUND INFORMATION













- 3.1 The SRR details the current prioritised risks which may affect the achievement of the council's Corporate Plan purpose, including in relation to its work with other organisations across the city. It is reviewed and agreed by ELT quarterly, and influences service activity within Directorates and Directorates' individual Directorate Risk Registers.
- 3.2 Across the council there are a number of risk registers which prioritise risks consistently by assigning risk scores 1-5 to the likelihood of the risk occurring, and the potential impact (denoted by 'I') if it should occur. These L and I scores are multiplied; the higher the result of L x I, the greater the risk e.g.L4xI4 which denotes a Likelihood score of 4 (Likely) x Impact score of 4 (Major). A colour coded system, similar to the traffic light system, is used to distinguish risks that require intervention. Red risks are the highest, followed by Amber risks and then Yellow, and then Green. The Strategic Risk Register records Red and Amber risks. Each strategic risk has a unique identifying number and is prefixed by 'SR' representing that it is a strategic risk.
- 3.3 At ELT's away day on 13th June 2018 it was agreed to alter the risk management process to accord with that practiced by our Orbis partners. This has been applied and is understood by all DMTs and by all eighty Tier 4 managers who have attended mandatory risk management training as required by ELT. The main changes to the risk management process are:
 - a) Initial Risk Score now reflects the Existing Controls under the 'Three Lines of Defence' methodology as before. Therefore the Initial Risk Score represents the 'as is'/ 'now' position for the risk taking account of existing controls;
 - b) The Revised Risk Score focuses on the application of time and expenditure to future reduce the likelihood or impact of each risk and is based on the assumption that any future Risk Actions, as detailed in Appendix 1, will have been delivered to timescale and will have the desired impact;









c) Where initial and revised scores are the same – the Risk Owners were asked to consider the 4Ts of Risk Treatments (Treat/Tolerate/Terminate/Transfer) and change the scoring or remove all future risk actions/move them to existing control. This is on the understanding that the risk action should either reduce the likelihood and/or reduce the impact – if none of this is true, there will not be any reason to undertake the action.





3.4 There were no changes to the titles of risks contained within the city council's SRR as a result of the ELT review on 25 July 2018, there remain the same 16 Strategic Risks.

Table 1 below sets out the strategic risks in order of highest Revised Risk Score:

Risk Nos.	Risk Title	Initial Risk Score Likelihood (L) x Impact (I)	Revised Risk Score Likelihood (L) x Impact (I)	Committee Chair	Lead Member	Risk Owner
SR 2	Council is not financially sustainable	5 x 4  RED	4 x 4  RED	Cllr. Yates	Cllr. Hamilton	Executive Director, Finance & Resources
SR 33	Not providing adequate housing and support for people with significant and complex needs	4 x 4  RED	3 x 4  AMBER	Cllr. Barford Cllr. Meadows	Cllr. Moonan Cllr. Penn	Executive Director Health & Adult Social Care
SR 18	Service outcomes are sub-optimal due to the lack of appropriate tools for officers to perform their roles	4 x 4  RED	3 x 4  AMBER	Cllr. Yates	Cllr. Hamilton	Executive Director, Finance & Resources
SR 10	Corporate Information Assets are inadequately controlled and vulnerable to cyber attack	4 x 4  RED	4 x 3  AMBER	Cllr. Barford Cllr. Yates	Cllr. Barford Cllr. Hamilton	Executive Director, Finance & Resources

Risk Nos.	Risk Title	Initial Risk Score Likelihood (L) x Impact (I)	Revised Risk Score Likelihood (L) x Impact (I)	Committee Chair	Lead Member	Risk Owner
SR 32	Sub-standard health & safety measures lead to personal injury of staff or residents, financial losses and reputational damage	2 x 5  AMBER	2 x 5  AMBER	Cllr. Yates	Cllr. Hamilton	Executive Director, Finance & Resources
SR 13	Not keeping Vulnerable Adults Safe from harm and abuse	3 x 4  AMBER	3 x 3  AMBER	Cllr. Barford	Cllr. Moonan	Executive Director, Health & Adult Social Care
SR 15	Not keeping Children Safe from harm and abuse	3 x 4  AMBER	3 x 3  AMBER	Cllr. Chapman	Cllr. Chapman	Executive Director, Families, Children & Learning
SR 20	Inability to integrate health and social care services at a local level and deliver timely and appropriate interventions	3 x 4  AMBER	3 x 3  AMBER	Cllr. Barford	Cllr. Moonan Cllr. Penn	Executive Director Health & Adult Social Care
SR 21	Unable to manage housing pressures and deliver new housing supply	3 x 4  AMBER	3 x 3  AMBER	Cllr. Meadows	Cllr. Hill	Executive Director, Neighbourhoods, Communities & Housing
SR 25	The lack of organisational capacity leads to sub-optimal service outcomes, financial losses, and reputational damage	3 x 4  AMBER	3 x 3  AMBER	Cllr. Yates	Cllr. Hamilton	Executive Director, Finance & Resources

Risk Nos.	Risk Title	Initial Risk Score Likelihood (L) x Impact (I)	Revised Risk Score Likelihood (L) x Impact (I)	Committee Chair	Lead Member	Risk Owner
SR 31	Greater liability on the council's budget due to budgetary pressures on schools	3 x 4  AMBER	3 x 3  AMBER	Cllr. Chapman	Cllr. Chapman	Executive Director Families, Children & Learning
SR 24	The impact of Welfare Reform increases need and demand for services	4 x 3  AMBER	3 x 3  AMBER	Cllr. Yates	Cllr. Hamilton	Executive Director, Finance & Resources
SR 30	Not fulfilling the expectations of residents, businesses, government and the wider community that Brighton & Hove City Council will lead the city well and be stronger in an uncertain environment	3 x 4  AMBER	3 x 3  AMBER	Cllr. Yates	Cllr. Yates	Chief Executive
SR 23	Unable to develop an effective Investment Strategy for the Seafront	3 x 4  AMBER	3 x 3  AMBER	Cllr. Robins	Cllr. Robins	Executive Director, Economy, Environment & Culture

Risk Nos.	Risk Title	Initial Risk Score Likelihood (L) x Impact (I)	Revised Risk Score Likelihood (L) x Impact (I)	Committee Chair	Lead Member	Risk Owner
SR 26	Not strengthening the council's relationship with citizens	3 x 4  AMBER	3 x 3  AMBER	Cllr. Daniel	Cllr. Marsh Cllr. Platts	Executive Director, Neighbourhoods, Communities & Housing
SR 29	Ineffective contract management leads to sub-optimal service outcomes, financial losses, and reputational damage	3 x 4  AMBER	3 x 3  AMBER	Cllr. Yates	Cllr. Hamilton	Executive Director, Finance & Resources

4. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 4.1 For each Strategic Risk there is detail of the actions already in place ('Existing Controls') or work to be done as part of business or project plans ('Risk Actions') to address the strategic risk. Potentially these may have significant financial implications for the authority either directly or indirectly. The associated financial risks are considered during the Targeted Budget Management process and the development of the Medium Term Financial Strategy.

Finance Officer Consulted: James Hengeveld

Date: 07/08/2018

Legal Implications:

- 4.2 Members of this Committee are entitled to any information, data and other evidence which enables them to reach an informed view regarding to whether the council's Strategic Risks are being adequately managed. The Committee may make recommendations based on its conclusions.
- 4.3 The individual Strategic Risks which are focused on in this Report may potentially have legal implications. Where those implications are of a direct nature, they are noted in the Report or in the appendices to it.

Lawyer Consulted: Victoria Simpson

Date: 01/08/2018

SUPPORTING DOCUMENTATION

Appendices:

1. Appendix 1 Strategic Risk Focus report - SR13, SR20, SR32 and SR33.
2. Appendix 2 'Suggested questions for Members to ask Risk Owners and officers on Strategic Risks'.

Documents in Members' Rooms

1. None.

