

<b>Subject:</b>	<b>Strategic Risk Focus: SR2, SR10, SR18, SR25 and SR34</b>		
<b>Date of Meeting:</b>	<b>23 July 2019</b>		
<b>Report of:</b>	<b>Executive Lead for Strategy, Governance &amp; Law (Monitoring Officer)</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Jackie Algar</b>	<b>Tel: 01273 291273</b>
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<b>Ward(s) affected:</b>	<b>All Wards</b>		

## 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 The officers available to answer Members' questions will be the Risk Owner at this meeting will be David Kuenssberg, Executive Directorate Finance & Resources and officers within his Directorate with detailed knowledge of risk actions connected to the following Strategic Risks (SRs):
- i. SR2 'The council is not financially sustainable';
  - ii. SR10 'Corporate Information Assets are inadequately controlled and vulnerable to cyber attack';
  - iii. SR18 'The organisation is unable to deliver its functions in a modern, efficient way due to the lack of appropriate technology';
  - iv. SR25 'The lack of organisational capacity leads to sub-optimal service outcomes, failure to meet statutory obligations, and reputational damage'; and
  - v. SR34 'Ambitions to improve offer for staff which have been stated in Our People Promise may not be realised'.

### 2. RECOMMENDATIONS:

That the Audit & Standards Committee:

- 2.1 Note in paragraph 3.3 the changes to the council's SRR as agreed at the Executive Leadership Team (ELT) on 15 May 2019.
- 2.2 Note Appendix 1 for details of SR2, SR10, SR18, SR25, and SR34.
- 2.3 Note Appendix 2: Information on the council's risk management process relative to Strategic Risks (SRs); and Suggested questions for Members to ask Risk Owners and officers on Strategic Risks.

2.4 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 This report also provides the Committee with details of the changes to the city council’s Strategic Risk Register (SRR) last reviewed by ELT on 15 May 2019.

3.2 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. The SRR is reviewed and agreed by ELT quarterly.

#### 3.3 Summary of changes to the SRR as a result of the ELT review on 15 May 2019.



The SRR is a public document which is supported by data collected on a specific software programme used by the City Council for Risk called ‘CAMMS Risk’, it links to a parent module, CAMMS Strategy, which we use for collation and analysis of Performance data and Performance reporting. A detailed CAMMS Risk report on the SRs which are the subject of this Risk Focus Item is provided at Appendix 1.







Below at Table 1 changes made to the council’s SRR by ELT’s quarterly risk review on 15 May 2019 is summarised. One risk was removed, and another added so there are still 18 Strategic Risks (SRs).







Note:
































- (i) the addition of new risk SR36 ‘Not taking all actions required to address climate and ecological change, and making our city carbon neutral by 2030’
- (ii) for 17 of the 18 SRs there were no changes to risk scores
- (iii) for SR32 ‘Sub-standard health & safety measures lead to personal injury of staff or residents, financial losses and reputational damage’ the risk scores were increased. The risk title has also changed
- (iv) changes to risk titles apply to SR18, 20, 25, 23, 29, 31 and SR32 as denoted in italics in the table below.









**Table 1 Strategic Risks**







Risk Nos.	Risk Title	Initial Risk Score Likelihood (L) x Impact (I) & Direction of Travel (DOT)	Revised Risk Score Likelihood (L) x Impact (I) & DOT	Committee & Chair	Risk Owner
SR20	Inability to integrate health and social care services at local level to the agreed timescales has been primarily	5 x 4 ◀▶  RED	4 x 4 ◀▶  RED	Health & Wellbeing Board – Cllr Moonan	Executive Director, Health & Adult Social Care

Risk Nos.	Risk Title	Initial Risk Score Likelihood (L) x Impact (I) & Direction of Travel (DOT)	Revised Risk Score Likelihood (L) x Impact (I) & DOT	Committee & Chair	Risk Owner
	caused by both unplanned budget reductions impacting upon council budgets and services and system wide restructuring of Clinical Commissioning Groups (CCGs) across Sussex which has distracted attention from the local position <i>(was Inability to integrate health and social care services at local level to the agreed timescales)</i>				
SR2	The Council is not financially sustainable	5 x 4    RED	4 x 4    RED	Policy, Resources & Growth Committee - Cllr. Platts	Executive Director, Finance & Resources

Risk Nos.	Risk Title	Initial Risk Score Likelihood (L) x Impact (I) & Direction of Travel (DOT)	Revised Risk Score Likelihood (L) x Impact (I) & DOT	Committee & Chair	Risk Owner
SR32	Sub-standard health & safety measures lead to personal injury, prosecution, financial losses and reputational damage ( <i>was Sub-standard health &amp; safety measures lead to personal injury of staff or residents, financial losses and reputational damage</i> )	5 x 4 ▲  RED  Note risk score was 3 x 4 AMBER	4 x 4 ▲  RED  Note risk score was 2 x 5 AMBER	Policy, Resources & Growth Committee – Cllr. Platts	Executive Director, Finance & Resources
SR33	Not providing adequate housing and support for people with significant and complex needs	4 x 4 ◀▶  RED	3 x 4 ◀▶  AMBER	Health & Wellbeing Board – Cllr. Moonan Housing & New Homes Committee – Cllr. Allcock	Executive Director, Health & Adult Social Care
SR18	The organisation is unable to deliver its functions in a modern, efficient way due to the lack of appropriate technology ( <i>was Service outcomes are sub-optimal due to the lack of appropriate tools for the organisation to manage its functions</i> )	4 x 4 ◀▶  RED	3 x 4 ◀▶  AMBER	Policy, Resources & Growth Committee – Cllr. Platts	Executive Director, Finance & Resources

Risk Nos.	Risk Title	Initial Risk Score Likelihood (L) x Impact (I) & Direction of Travel (DOT)	Revised Risk Score Likelihood (L) x Impact (I) & DOT	Committee & Chair	Risk Owner
SR10	Corporate Information Assets are inadequately controlled and vulnerable to cyber attack	4 x 4    RED	4 x 3    AMBER	Policy, Resources & Growth Committee - Cllr. Platts	Executive Director, Finance & Resources
SR35	Unable to manage serious risks and opportunities resulting from the impact of Brexit on the local and regional society and economy	4 x 4    RED	4 x 3    AMBER	Policy, Resources & Growth Committee - Cllr. Platts	Executive Lead Officer, Strategy, Governance & Law
SR36	Not taking all actions required to address climate and ecological change, and making our city carbon neutral by 2030	5 x 4 NEW  RED	NEW Risk mitigations to be determined to inform revised risk score	Environment, Transport & Sustainability Committee – Cllr. Pissaridou	Executive Director, Economy, Environment & Culture
SR13	Not keeping Vulnerable Adults Safe from harm and abuse	3 x 4    AMBER	3 x 3    AMBER	Health & Wellbeing Board – Cllr. Moonan	Executive Director, Health & Adult Social Care
SR21	Unable to manage housing pressures and deliver new housing supply	3 x 4    AMBER	3 x 3    AMBER	Housing & New Homes Committee – Cllr. Allcock	Executive Director, Neighbourhoods, Communities & Housing
SR25	The lack of organisational capacity leads to sub-optimal service outcomes, failure to meet statutory	3 x 4    AMBER	3 x 3    AMBER	Policy, Resources & Growth Committee – Cllr. Platts	Executive Director, Finance & Resources

Risk Nos.	Risk Title	Initial Risk Score Likelihood (L) x Impact (I) & Direction of Travel (DOT)	Revised Risk Score Likelihood (L) x Impact (I) & DOT	Committee & Chair	Risk Owner
	obligations, and reputational damage ( <i>was The lack of organisational capacity leads to sub-optimal service outcomes, financial losses, and reputational damage</i> )				
SR24	The impact of Welfare Reform increases need and demand for services	4 x 3 ◀▶  AMBER	3 x 3 ◀▶  AMBER	Policy, Resources & Growth Committee – Cllr. Platts	Executive Director, Finance & Resources
SR23	Unable to develop and deliver an effective Investment Strategy for the Seafront and ensure effective maintenance of the seafront infrastructure ( <i>was Unable to develop an effective Investment Strategy for the Seafront</i> )	3 x 4 ◀▶  AMBER	3 x 3 ◀▶  AMBER	Environment, Transport & Sustainability Committee – Cllr. Pissaridou  Tourism & Development & Culture Committee – Cllr. Robins	Executive Director, Economy, Environment & Culture
SR26	Not strengthening the council's relationship with citizens	3 x 4 ◀▶  AMBER	3 x 3 ◀▶  AMBER	Neighbourhoods, Inclusion, Communities & Equalities Committee – Cllr. Knight	Executive Director, Neighbourhoods, Communities & Housing
SR29	Ineffective contract performance management leads to sub-optimal service	3 x 4 ◀▶  AMBER	3 x 3 ◀▶  AMBER	Policy, Resources & Growth Committee - Cllr. Platts	Executive Director, Finance & Resources

Risk Nos.	Risk Title	Initial Risk Score Likelihood (L) x Impact (I) & Direction of Travel (DOT)	Revised Risk Score Likelihood (L) x Impact (I) & DOT	Committee & Chair	Risk Owner
	outcomes, financial irregularity and losses, and reputational damage <i>(was Ineffective contract management leads to sub-optimal service outcomes, financial losses, and reputational damage)</i>				
SR30	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	Policy, Resources & Growth Committee - Cllr. Platts	Chief Executive
SR34	Ambitions to improve offer for staff which have been stated in Our People Promise may not be realised	3 x 4 ◀▶  AMBER	2 x 3 ◀▶  YELLOW	Policy, Resources & Growth Committee - Cllr. Platts	Executive Director, Finance & Resources
SR15	Not keeping Children Safe from harm and abuse	3 x 4 ▲  AMBER ELT increased impact score after Member query at Audit & Standards Committee	2 x 3 ◀▶  YELLOW	Children, Young People & Skills Committee – Cllr. Childs	Executive Director, Families, Children & Learning

- 3.4 Appendix 2 provides 'Information on the council's risk management process relative to Strategic Risks (SRs) and Suggested questions for Members to ask Risk Owners and officers on Strategic Risks'. It is intended to provide information on the council's risk management process relative to SRs and is attached as a separate appendix in order to assist Members to scrutinise the information in Appendix 1 and ask questions of the Strategic Risk Owners and officers in order to assist Members on their assurance role at this Committee.

#### **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: 22/05/2019*

##### **Legal Implications**

- 4.2 Members of this Committee are entitled to any information, data and other evidence which they consider will enable them to reach an informed view regarding whether the council's Strategic Risks are being adequately managed. The Committee may make recommendations based on any conclusions it comes to.
- 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: 06/06/2019*

### **SUPPORTING DOCUMENTATION**

#### **Appendices:**

1. Strategic Risk Focus report: SR2, SR10, SR18, SR25 and SR34.
2. Information on the council's risk management process relative to Strategic Risks (SRs) and Suggested questions for Members to ask Risk Owners and officers on Strategic Risks.

#### **Background Documents**

1. None.