

- 2.3 That the Committee note (as detailed in paragraph 3.3) the changes to the council's SRR.

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 The main changes agreed to the city council's SRR as a result of the ELT review on 7 February 2018 were:
- 1) SR30 change of risk title from 'Failure to demonstrate Place Based Leadership, unable to promote the City-Region's business economy, employment & training opportunities; a poor reputation in delivering value for money for the business rate payer' to 'Not fulfilling the expectations of residents, business, government and the wider community that Brighton & Hove City Council will lead the city well and be stronger in an uncertain environment'. The revised risk score was reduced by ELT from Likelihood 3 (Possible) x Impact 4 (Major) to a Likelihood 3 (Possible) x Impact 3 (Moderate) which is due to the work that has been undertaken.
 - 2) addition of new Strategic Risk SR33 'Not providing adequate housing and support for people with significant and complex needs' owned by Executive Director, Health and Adult Social Care.
 - 3) SR21 change of risk title from 'Unable to manage housing pressures and deliver new housing supply' to 'Unable to meet new statutory responsibilities in relation to housing supply and allocation'. This is to enable a new SR33 above in relation to providing specialist housing for people with significant and complex health needs.
 - 4) reduction in risk score of SR31 'Greater liability on the council's budget due to budgetary pressures on schools' from a revised risk score of Likelihood 4 (Likely) to Impact 4 (Major) to a lower revised risk score of Likelihood 3 (Possible) x Impact 4 (Major). This is due to:




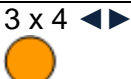







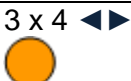



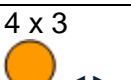


- a. regular monitoring of school budgets it has identified that some schools have achieved greater than anticipated in year savings;
 - b. schools have responded to support and challenge;
 - c. primary and special schools have benefitted from the favourable terms of the current school meals contract;
 - d. recent allocations of school grant funding has improved the budget position of some schools;
 - e. officers continue to target support and challenge to schools most in need.
- 4) removal from the SRR of SR17 'Ineffective school place planning'. Instead it will be added to the Families, Children & Learning directorate risk register to focus on the emerging trend of reduced pupil numbers in the city and to consider the impacts of the child 'product' of new housing projects causing potential future fluctuations.











Reasons why the risk level has changed from a strategic risk to a directorate risk include:

- a) consideration of recent data analysis which shows a dip in pupil numbers between October 2016 and October 2017 reducing the pressure for additional places;
- b) agreement with existing secondary schools to make temporary or permanent increase in their size to accommodate additional places;
- c) capital funding set aside for the provision of secondary school places;
- d) Families, Children & Learning directorate engagement with the Department for Education and the University of Brighton Academies Trust in relation to whether a new school will open, thereby managing a potential excess of places.

3.4 The current Strategic Risk Register after ELT review 7 February 2018 is shown in table 1 below:

Risk Nos.	Risk Title	Initial Risk Score Likelihood (L) x Impact (I)	Revised Risk Score Likelihood (L) x Impact (I) & Direction of Travel	Lead Member	Risk Owner
SR33	Not providing adequate housing and support for people with significant and complex needs	5 x 4  NEW	4 x 4  NEW	Karen Barford	Executive Director, Health & Adult Social Care
SR31	Greater liability on the council's budget due to budgetary pressures on schools	4 x 4  ◀▶	3 x 4  ▼	Dan Chapman	Executive Director, Families, Children & Learning

SR2	Council is not financially sustainable	5 x 4 	3 x 4 	Les Hamilton	Executive Director, Finance & Resources
SR10	Information governance failures leading to financial losses and reputational damage	4 x 4 	3 x 4 	Les Hamilton	Executive Director, Finance & Resources
SR13	Not keeping Vulnerable Adults Safe from harm and abuse	4 x 4 	3 x 4 	Karen Barford	Executive Director, Health & Adult Social Care
SR15	Not keeping Children Safe from harm and abuse	4 x 4 	3 x 4 	Dan Chapman	Executive Director, Families, Children & Learning
SR20	Inability to integrate health and social care services at a local level and deliver timely and appropriate interventions	4 x 4 	3 x 4 	Karen Barford	Executive Director, Health & Adult Social Care
SR21	Unable to meet new statutory responsibilities in relation to housing supply and allocation	4 x 4 	3 x 4 	Anne Meadows	Executive Director, Neighbourhoods, Communities & Housing
SR30	Not fulfilling the expectations of residents, business, 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 	3 x 3 	Warren Morgan	Chief Executive
SR24	The impact of Welfare Reform increases need and demand for services	4 x 4  Note this score was 3 x 4 but the Risk Owner has acted on the recommendations of the Committee and increased the risk score to Likelihood 4 x Impact 4	4 x 3 	Les Hamilton	Executive Director, Finance & Resources
SR23	Unable to develop an effective Investment Strategy for the Seafront	5 x 4 	3 x 3 	Alan Robins	Executive Director, Economy, Environment & Culture

SR25	The lack of organisational capacity leads to sub-optimal service outcomes, financial losses, and reputational damage	3 x 4 	3 x 3 ◀▶ 	Les Hamilton	Executive Director, Finance & Resources
SR26	Not strengthening the council's relationship with citizens	3 x 4 	3 x 3 ◀▶ 	Emma Daniel	Executive Director, Neighbourhoods, Communities & Housing
SR32	Sub-standard health & safety measures lead to personal injury of staff or residents, financial losses and reputational damage	3 x 5 	2 x 5 ◀▶ 	Les Hamilton	Executive Director, Finance & Resources
SR18	Service outcomes are sub-optimal due to the lack of appropriate tools for officers to perform their roles	3 x 4 	2 x 4 ◀▶ 	Les Hamilton	Executive Director, Finance & Resources
SR29	Ineffective contract management leads to sub-optimal service outcomes, financial losses, and reputational damage	3 x 4 	2 x 4 ◀▶ 	Les Hamilton	Executive Director, Finance & Resources

3.5 ELT and the relevant Risk Owners noted the comments made at the Audit & Standards Committee that:

- a) initial and revised risk scores should not be the same;
- b) the revised risk score should not be higher than the initial risk score (see changes to table 1 above in respect of SR24);
- c) there should be a review of the wording, and more details provided of specific work that was being done to address SR30 'Failure to demonstrate Place Based Leadership, unable to promote the City-Region's business economy, employment and training opportunities; a poor reputation in delivery value for money for the business rate payer'. The risk has been reviewed and the risk title has been changed as in table 1 above and work is in progress to add details of more specific action.

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: 14/02/2018

Legal Implications:

- 4.2 Members of the 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.

Lawyer Consulted: Victoria Simpson

Date: 28/02/2018

SUPPORTING DOCUMENTATION

Appendices:

1. Appendix 1 – Strategic Risk Focus report SR15, SR31, SR24 and SR29.

Documents in Members' Rooms

1. None.

Background Documents

1. Strategic Risk Register as reviewed by the Executive Leadership Team on 7 February 2018