Manchester City Council
Report for Information

Report to: Audit Committee - 13 October 2020

Subject: Risk Management Strategy and Corporate Risk Register

Report of: Deputy Chief Executive and City Treasurer / Head of Internal Audit and Risk Management

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Summary

It is the role of the Audit Committee "to obtain assurance over the Council's corporate governance and risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements".

This report supports the Committee in discharging its risk management assurance role by providing:
- an update on progress in delivery of corporate risk management objectives and the proposed Risk Management Strategy 2020-22; and
- a copy of the latest refresh of the Corporate Risk Register.

Recommendation

Audit Committee is requested to consider the assurance provided by the risk management report

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Wards Affected: None

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Corporate Plan and Corporate Risk Reports (Audit Committee December 2018 and February 2019)

1. Introduction

1.1. It is the role of the Audit Committee "to obtain assurance over the Council's corporate governance and risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements".

1.2. To support this responsibility, Audit Committee receive an annual progress report in relation to delivery of Risk and Resilience strategic priorities. For the purposes of Audit Committee assurance this paper provide the following:

- Progress in delivery of objectives set out in the Corporate Risk Management and Business Continuity Strategies 2018-2020 and refresh of the Council's Risk Management Strategy

- Current risks as articulated on the latest refresh of the Corporate Risk Register.

2. Risk Management Strategy Objectives Delivery

2.1. The Risk Management Strategy (2018-20) and Business Continuity Strategy (2018-20) were presented to Audit Committee on 25 January 2018. The strategies set out the work programmes for development of the risk and resilience capability across the Council with high level objectives and work programmes to be delivered.

2.2. Progress was last reported to Audit Committee in December 2018. The final position in delivery of agreed objectives to the end of March 2020 is shown below. Overall objectives have been delivered and areas of planned focus for 2020-22 are set out in the refreshed Risk Management Strategy attached as Appendix 1.

Objective	Progress Summary
Re-engineer the corporate support model for risk management and business continuity to ensure that support is focused at the areas of highest strategic need'	**Complete** (as reported to Audit Committee February 2019). Areas of ongoing focus have included support to risk and resilience within: ● Our Town Hall Project ● GDPR ● Liquid Logic Implementation ● ICT Projects and Programmes ● Health and Care integration ● Work Area Recovery (workplace resilience) Programme ● Local, National and EU Elections ● EU Exit ● Covid19 Response and Recovery
Fully develop a high level governance framework that articulates Council approach to risk assurance.	**Complete:** Governance and Assurance Group chaired by City Solicitor to lead on risk governance and oversee the review of the Corporate Risk Register. This

Objective	Progress Summary
	group reports to the Strategic Management Team ("SMT") who ultimately endorse and approve the CRR. Process to be sustained and embedded in 2020/21
Fully review and refresh the portfolio of training and coaching resources for risk and business continuity. (This objective is contained within both the Risk Management and the Business Continuity Strategies)	**Part Complete**: ELearning for risk management and business continuity refreshed. Communications and awareness of training and tools proposed by July 2020 but delayed due to Covid19. Tools and guidance refresh underway for completion as part of intranet update in 2020.
Design and implement a standardised approach to lessons learnt reporting and implement an assurance process that holds services to account for delivering of lessons learnt recommendations	**Complete**: Design of lessons learnt framework complete and launched in ICT. Applied in projects in year and wider application to be considered in 2020/21. To note a lessons learned review for Covid19 response was delivered in summer 2020 and fed into recovery workstreams.
Ensure performance management framework is directly relevant to delivery of framework priorities.	**Complete**: Risk content for Integrated Performance report agreed and provided as part of update reports to SMT
Support the delivery of a full audit review of risk management systems and structures	**Complete**: Review and agreed actions finalised by Internal Audit 2018/19
Refresh and realign strategic approach to Business Continuity to ensure that it contributes seamlessly to a broader suite of risk and business continuity strategies for the Council.	**Complete** (as reported to Audit Committee February 2019). A full review of service business continuity plans was completed in 2018 and refresh commenced December 2019 that was finalised by March 2020. Corporate Business Continuity Plan refresh to be undertaken 2020/21 taking into account lessons learned from Covid19 response.
Ensure completion of all scoping and analytical activity required	**Complete** (as reported to Audit Committee February 2019). Further

Objective	Progress Summary
to support the delivery of final components of the Work Area Recovery and ICT Business Continuity corporate work programmes.	analysis of ICT prioritisation planned as part of Data Centre implementation 2020.
Re-design the performance, scrutiny and governance frameworks that drive progress with the corporate business continuity work programmes and provide assurance over completion and effectiveness.	**Part Complete**: The Integrated Performance elements and risk governance were completed but effectiveness measures require further development in 2020/21.
Undertake a comprehensive refresh of the Corporate Business Continuity Plan and ensure effective Incident Management Team arrangements, proportionate to the range of continuity risks we face.	**Complete** (as reported to Audit Committee February 2019): Full refresh undertaken and revised plan endorsed by SMT in 2019. As above review / refresh planned for 2020/21.
Continue to lead the development of the Manchester Business Continuity Forum, working in partnership with Advisory Group members from partner agencies to provide the most comprehensive service offer that is deliverable within the resources available	**Complete**: Annual work programme of support and events for Manchester businesses designed and delivered within budget and agreed timescales. Highly positive feedback from events can be evidenced

3. **Risk Governance and the Corporate Risk Register (CRR)**

3.1. The risk management framework provides oversight and scrutiny of the corporate risk management programme, including regular update and refresh of the CRR. The framework continues to be based on established principles, as follows:
   ● The Chief Executive has overall responsibility for assuring that the Council articulates and manages risks to the delivery of strategic objectives.
   ● The Deputy Chief Executive and City Treasurer has overall responsibility for the corporate risk management framework.
   ● The Head of Audit and Risk Management, supported by the Risk and Resilience Team maintains the corporate risk management framework and ensures that the CRR is regularly updated and presented to Strategic Management Team.

- SMT receive assurance that corporate risks are scrutinised and mitigating actions plans are delivered
- Chief Officers, Directorate Management Teams and Heads of Service are responsible for maintaining their own risk registers and escalating risks to the CRR, where they threaten delivery of the Council's strategic objectives.

3.2. The framework includes risk management oversight within the remit of the Governance and Assurance Group. The Group is led by the City Solicitor and the Deputy Chief Executive and City Treasurer, with representatives from across directorates. It oversees and seeks assurance over corporate risks through regular scrutiny and refresh of the CRR.

3.3. For 2020/21 the CRR will be refreshed on a quarterly basis as shown below:

	Q2	Q3	Q4
DMTs update risks	Sept 2020	Dec 2020	March 2021
Governance and Assurance Group review and agree the CRR	Oct 2020	Jan 2021	April 2021
SMT review and endorse the CRR	Oct 2020	Jan 2021	May 2021
Audit Committee review risk management arrangements	Oct 2020		

3.4. As part of business planning for 2020/21 all directorates have recently completed a full refresh of their risk registers. The registers record the following information:
- Theme
- Risk Description
- Risk Consequences
- Risk Owner
- Existing Key Controls and Sources of Assurance
- Risk Score (Impact X Likelihood): Previous
- Risk Score (Impact X Likelihood): Current
- Risk Score (Impact X Likelihood): Anticipated by December 2020
- Key actions to be pursued over next six months

3.5. Risks reported through directorates have been used to inform a refresh of the CRR and this has been discussed and agreed at SMT. The CRR is a dynamic document and work is ongoing to further refresh sources of assurances and mitigating actions.

3.6. The current strategic risk profile is summarised below. In March 2020 a new high risk around Climate Change and Carbon reduction was added, as was a new risk referring to Coronavirus. Based on the October review the CRR includes a number of new risks that arise from the pandemic and these have replaced the singular Covid19 risk that was added in March. This is the principal factor behind the increase in the total number of high and medium risks reported from 13 in March 2020 to 21 as shown below:

Table 1 Summary of Corporate Risks September 2020

Risk Description	Current Impact x Likelihood
Medium Term Financial Resources	5x5=25 High
Economy of the City	4x4=16 High
Climate Change	4x4=16 High
Health and social care integration	4x4=16 High
Wellbeing, welfare and morale of staff	4x4=16 High
Capability (including capacity) of the workforce	4x4=12 High
Loss of required access to ICT	4x3=12 Medium
Consequences and impact of EU Exit impact	4x3=12 Medium
NEW: Targets for affordable housing are not met	4x3=12 Medium
NEW: Covid19 disruption to education and learning	4x3=12 Medium
ICT systems are not implemented or maintained	4x3=12 Medium
Failure of key suppliers of goods and services	3x4=12 Medium
Information governance and information technology security	3x4=12 Medium
NEW: Impact on the Capital Programme	4x3=12 Medium
Savings required for 2020/21	4x3=12 Medium
Implementation of case management system (LL and Controcc)	3x4=12 Medium
Safeguarding children and vulnerable adults.	4x2=8 Medium
NEW: Increases in Covid19 infection rates	4x2=8 Medium
Safety and wellbeing of staff impacted by Covid19	3x3=9 Medium
NEW: Northwards Housing ALMO	4x2=8 Medium

| NEW: Response to the Race Review | 4x2=8 Medium |

Table 2 Comparison of Risks March 2020 to September 2020

Themes	Strategic Risks				Last Review		
	H	M	Total		H	M	Total
Our Partnerships	1	1	2		1	1	2
Our People	2	1	3			3	3
Our Performance		3	3			3	3
Our Finances & Resources	1	3	4		1	1	2
Manchester People	1	5	6		1		2
Manchester Places	1	1	2		1		
Statutory & Legal Duties		1	1			1	1
Total	**6**	**15**	**21**		**4**	**9**	**13**

3.7. No low risks have been included within the risk profile on the basis that these will be managed within directorates and only escalated in the event of a change in their risk profile to a degree where they warrant the active engagement of the relevant Strategic Director(s).

4.   Recommendations

4.1. Audit Committee is requested to consider the assurance provided by the risk management report

Appendix 1
Manchester City Council
Risk Management Strategy 2020-2022

Strategic Context

Our Vision is for Manchester to be in the top flight of world-class cities by 2025.
The Our Manchester Strategy charts a course to achieve this Vision.
It builds on the City's existing long-term strategic direction and sets out our priorities for the decade ahead. It will be delivered by building on Manchester's history of collaboration: between civic leaders, businesses, the wider public and voluntary sectors, and residents themselves. This is set out in the Strategy and the priorities in the Council's Corporate Plan which are:

- Young People: From days one, support Manchester's children to be safe, happy, healthy and successful, fulfilling their potential , and making sure they attend a school graded 'good' or better.
- Healthy cared for People: Work with partners to enable people to be healthy and well. Support those who need it most, working with them to improve their lives
- Housing: Ensure delivery of the right mix of good-quality housing so that Mancunians have a good choice of quality homes
- Neighbourhoods: Worth with the City's communities to create and maintain clean and vibrant neighbourhoods that Mancunians can be proud of.
- Connections: Connect Manchester people and places through high-quality roads, sustainable transport and better digital networks.
- Growth that Benefits Everyone: Continue to promote and drive sustained economic growth and job creation that benefits everyone.
- Well Managed Council: Support out people to the best and make the most of our resources
- Zero Carbon Manchester: Lead delivery of the target for Manchester to become a zero carbon city by 2038 at the latest, with the city's future emissions limited to 15 million tonnes of carbon dioxide:

Approach

Manchester seeks to be creative in partnership working in order to gain maximum impact from the collective resources available; this includes a strategic focus on collaboration with key public sector partners, delivered in part through the working of the Combined Authority (GMCA) and in partnership with health service organisations within the City and across Greater Manchester.

Manchester demonstrates its vision and commitment in the way it plans, commissions and delivers. This involves doing new things and seeking opportunities for positive change. With such innovation and transformation, comes risk. Many of the ways in which we seek to work and the partnership models we are embracing are new and untested; and are being done in the context of radically reduced resources. Delivery of outcomes will always have to be based on an understanding of the risks entailed and a measured and proportionate approach to either embracing

or mitigating risk. Our risk management approach ensures we support creativity and ambition by adopting a dynamic approach to assessing and managing risk.

Organisational Strategy

Dynamic risk management is developed through active leadership, both corporately and within services. The corporate strategy sets the vision and it is the responsibility of all directorates and services to lead the delivery of the strategic priorities.
In order to support active risk leadership, the corporate focus is on establishing and maintaining a clearly articulated risk governance structure. It has been a long stated corporate priority that all managers integrate the delivery of risk management as a core management competency. A sustained commitment to the development of technical risk management skills has created a "*risk literate*" organisation. Whilst this is encouraging, it is recognised that there is always more that can be done in developing, embedding and updating risk management skills, systems and processes across all services.

It is the responsibility of all Council staff to embrace the principles of risk management and managers are required to ensure that risk scrutiny and risk mitigation are constant and ongoing, supported by risk reviews, reporting and escalation where appropriate.

Corporate leadership, management commitment and staff engagement remain the main area of priority for improving risk management practices over the next two years; focusing resources on the highest strategic priorities for the Council and supporting delivery of innovation through partnership working.

Risk appetite statement

Overall, Manchester City Council is a <u>risk tolerant</u> organisation, accepting that measured and proportionate risk taking is essential to delivering change, growth and reform.

The Council, however, requires all officers considering changes to services and their operating models to act only after systematic consideration of the risk profile. The risk profile should be fundamental to decision making and the effective management of innovation and transformation.

The Council accepts that it is appropriate for managers to balance the scale of the risk and the opportunity for growth or reform. Growth may be assessed in terms of financial efficiency, service development or innovation in the enhancement of services to customers and stakeholders. The Council accepts exposure to risk where the service can demonstrate accountability and that the opportunity and reward is commensurate to the level of risk.

The Council recognises that the value of risk management is only truly delivered if it is pursued as part of a sustained "business as usual" approach. Where service, project or programme planning cannot demonstrate a considered and thorough assessment of risks, they should not implement change programmes. It is incumbent

on the Head of Service or Senior Responsible Officer to demonstrate that effective risk management is embedded within all developmental and delivery activities. The Council will take no risks that challenge ethical, legal and statutory responsibilities and will be cautious in pursuing aims and ambitions that may present risks to the safety or welfare or people or the achievement of Council priorities.

A dynamic risk management programme seeks to ensure that our decision making is "sound by design". We consider the risks and vulnerabilities at the outset, allowing us to build mitigation activities into our work plans. In this way, our risk literacy assists us in demonstrating that we are disciplined, efficient and committed to making maximum use of the public resources entrusted to our care.

Approach to Training and Coaching

Management competence has been identified as key to the successful delivery of the Council's risk management approach. Risk management basics and methodology courses are available for all staff with resources available to all via the intranet and through a small Corporate Risk and Resilience Team. Other courses, learning and development embed risk management in their overall content as a key component of effective decision making.

The Council recognises the powerful contribution that risk facilitation support can make in developing risk competence. In addition to mainstream operational management, the Council's approach to project and programme delivery is supported by initiation risk workshops, with risk scrutiny and assurance built into ongoing governance. The Risk and Resilience Team is committed to supporting high priority projects and programmes in identifying their risk profile and designing their risk governance framework. Lead Officers (risk co-ordinators) are designated by each Directorate to promote strong working practices, supported by a Governance and Assurance Group - focused on identifying common themes across directorate risk profiles to ensure the corporate risk profile is aligned to these.

Experiential learning at a practical rather than a theoretical level offers the best opportunity to embed risk management thinking, supported by opportunities to formalise learning through structured training- this blended learning model underpins further staff development across all services.

Service Priorities and Strategy

The Risk and Resilience Team will focus on projects and programmes that seek to build effective, sustainable and trust based partnership working across public, private and voluntary sectors. Direct support to operational management within directorates will continue, as will facilitation of Directorate risk workshops and direct engagement with transformation programmes and projects.

The team provides tools and guidance for managers and for staff; as well as oversight of the governance of risk management; supporting directorates in the regular refresh of their risk management arrangements and their assessment and evaluation of risk.

It works closely with the insurance, safety and audit teams within the Audit and Risk Management Division as well as colleagues across the Council to embed risk management into ways of working, transition and delivery of services.

Service Objectives 2020-2022

- Continuously improve the corporate support model for risk management and business continuity to ensure that support is focused at the areas of highest strategic need.
- Monitor effectiveness within Directorates, evidencing activities using key lines of enquiry on a quarterly cycle as part of the Integrated Performance dashboard.
- Fully develop and sustain the high level governance framework that articulates Council approach to risk assurance.
- Work with partners, particularly in health, to ensure the identification and management of risks across arrangements that span organisational boundaries.
- Support project and programme risk management, targeted on areas of highest need and greatest value.
- Review and refresh the portfolio of training and guidance resources.
- Support lessons learnt reporting and assurance process.

Outcomes

These service objectives form part of the Audit and Risk Management Business Plan 2020-22 which is subject to regular review.
Overall success in progressing risk management will be assessed through consideration of the following:

- Service alignment complete and able to deliver against new priorities across Manchester City Council and Bolton Council
- Resources focused against areas of greatest corporate need and published priorities are delivered within the annual work programme
- Support provided to enhance knowledge and skills in directorates through training, coaching and consultancy.
- Enhanced working at a City level with confidence over partnership risk and assurance frameworks
- Risk Management priorities are embedded within both performance reporting and within the corporate assurance framework.

Monitoring and Review

This two year strategy will be reviewed and updated annually in December.

Appendix 2: Corporate Risk Register (Strategic Risks)

ID	Theme	Corp Plan Link	Risk Description	Risk Consequences	Risk Owner	Existing Key Controls, Sources of Assurance and Key Comments	March 2020 Impact x Likelihood	Current Impact x Likelihood	Target December Impact x Likelihood	Areas for Key Actions and Deadlines
1	Our Finances and Resources	7	**Medium Term Financial Resources** are insufficient to support achievement of priorities for the Council and the City. This reflects the impact of Covid19 on costs and shortfall in future income; as well as the financial uncertainty that could arise from Spending Review, Fair Funding Review, Business Rates reset, uncertainty over Shared Prosperity Fund and wider financial / fiscal risks linked to EU Exit and macro-economic factors.	Resources are insufficient and this results in non achievement of Corporate Plan priorities and the Our Manchester strategy, with consequent negative impacts on Manchester residents.	DCE and CT	Budget reports 2020/21 to Scrutiny, Executive and Council March 2020 reflect current levels of risk and scenarios in medium term financial strategy. These were pre Covid19. The forecast has now been updated for 2020/21 and beyond looking at the savings and mitigation options across all areas of the Council, linking in with partners. Maintenance of reserves and the availability to support the budget. Engagement and lobbying of national decision makers including direct to Government and via Core Cities and the LGA. Reporting to SMT; Executive and Resources and Governance Scrutiny Committee.	4x4=16 High	5x5=25 High	5x4=20 High	Ongoing intelligence and lobbying alongside robust future financial planning and budget proposals and savings / income generation options based on prudent assumptions – linked to Health and Care, Future Council and Our Transformation programmes (DCE&CT)
2	Manchester People	All	As a result of Covid19 the **Economy of the City** has seen a sharp increase in the number of people on benefits and a significant impact on businesses and this could continue to grow and the impact deepen.	As well as the negative impact on the lives of Manchester residents and the vibrancy and success of the City, this will directly impact the Council's financial position regarding loss of business rate and commercial income and lead to increased costs for vulnerable residents as well as impacting on the ability to deliver the Our Manchester priorities for the City.	CEX	Administration of business grants scheme and discretionary scheme to support businesses and lobbing for further support including response via GMCA to Treasury Committee call for evidence. Signposting support via City Centre Regen and Work and Skills teams as well as via GMCA, Local Economic Partnership, Chamber of Commerce, Business Growth Hub and other networks. Reporting to SMT; Executive and Resources and Economy Scrutiny Committee.	NEW	4x4=16 High	4x4=16 High	Administration of lockdown business grants (if required) and of isolation payments scheme for individuals from October 2020 (DCE&CT)

ID	Theme	Corp Plan Link	Risk Description	Risk Consequences	Risk Owner	Existing Key Controls, Sources of Assurance and Key Comments	March 2020 Impact x Likelihood	Current Impact x Likelihood	Target December Impact x Likelihood	Areas for Key Actions and Deadlines
3	Manchester Places	8	**Climate Change:** The Council does not produce, or deliver on, a sufficiently ambitious plan to become a zero carbon Council by 2038 or earlier if possible. The Council does not undertake its leadership role effectively for Manchester to become a zero carbon city by this date, and stay within the science-based budget for the City. The Council does not plan or implement measures effectively to adapt to the impacts of climate change on Manchester in the longer term (e.g. increased risks of extreme weather, flooding and heat)	Significant political and reputational damage to the Council for not acting on the climate emergency that has been declared, in terms of our leadership role across the City and our direct emissions in the Council Significant longer-term risks to health, society, economic and financial position of the City and the Council if mitigation and adaptation measures are not effective. Costs of required change are significant as is the need for Government funding and leadership and clear strategy and leadership at GM level.	CEX	Climate Change Action Plan 2020-25 March 2020. Governance through Zero Carbon Coordination Group Regular reporting to the Executive. Additional resources investment in budget 2020/21. Very high level of ambition on this agenda will require fundamental changes to how we operate and significant investment across all aspects of the Council, and for many partners in the City. This is impacted by Covid19 and this is reflected in the risk score. <u>Reporting</u> to SMT, Executive, Scrutiny Committees and Members sub-group	4x4 = 16 High	4x4 = 16 High	4x4 = 16 High	Plan sets out the key actions and deadlines that need to be delivered including a significant focus on energy use targets and associated actions (CEX)
4	Our Partnerships	2	Failure to achieve the desired and intended outcomes of **health and social care integration** increases further pressure on Council and health budgets; and impacts on the ability to achieve improved health outcomes for Manchester residents. Risk rating reflects the delivery of integration alongside the breadth of activity to be delivered in adult social care as part of the new arrangements including delivery of the improvement plan, stabilisation of the care market, new care models, home care roll out, embedding of casework management system and delivery of priorities.	Poor outcomes and increased financial pressures result in further diversion of Council resources to reactive care services without addressing root causes and whole system issues. Lack of clear and effective governance increases duplication of effort, impacts on key officers and individuals working across the system and clear accountabilities and responsibilities across partners.	CEX	Risk score and forecast remains high due to delays in system wide improvement as a result of Council and partners focus on Covid19. Joint business and budget planning with MHCC and MLCO and active senior leadership engagement in HSC governance with MHCC and MLCO. Risk managed at SMT level Positive response to MHCC and MLCO Governance audit reports 2019 with further steps for development ongoing. HSC governance review underway to evaluate governance across partnerships and propose areas for development. <u>Reporting</u> to SMT, Executive, Health and Wellbeing Board and Health Scrutiny Committee. Joint reporting within MLCO and MHCC governance arrangements.	4x4=16 High	4x4=16 High	4x4=16 High	Ongoing system wide development led by SMT and partners across health in 2020 – to be informed by outcome of review – CEX (By December 2020)

ID	Theme	Corp Plan Link	Risk Description	Risk Consequences	Risk Owner	Existing Key Controls, Sources of Assurance and Key Comments	March 2020 Impact x Likelihood	Current Impact x Likelihood	Target December Impact x Likelihood	Areas for Key Actions and Deadlines
5	Our People	7	The **wellbeing, welfare and morale** of staff is impacted by a range of factors linked to Covid19 including concerns over: ● Personal, family and friend health and welfare linked to the virus ● Workplace demands on capacity given the ongoing need across a wide range of services to support and lead the Covid19 response, recovery and return business as usual activities. ● Concerns linked to the economy and the impact on the Council's budget and future employment ● Impact on localities arising from further infections or requirements for isolation, including challenges in schools and childcare provision	Staff wellbeing results in increased cases of depression, stress or absence and an impact both on remaining colleagues and the ability to deliver priorities. The ability to retain and attract staff for required roles is impacted as the Council is not perceived as an employer of choice.	DCE & CT	Team meetings, 121s and management engagement with staff – includes encouragement of staff to take annual leave Ongoing regular communications to all staff with links to latest guidance and support, as well as celebration of positive achievements across the Council. Structured risk assessment process and existing policies to support staff safety and welfare in the workplace Access to Employee Assistance Programme support. Despite control measures, this risk remains high by December pending further ongoing review as expectation is that issues and concerns will remain into winter period and may be further impacted by winter weather, impact on festive events and seasonal flu.	NEW	4x4=16 High	4x4=12 Medium	Launch of guidance one stop shop on intranet for managers with streamlined access to guidance and frequently asked questions (DCE&CT and CS)
6	Our People	7	**Capability and capacity of the workforce** is not sufficient or aligned effectively to key priorities and organisational requirements and emerging priorities linked to Covid 19 response and recovery as well as transformation, change and core business as usual activities. This includes: ● capacity in core managerial and technical disciplines; ● capacity to deliver emerging priority areas across a wide range of services; ● leadership capacity and capability to drive change and transformation; and ● workforce motivation and engagement. Capacity is further impacted by emergent issues and priorities arising from Government requirements, winter planning and	Motivation and engagement of the workforce is reduced (or not developed fully) impacting on the ability to respond to transformation, change and deliver organisational priorities. Appetite for change following Covid is diminished and takes longer to return - impacting organisational ability to adapt and embrace transformation e.g. Office 365 roll out, new Intranet etc. Skills and capacity do not match stated priorities resulting in underachievement of planned outcomes. Emergent priorities mean that areas of required focus in transformation and delivery of core services cannot be sustained.	CEX	Corporate plan supported by Our People Strategy and staff engagement including Listening in Action, Our Manchester Experience and regular communications. Leadership and wider skills development programmes in place. Directorate business plans, workforce development and Bheard improvement plans. OurTransformation programme and Ways of Working. Prioritisation via SMT, Directorate Management Teams and cross cutting working groups. Processes in place for movement of staff into priority areas albeit this is impacted by the scale of required activities and the need to manage costs given the current and future financial position of the Council.	4x3=12 Medium	4x4=16 High	4x4=16 High	Review of organisational development arrangements to ensure effective support and challenge to workforce development activity – by December 2020 (DCE&CT) Ongoing prioritisation via Executive and SMT, as well as Directorate and Service Management Teams

ID	Theme	Corp Plan Link	Risk Description	Risk Consequences	Risk Owner	Existing Key Controls, Sources of Assurance and Key Comments	March 2020 Impact x Likelihood	Current Impact x Likelihood	Target December Impact x Likelihood	Areas for Key Actions and Deadlines
			the specific needs of communities across the City.	Stress and welfare impacts on the workforce. Risk remains high by December as this reflects likely impacts of winter planning and support needed for national priorities that are likely to emerge over the next 6-12 months and will require a local authority leadership and delivery response with partners.		Reporting to SMT, Executive and Resources and Governance Scrutiny				
7	Manchester People	7	Loss of required **access to ICT** systems impacts on the ability to operate services and deliver to Manchester residents. This could arise from risks relating to core infrastructure (network and applications), hardware obsolescence (WYSE terminals), system availability (unsupported systems, insufficient licenses) or cyber-attack.	System instability or unavailability requires manual workarounds with impact on efficiency and the integrity / quality of data and information on which to make decisions and ensure service delivery. Data loss or unavailability results in ICO inspection, fines or other actions; including complaints and legal action.	DCE& CT	Noted that system resilience has been tested fully during Covid19 and has responded well to the challenge. Corporate and Service Business Continuity Plans and robust incident management process in place. Programme of ICT investment with reporting to ICT Board, Capital Strategy Board, SMT, Executive and Scrutiny. Positive assurance from LGA Cyber Stock Take 2019 and completion of Mandatory Cyber Security Training for all staff. Despite improvement in control, risk maintained at medium as a consequence of heightened cyber risk in the external environment and pending completion of data centre project. Reporting to ICT Board, Corporate Information Assurance and Risk Group (CIARG) and SMT; and Executive and Resources and Governance Scrutiny Committee	4x4=16 High	4x3=12 Medium	4x3=12 Medium	Completion of data centre project, MS365 and End User Device a well as telephony and WAN projects by March 2021 (Director of ICT to DCE&CT)

ID	Theme	Corp Plan Link	Risk Description	Risk Consequences	Risk Owner	Existing Key Controls, Sources of Assurance and Key Comments	March 2020 Impact x Likelihood	Current Impact x Likelihood	Target December Impact x Likelihood	Areas for Key Actions and Deadlines
8	Our Performance	4 6 7	Consequences and impact of **EU Exit** impact negatively on a range of budget and other assumptions for the Council, partners and residents of the City. These include impacts on business rates, care and health budgets, airport revenues and welfare budgets; as well as wider impacts on recruitment and retention, economic development, employment, housing and infrastructure projects.	The core budgets of the Council are impacted resulting in requirement to make further cuts and reduce levels of services at a time when the residents of Manchester are also impacted.	CEX	EU Exit Group Head of Policy attendance and feedback from GM EU Exit Group EU Exit Impact Assessment Reporting to Council Resilience Forum and SMT, onward to Executive.	4x3=12 Medium	4x3=12 Medium	4x3=12 Medium	Refresh of EU Exit Impact Assessment by end October 2020 (DN) EU Exit Group to restart October 2020 to include Communications, Risk and Policy amongst others: By end October 2020 (DN)
9	Manchester Places	3	NEW: Insufficient mix of available housing means that targets for **affordable housing** are not met and strategic priorities to ensure the needs of current and future residents of the City are not achieved.	Strain on homelessness as expansion of development continues (Piccadilly etc) and residents are gradually priced out of the market / displaced? Political impact..		Development of schemes including Northern Gateway, Ancoats etc part of the city wide masterplan. Reporting to Housing Board, Executive and Scrutiny Committees	NEW	4x3=12 Medium	4x3=12 Medium	
10	Manchester People	1	NEW: Disruption to **education and learning** in Manchester schools and parent/carer concerns resulting from Covid19 impacts on levels of attendance and ability to secure high quality learning in schools.	Reduced attendance impacts on the quality of learning and wider benefits of an active school environment, with resultant impacts on the attainment and wellbeing of children and young people. Ability of children and young people to access high quality remote provision impacts on their opportunities to learn.	DCS	Schools responded positively to Covid19 with on line and virtual education programmes to support learners in continued education, supported by Education colleagues – this will continue to be developed. Public Health guidance and Education Services support to schools on safe methods of re-opening in September 2020 – ongoing advice and support being provided. Reporting to: Schools Forum, SMT, Executive and Scrutiny Committee	NEW	4x3=12 Medium	4x3=12 Medium	Active engagement with schools leadership teams through Education Services and existing forums to support safe and secure approach to education. Additional capacity being explored to support schools with ongoing advice on how to respond to Covid19 cases (DCS and DPH by end October 2020)

ID	Theme	Corp Plan Link	Risk Description	Risk Consequences	Risk Owner	Existing Key Controls, Sources of Assurance and Key Comments	March 2020 Impact x Likelihood	Current Impact x Likelihood	Target December Impact x Likelihood	Areas for Key Actions and Deadlines
11	Our Performance	7	Current or proposed **ICT systems** essential to business operations and legal compliance are not implemented or maintained (due to being out of support or lack inherent resilience) due to limitations in availability of financial and ICT resources.	Failure to realise efficiency benefits through the use of technology impacts on ability to achieve savings targets and refocus effort on core priorities. Technology does not meet business needs around transformation, resilience or legal / regulatory compliance – impacting on the ability to deliver priorities.	DCE& CT	Prioritisation process via Directorate ICT Boards, ICT Board and Capital Strategy Board; with oversight from SMT. Senior sponsorship of critical or flagship projects with robust governance; with engagement of key stakeholders including finance, communications and risk. Risk reflects scale of current programme and commitments on programmes and projects. Reporting to DMTs, SMT, Executive and Resources and Governance Scrutiny Committee.	4x3=12 Medium	4x3=12 Medium	4x3=12 Medium	ICT Infrastructure Investment priorities – to be set out in new ICT Strategy and portfolio plan/ Pipeline (by December 2020) (Director of ICT to DCE&CT)
12	Our Partnerships	7	**Key suppliers** of goods and services fail to develop or deliver required services and market capacity, due to lack of financial resilience or other factors, impacting the onward ability of the Council to secure required services to Manchester residents. A key risk given inflationary pressures, negotiation of UK trade deals and lack of competition in some markets.	Contractor failure (contract or provider) results in the Council having to re-procure services at short notice or deliver services in-house with significant cost and capacity implications that result in budget overspends and required cuts to other services.	DCE& CT	Professional Procurement and Commissioning Teams in place to support services in effective management of procurement lifecycle; including supplier due diligence. Includes Contract and Commissioning Group involving all directorates. Contract management register and risk assessment in place. Bankruptcy / Liquidation Policy to enable consistent response to supplier failure. Enhanced due diligence arrangements developed and Due Diligence working group in place. Risk reduced but maintained at medium due to wider risks of supplier resilience outside of control of the Council and acute given impacts of Covid19 and of agreeing post EU trade deals. Reporting to: Commercial Board, SMT and Resources and Governance Scrutiny Committee	3x4=12 Medium	3x4=12 Medium	3x3=9 Medium	Programme of commissioner and contract manager training and engagement (DCT): Ongoing

EU exit group to assess risks in contracts: December 2020 (DN) |

ID	Theme	Corp Plan Link	Risk Description	Risk Consequences	Risk Owner	Existing Key Controls, Sources of Assurance and Key Comments	March 2020 Impact x Likelihood	Current Impact x Likelihood	Target December Impact x Likelihood	Areas for Key Actions and Deadlines
13	Legal and Regulatory	7	**Information governance and information technology security** arrangements, including behaviours of the workforce, partners and suppliers, are insufficient to prevent serious avoidable data losses, breaches or authorised access to systems or data.	Loss of stakeholder and public confidence. Potential for ICO fines and ability to share data with partners. Impact on individuals with additional costs of remedial actions and potential legal action.	DCE&CT CS	Risk score reviewed in light of requirement for staff to work from home in response to Covid19 and increase in potential risk this could present. Governance through Corporate Information Assurance and Risk Group (CIARG) and network of Senior Information risk Officers at Corporate, Departmental and Service Level supported by core IG and ICT security personnel, including Data Protection Officer Established breach reporting processes for ICT security and information incidents. <u>Reporting to</u>: CIARG, ICT and SMT	3x4=12 Medium	3x4=12 Medium	3x3=9 Medium	Programme of IG awareness: ongoing (CS) MS365 project to support policy change around information governance by September 2020 (Director of ICT to DCE&CT) CIARG to agree controls framework to strengthen assurance and confidence over data security for staff working from home: by December 2020 (CS)
14	Our Finances and Resources	4 5 6	NEW: Pressure on financial resources including PWLB constraints and external grant funding results in pressure to reduce the **Capital Programme** and consequent impacts on development and delivery of major projects.	Partial or non delivery of existing capital programme commitments with consequent impact on priorities linked to these investments. Impact on the capacity to invest in the future as a result of reduced financial capacity.	DCE&CT	Review of capital programme as part of mid year resource review and reporting to Executive and Scrutiny Committees. Active engagement with funders and development partners on schemes to leverage financial contributions <u>Reporting</u> to Capital Strategy Board, SMT, Executive and Scrutiny Committees	NEW	4x3=12 Medium	4x2=8 Medium	Prioritisation in key capital spend areas underway – ICT, highways, housing and Capital Programmes for end September 2020. Also focus on funding and benefits of investment opportunities for 2021/22 and beyond.
15	Our Finances and Resources	7	Planned **savings required for 2020/21**, including those required as a result of costs and lost income due to Covid19 are not achieved resulting in increased pressure on reserves and requirement for unplanned savings and cuts to services to made to achieve a balanced budget.	Savings are not sustainable requiring a fundamental change in organisational expectations and priorities; impacting on the ability to deliver services and achieve original objectives.	DCE&CT	Robust regular process of budget setting and budget monitoring in place with assessment of key financial risks. Budget reports 2020/21 to Scrutiny, Executive and Council March 2020 addressed a number of key risks in the current budget plans. Updated budget reports to Executive and Scrutiny set out in year budget challenges and future position. Current forecast assumes a balanced budget in 2020/21 with in-year mitigations offsetting any reduction in planned savings. Lobbying and financial submissions to Central Government and via Manchester CCG to Department of Health and Social Care for funding support.	4x3=12 Medium	4x3=12 Medium	4x2=8 Medium	Budget monitoring and delivery of in year savings plans, linked to medium term financial planning assumptions (DCE&CT)

ID	Theme	Corp Plan Link	Risk Description	Risk Consequences	Risk Owner	Existing Key Controls, Sources of Assurance and Key Comments	March 2020 Impact x Likelihood	Current Impact x Likelihood	Target December Impact x Likelihood	Areas for Key Actions and Deadlines
						Reporting to DMTs and SMT; Executive and Scrutiny Committees.				
16	Our Performance	1 2 7	**Implementation of new case management system** (Liquid Logic and Controcc) does not have the anticipated impact and fails to deliver the necessary improvements in practice, recording, reporting, management oversight and performance in childrens and adults services.	Impact on delivery of priorities and quality of services to residents; and delivery of statutory duties. Impact on quality, completeness, integrity of data to support effective decision making.	DCS DAS CT	Focus is now on system stabilisation and embedding systems and change within services – this is now being embedded as part of business as usual in Childrens Services where the risk has reduced significantly over the last 3-6 months with sustained focus by leadership and management teams and staff embracing adoption of new arrangements. System compliance as well as finance and reporting elements remain a key risk area and ongoing focus, particularly in Adults Services where systems are more complex and this is reflected in the risk score remaining at medium. Reporting to ICT Board, SMT and Scrutiny Committees	3x4=12 Medium	3x4=12 Medium	2x3=6 Low	Programme governance for Adults remains in place with risks, issues and actions overseen by Senior Oversight (DASS and DCE&CT). Plan of improvement ongoing with aim for resolution by December 2020.
17	Manchester People	1 2	Inability to maintain and demonstrate organisation-wide arrangements to **safeguard children and vulnerable adults**.	Harm to those most in need with associated impact on families as well as financial and reputational damage to the Council	CEX DCS DASS	Manchester Safeguarding Boards (Adults and Childrens) Statutory roles and assurances through DASS and DCS Reporting to SMT, Scrutiny Committees as well as MHCC and MLCO Boards.	4x2=8 Medium	4x2=8 Medium	4x2=8 Medium	Delivery of Adults Improvement Plan: Ongoing (DASS)
18	Manchester People	2	NEW: Changes in Government guidance, local lockdowns or other changes required in response to spikes in **Covid19 infection rates** impact on the ability of the Council to influence and support communities to stay safe and healthy.	Non compliance with public health guidance and legislation places additional burdens on the Council to enforce compliance with residents and businesses. Increased infection rates result in pressure on health services as well as an increase in self isolation with impact on the Council's business continuity arrangements as well as on businesses, communities and individual wellbeing across the City.	CEX and DPH	Active communications strategies for public health messaging to residents and businesses. Support and challenge from compliance and enforcement teams with publicity of cases that have resulted in closure or prosecution. Engagement via GMCA and other GM networks to promote consistency and clarity of messages to support public safety. Reporting to: SMT and Executive Members	NEW	4x2=8 Medium	4x2=8 Medium	Confirm arrangements as announced by Government to increase compliance and role of marshals: End September 2020 (DN) Respond to Government Guidance as issued in communications and engagement with residents (CEX, DN and DPH)

ID	Theme	Corp Plan Link	Risk Description	Risk Consequences	Risk Owner	Existing Key Controls, Sources of Assurance and Key Comments	March 2020 Impact x Likelihood	Current Impact x Likelihood	Target December Impact x Likelihood	Areas for Key Actions and Deadlines
19	Manchester People	7	Effects of COVID-19 (**Coronavirus**) impacts ability to deliver priorities and safe services to Manchester residents; whilst also ensuring the safety and wellbeing of staff.	Loss of staffing (due to virus, self-isolation or wider impacts such as reduced transport or school closures) impacts ability to deliver services to residents across the City. Impact on goods and services supply chain if borders, travel and imports impacted Lack of assurance and appropriate risk control measures results in potentially avoidable illness. Contingency planning is unable to cope with unanticipated demands.	CEX, DPH and DN	Covid 19 risk assessments and compliance checks in place for premises, services and individual staff reflect latest Public Health guidance and confirm arrangements in place to safeguard welfare of staff and residents / customers. Guidance in place for staff and managers Regular communications to reinforce safe methods of working. Directorate focus on ongoing response, recovery and risks to achievement of priorities. <u>Reporting</u> to Future Council Meeting, SMT, Executive and Scrutiny	4x3 = 12 Medium	3x3=9 Medium	2x3=6 Low	Ongoing assessment and response to public health and Government guidance and regulations via Future Council Group and SMT (DN and DCE&CT) Activity reporting to SMT and Executive by all Chief Officers
20	Our Finances and Resources	3 7	NEW: Options for the future structure and relationship with **Northwards Housing ALMO** are not agreed on a timely basis and this impacts on the ability to plan, communicate and deliver organisational changes necessary for an effective transition to new arrangements.	Sub optimal organisational structures that result in missed opportunities to further improve services and support to tenants, residents and communities. Duplication or omission in structure results in additional avoidance costs or gaps in provision. Negative impact on workforce motivation; and inability to secure effective consultation and engagement of residents, staff and trades unions in decision making.	DSD	Programme of work including external consultant support and tenant engagement overseen by Northwards Board and the Director of Strategic Development with support of SMT. <u>Reporting</u> to Housing Board, Executive and Scrutiny Committees	NEW	4x2=8 Medium	3x2=6 Low	Update reports to SMT and Executive by CEX and DSD
21	Our People	7	NEW: Against a backdrop of societal impetus for equality and removal of barriers facing BAME communities, the **organisational response to the Race Review** does not deliver at the pace and scale required to address barriers to workplace equality.	Loss of credibility of leadership and of the Council with BAME workforce and BAME communities across the City. Increased risk of actual or perceived inequality; and of the Council failing to reflect the communities it serves. Failure to capitalise on the diversity of a workforce drawn from a wide range of communities – in terms of ethnicity but also in terms of other protected characteristics.	CEX and CS	Visible leadership of CEX and Deputy Leader Race Review Programme led by City Solicitor as SMT lead for equality with active HR support and organisational wide engagement of stakeholders in design and delivery of change activities. Active engagement of Trades Unions in review process. <u>Reporting to</u>: Corporate Equality Group, SMT, Deputy Leader and Executive, Resources and Governance Scrutiny Committee	NEW	4x2=8 Medium	4x1=4 Low	Ongoing delivery of race review and agreement of action planning: CS supported by DCE and Director of HROD

Appendix Three: Glossary of Terms and Assessment Criteria

A. Themes

Our Partnerships	Primary impacts on delivering outcomes through partnerships and key suppliers at national, regional, GM, City or local level.
Our People	Primary impacts linked to the workforce capability, capacity, skills, motivation and engagement.
Our Performance	Primary impacts on delivering on stated priorities, targets and agreed performance standards.
Our Finances & Resources	Primary impacts on financial and other (non workforce resources) including ICT, information and premises
Manchester People	Primary impacts on Manchester residents, service users and those who engage with universal or specialist series across the City; including children and adults.
Manchester Places	Primary impacts on Manchester neighbourhoods and place, including infrastructure, transport, housing, leisure and other universal services for residents and visitors.
Statutory & Legal Duties	Primary impacts on legal duties and compliance with legislation

B. Corporate Plan Links

1	**Young People**: From day one, support Manchester's children to be safe, happy, healthy and successful, fulfilling their potential, and making sure they attend a school graded 'good' or better
2	**Healthy, Cared-for People**: Work with partners to enable people to be healthy and well. Support those who need it most, working with them to improve their lives
3	**Housing**: Ensure delivery of the right mix of good-quality housing so that Mancunians have a good choice of quality homes
4	**Neighbourhoods**: Work with our city's communities to create and maintain clean and vibrant neighbourhoods that Mancunians can be proud of.
5	**Connections**: Connect Manchester people and places through good-quality roads, sustainable transport and better digital networks
6	**Growth that Benefits Everyone**: To support our priorities, we need to continue to promote and drive sustained economic growth and job creation that benefits everyone
7	**Well-Managed Council**: Support our people to be the best and make the most of our resources.
8	**Zero Carbon Manchester:** Lead delivery of the target for Manchester to become a zero carbon city by 2038 at the latest, with the city's future emissions limited to 15 million tonnes of carbon dioxide

C. Risk Owners

CEX	Chief Executive, Joanne Roney
DCE	Deputy Chief Executive and City Treasurer, Carol Culley
CS	City Solicitor, Fiona Ledden
DCS	Director of Childrens Services, Paul Marshall
DAS	Director of Adult Services, Bernadette Enwright
DSD	Director of Strategic Development, Louise Wyman
DN	Director of Neighbourhoods, Fiona Worrall
DPH	Director of Public Health, David Regan
MW	Director of Homelessness, Mike Wright

D. The Risk Continuum: Risk Scoring Guidelines

Risk Impact and Likelihood scores are attributed from within a sliding scale. Definitional statements are described in broad terms and there is a requirement to consider each risk within the continuum and apply specialist understanding or experience to apply a risk score.

Score	Impact	Likelihood
5	Life threatening / multiple serious injuries. Intense political and media scrutiny i.e. national media coverage / prolonged local media coverage. Possible legislative, criminal, or high profile civil action against the Council, members or officers. Cessation of core activities. Failure of major projects/programmes. Finance impacts that cannot be managed from within financial Directorate resources. Statutory intervention triggered. Severe impact on Priority 1 or Key Service performance / Impact on the whole Council.	Highly likely that risk will be realised (60%)
3	Threat to the health and wellbeing of one or more individuals. Potential for workdays lost to injury/stress Additional scrutiny required by management and internal committees. Service impacts require co-ordinated directorate response. Some local media attention requiring corporate intervention. Failure of projects with directorate impact Core activities continue to be delivered but reasonable adjustment required to focus resources at priority areas Budgetary realignment required to manage impacts.	Medium/Low likelihood (circa 30%)
1	Injuries / stress requiring only limited medical intervention. Limited additional scrutiny required by management. Risk unlikely to receive local media coverage. Short-term disruption of activities / service performance. Internal policies and regulations not complied with. Finance impacts managed with minimal impact.	Whilst possible the likelihood of the risk being realised is considered low (<5%)