

<b>Subject:</b>	<b>Strategic Risk Focus:</b> <b>SR30</b> 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; <b>SR23</b> Unable to develop an effective Investment Strategy for the Seafront; <b>SR21</b> Unable to manage housing pressures and deliver new housing supply; and <b>SR26</b> Not strengthening the council's relationship with citizens.
<b>Date of Meeting:</b>	<b>8 January 2019</b>
<b>Report of:</b>	<b>Executive Lead Officer, Strategy, Governance &amp; Law</b>
<b>Contact Officer:</b>	<b>Name: Jackie Algar</b> <b>Tel: 01273 291273</b> <b>Email: Jackie.algar@brighton-hove.gov.uk</b>
<b>Ward(s) affected:</b>	<b>All</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 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 21 November 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 will be for SR30 - Geoff Raw, Chief Executive; SR23 Nick Hibberd, Executive Director, Economy, Environment & Culture; SR21 and SR26 Larissa Reed, Executive Director, Neighbourhoods, Communities & Housing.

**2. RECOMMENDATIONS:**

That the Audit & Standards Committee:

- 2.1 Note as detailed in paragraph 3.3 the streamlining of the risk management process as agreed at ELT on 21 November 2018.
- 2.2 Note in paragraphs 3.4 and 3.5 the changes to the council's SRR.
- 2.3 Note Appendix 1 for details of SR30; SR23; SR21; and SR26.
- 2.4 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.
- 2.5 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 Appendix 2 is intended to provide information on the council's risk management process relative to Strategic Risks (SRs) and is attached as a separate appendix in order to provide background reference and enable Members to focus on the changes to the SRR and any changes to the risk management process by the ELT.
- 3.3 Streamlining of the risk management process

To reflect the time pressure on busy managers in the context of financial challenges, ELT agreed to streamline the Risk Management process so that:

- i. Directorate Risk (DR) lists will now be the format for recording directorate risks instead of the current CAMMS software Risk registers such as used for SRs. The Directorate Risk lists will be maintained by scheduled quarterly conversations at Directorate Management Teams (DMTs) to be facilitated and minuted by the Risk Management Lead. These DR lists will be reported to ELT quarterly as part of the Strategic Risk Register review sessions;
- ii. Risk Owners and Risk Action Owners will no longer be required to update Directorate Risks on the CAMMS Risk software. The relevant Executive Leadership Team lead would continue to be accountable for ensuring risk was being managed effectively using existing processes, e.g. where relevant including actions in Directorate Plans which are monitored at least quarterly.

The risk management process will continue to provide firm evidence for the Annual Governance Statement (AGS).

### 3.4 Summary of changes to the SRR as a result of the ELT review on 21 November 2018.

ELT approved:

3.4.1. Addition of new SR34 'Ambitions to improve offer for staff which have been stated in the People Promise may not be realised' as set out in Table 1 below.







3.4.2 Changes to Risk Titles:













- i. SR18 – the risk title was clarified with additional text ‘...for the organisation to manage its functions.’











3.4.3 Risk scores and any changes to risk scores against ELT’s last quarterly review are indicated in Table 1 by Direction of Travel (DOT) arrows in the Initial and Revised Risk score.







### 3.5 Table 1 Strategic Risk Register

No SR was removed and with the addition of SR34 there are now 17 Strategic Risks. These are presented in order of highest Revised (Future) Risk Score:

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	Lead Member	Risk Owner
SR20	Inability to integrate health and social care services at a local level and deliver timely and appropriate interventions	5 x 4 ▲  RED <i>(Initial risk score changed from L3 x I4 to L5 x I4)</i>	4 x 4 ▲  RED <i>(Revised risk score changed from L3 x I3 to L4 x I4)</i>	Health & Wellbeing Board – Cllr. Barford	Cllr. Moonan	Executive Director, Health & Adult Social Care
SR2	Council is not financially sustainable	5 x 4 ◀▶  RED	4 x 4 ◀▶  RED	Policy, Resources & Growth Committee - Cllr. Yates	Cllr. Hamilton	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. Barford Housing & New Homes Committee – Cllr. Meadows	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	Lead Member	Risk Owner
SR18	Service outcomes are sub-optimal due to the lack of appropriate tools for the organisation to manage its functions	4 x 4 ◀▶  RED	3 x 4 ◀▶  AMBER	Policy, Resources & Growth Committee - Cllr. Yates	Cllr. Hamilton	Executive Director, Finance & Resources
SR10	Corporate Information Assets are inadequately controlled and vulnerable to cyber attack	4 x 4 ◀▶  RED	4 x 3 ◀▶  AMBER <i>(Revised risk score changed from L3 x I4 to L4 x I3)</i>	Policy, Resources & Growth Committee - Cllr. Yates	Cllr. Hamilton	Executive Director, Finance & Resources
SR32	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 (There are no future actions)	Policy, Resources & Growth Committee - Cllr. Yates	Cllr. Hamilton	Executive Director, Finance & Resources
SR13	Not keeping Vulnerable Adults Safe from harm and abuse	3 x 4 ◀▶  AMBER	3 x 3 ▼  AMBER	Health & Wellbeing Board – Cllr. Moonan	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. Meadows	Cllr. Meadows Cllr. Hill	Executive Director, Neighbourhoods, Communities & Housing
SR25	The lack of organisational capacity leads to sub-optimal service	3 x 4 ◀▶  AMBER	3 x 3 ▼  AMBER	Policy, Resources & Growth Committee - Cllr. Yates	Cllr. Hamilton	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	Lead Member	Risk Owner
	outcomes, financial losses, and reputational damage					
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. Yates	Cllr. Hamilton	Executive Director, Finance & Resources
SR23	Unable to develop an effective Investment Strategy for the Seafront	3 x 4 ▲  AMBER  <i>(Initial risk score changed from L3 x I3 to L3 x I4)</i>	3 x 3 ◀▶  AMBER	Environment, Transport & Sustainability Committee – Cllr. Mitchell Tourism & Development & Culture Committee – Cllr. Robins	Cllr. Alan 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. Daniel	Community Safety – Cllr. Marsh  Economic Development and Social Value – Cllr. Platts	Executive Director, Neighbourhoods, Communities & Housing
SR29	Ineffective contract management leads to sub-optimal service outcomes, financial losses, and reputational damage	3 x 4 ◀▶  AMBER  <i>(Initial risk score changed from L4 x I3 to L3 x I4)</i>	3 x 3 ◀▶  AMBER	Policy, Resources & Growth Committee - Cllr. Yates	Cllr. Hamilton	Executive Director, Finance & Resources
SR30	Not fulfilling the expectations of residents, businesses,	3 x 4 ◀▶  AMBER	3 x 3 ◀▶  AMBER	Policy, Resources & Growth Committee - Cllr. Yates	Cllr. Hamilton	Chief Executive

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	Lead Member	Risk Owner
	government and the wider community that Brighton & Hove City Council will lead the city well and be stronger in an uncertain environment					
SR31	Greater liability on the council's budget due to budgetary pressures on schools	3 x 4 ◀▶  AMBER	2 x 3 ▼  YELLOW	Children, Young People & Skills Committee - Cllr. Chapman	Cllr. Chapman	Executive Director, Families, Children & Learning
SR34	Ambitions to improve offer for staff which have been stated in Our People Promise may not be realised	3 x 4  NEW AMBER	2 x 3  NEW YELLOW	Policy, Resources & Growth Committee - Cllr. Yates	Cllr. Hamilton	Executive Director, Finance & Resources
SR15	Not keeping Children Safe from harm and abuse	3 x 3 ▼  AMBER	2 x 3 ▼  YELLOW	Children, Young People & Skills Committee – Cllr. Chapman	Cllr. Chapman	Executive Director, Families, Children & Learning

#### 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: Jeff Coates*

*Date: 28/11/2018*

### 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: 27/11/2018*

### **SUPPORTING DOCUMENTATION**

#### **Appendices:**

1. Appendix 1 Strategic Risk Focus report: SR21, SR26, SR23 and SR30.
2. 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.

#### **Documents in Members' Rooms**

1. None.

#### **Background Documents**

1. None.

