

BUSINESS AND TRANSFORMATION SCRUTINY PANEL

THURSDAY 18 OCTOBER 2018 AT 10.00AM

PRESENT: Councillor Birks (Chairman), Allison, Mrs Bowman, Carrigan (as substitute for Councillor Alcroft), Ellis, Mrs Mallinson, McDonald and McNulty.

OFFICERS: Town Clerk and Chief Executive
Corporate Director of Governance and Regulatory Services
Chief Executive's Office Manager
Overview and Scrutiny Officer

BTSP.70/18 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillor Alcroft and the Leader, Councillor Glover.

BTSP.71/18 DECLARATIONS OF INTEREST

No declarations of interest were submitted.

BTSP.72/18 PUBLIC AND PRESS

RESOLVED - It was agreed that the items of business in Part A be dealt with in public and Part B be dealt with in private.

BTSP.73/18 MINUTES OF PREVIOUS MEETINGS

RESOLVED – 1) Noted that Council, on 11 September 2018, received and adopted the minutes of the meeting held on 25 July 2018. Minute Book Volume 45(2) was signed by the Chairman.

2) That the minutes of the meeting held on 6 September 2018 be agreed.

BTSP.74/18 CALL - IN OF DECISIONS

There were no items which had been the subject of call-in.

BTSP.75/18 OVERVIEW REPORT AND WORK PROGRAMME

The Overview and Scrutiny Officer presented report OS.26/18 providing an overview of matters relating to the work of the Business and Transformation Scrutiny Panel.

The Notice of Executive Key Decisions had been published on 14 September 2018. KD.11/18 - Review of Statement of Gambling Policy had not been included on the Panel's work programme.

The table of progress on resolutions from previous meetings had been included in section 3 of the report. The Overview and Scrutiny Officer updated the Panel on the following minute references:

BTSP.40/18(3) – This had been discharged.

BTSP.63/18 – The first meeting of the Task and Finish Group was scheduled to take place on the rising of this meeting.

BTSP.66/18 – A meeting had been scheduled for 25 October 2018 to discuss moving the Efficiency Inquiry Day forward.

In discussing the Overview Report Member's asked for further information on the Sands Centre Redevelopment and where the project fit into the Budget process. The Panel also asked when the discussion paper on the city centre redevelopment (minute reference BTSP.16/18(2)) would be circulated to the Panel.

Referring to the budget process, the Panel requested that a covering document be added to the budget reports in which each of the report authors provided a paragraph which highlighted the exceptions and major changes to the charges, in particular highlighting any items that were specific to the Panel that had an impact on customers.

RESOLVED – 1) That the Overview Report incorporating the Work Programme and Key Decision items relevant to the Business and Transformation Scrutiny Panel (OS.26/18) be noted;

2) That the discussion paper on the city centre redevelopment which had been presented to SMT in November 2017 be circulated to Panel Members (BTSP.16/18(2) refers);

3) That a covering document be added to the budget reports in which each of the report authors provide a paragraph which highlighted the exceptions and major changes to the charges, in particular highlighting any items that were specific to the Panel that had an impact on customers.

BTSP.76/18 CORPORATE RISK REGISTER

The Town Clerk and Chief Executive presented report CS.33/8 which provided an update on the management of the Council's Corporate Risk Register.

The Town Clerk and Chief Executive reported that the revised current Corporate Risk Register had been attached to the report as appendix 1 for consideration and comment by the Panel. He detailed the progress made since the last report to the Panel highlighting that the review of the Risk Management Policy had been completed and had been replaced with the Risk Management Assurance Framework which had been attached to the report as appendix 2. The Framework had been approved by the Corporate Risk Management Group and Senior Management Team and would be reported to the Audit Committee in December as part of their update on risk management across the authority.

The Town Clerk and Chief Executive highlighted the significant changes and he reminded the Panel of the process in place to monitor risk management. He stated that operational risk registers were stored, updated and monitored via the Council's chosen corporate system called Project Server. It had been recognised that there was a need to review the use of the system. The aim was to potentially replace it with a system which was user friendly, provided the Council with greater functionality and ability to manipulate data to feed into the Council's reporting requirements as well as a dashboard which could show at a glance the number of risks with a red RAG rating.

In considering the Corporate Risk Register Members raised the following comments and questions:

- The Scrutiny Panels were the second line of defence in the model for corporate assurance and Members felt that the Panel should have a more informative risk register to scrutinise and had concerns that they were not aware of all the relevant risks and were not getting all of the information they required.

The Town Clerk and Chief Executive explained that the Panel were right to want to scrutinise risks that were not in the Risk Register and ensure that the decision for not escalating risks to the corporate register was rigorous and justifiable.

The Corporate Director of Governance and Resources added that the Corporate Risk Register contained only significant risks which were deemed to require corporate oversight. Each Directorate had their own operational risk registers which contained risks which had to be managed by the Directorate but did not require corporate management.

In response to a further question the Town Clerk and Chief Executive confirmed that Members could see the operational risk registers but it may be more worthwhile for scrutiny purposes if individual case studies were brought to the Panel. The case studies would explain the risk and the reasons and evidence why it was not considered to be a significant risk which should be added to the Corporate Risk Register.

- The Corporate Risk Register only had four risks which was considerably less than the risks contained in some other Council's risk registers, were the other risks contained within the operational risk registers?

The Town Clerk and Chief Executive responded that each Council had its own view on what was considered a significant risk for their Corporate Register. He added that Carlisle's Risk Register was open to challenge if Members felt that a different approach should be taken. He reminded the Panel that the risks in the Corporate Register were the risks which senior managers felt were significant and required corporate action to manage them.

- How relevant was the City Centre Masterplan in the context of the collapse of retail in the City Centre?

The Town Clerk and Chief Executive felt that the risk within the Register required more detail for scrutiny purposes. He explained that the Borderlands Growth Deal submission included a project which responded to the changes within the City Centre and would help to move the City Centre away from being just a shopping centre to meet modern requirements.

- A Member understood that the Corporate Risk Register required strategic judgement on the number of risks it contained but felt that one of the biggest risks to the authority, ICT security, had not been included.

The Town Clerk and Chief Executive felt that ICT security would be a good case study for scrutiny; the Panel would see the reasons and evidence for not including it on the Corporate Risk Register and could challenge the decision.

- Were the risk matrices scrutinised by other Panels when they were considering projects?

The Town Clerk and Chief Executive confirmed that a risk register should be included as part of the project plan, the register would identify what the potential problems in a project could be and what could be done to mitigate the risk should it arise.

- The Panel had scrutinised the Asset Management Plan and the maintenance programme yet the risk score for the Council's assets was 9 with a target of 6, why was it so high when the Council had plans in place?

The Corporate Director of Governance and Regulatory Services explained that the Plans were in place and were in the process of being actioned and included in the budget process. As the actions were implemented the target would reduce and would meet the target date of December 2018 as part of the budget process.

- The risk management process did not state that the Executive had any responsibility for risk management.

The Corporate Director of Governance and Regulatory Services reminded the Panel that the Executive were the principal decision making body of the Council with overall responsibility for the delivery of the service therefore the responsibility sat with the Executive to manage risk.

- Was the Chancerygate contract making progress and how soon would the Council see a return?

The Corporate Director of Governance and Regulatory Services reminded the Panel that a full response on the matter had previously been provided to the Panel by the Corporate Director of Finance and Resources and he reminded them that the return would not be a quick process.

- How did the Opportunity Impact Assessment (OIA) impact the score matrices in the Risk Register.

The Town Clerk and Chief Executive responded that the OIA was good practice and a consistent way to approach opportunity but creating an OIA register was not a priority at the present time.

- Did the Council use external support when setting the Risk Register?

The Corporate Director of Governance and Regulatory Services advised that the Council's insurance arrangements enabled the Authority to access risk management training on matters identified by the Council and the training supported officers in setting the Risk Register.

- The Council used the PESTLE (Political Economic Social Technological Legal Environmental) tool for assessing risks, had any consideration been given to using the STEEPLE (Social Technological Economic Environmental Political Legal Ethical) tool?

The Town Clerk and Chief Executive agreed to look at the STEEPLE tool.

- When were internal risks audited by the Council's management arrangements and what was the level of assurance?

The Corporate Director of Governance and Regulatory Services advised the Panel that this was a matter for the Audit Committee and Internal Audit had been assessed regarding its independence and it had received a very good report.

- It would be useful for Members to attend Corporate Risk Management training and training on the role of the Audit Committee.

The Corporate Director explained that there was training available to all Members on both matters through the Ethical Governance Programme.

- How could the Panel make recommendations on the Risk Management Assurance Framework if it was within the remit of the Audit Committee?

The Corporate Director clarified that the Audit Committee looked at the structure used to assess risk to make sure the appropriate checks and balances were in place. The Panel scrutinised the actual risks identified within the Framework.

The Town Clerk and Chief Executive added that it was appropriate and helpful for the Panel to have a view on the framework; however, it was the detail of the risks that the Panel were being asked to scrutinise.

- With regard to the risks for the city centre was there alternative options prepared in case the Borderlands Growth Deal bid was not successful?

The Town Clerk and Chief Executive reminded the Panel that the Economic Growth Scrutiny Panel had scrutinised the Deal in detail with the Corporate Director of Economic Development.

Should the bid not be successful there were other options available for the area; however, the indicators regarding the deal were very positive.

A Member commented that the Corporate Director of Economic Development did not attend this meeting and the Panel needed to explore the implications of the risks.

The Corporate Director suggested that it would be useful for the Panel to identify specific risks, such as the City Centre Masterplan, that could then be discussed in detail using the supporting documentation and evidence.

RESOLVED – 1) That the Panel noted the Corporate Risk Register (CS.33/18);

2) That future Corporate Risk Registers included more narrative and detail on each risk;

3) That the Corporate Risks are shared with the Economic Growth and Health and Wellbeing Scrutiny Panels;

4) That the Corporate Risk Management Group be requested to give consideration to adding ICT Security to the Corporate Risk Register;

5) That the Chief Executive's Office Manager send the Operational and Project Risk Registers from all Directorates to the Overview and Scrutiny Officer for distribution as appropriate to Panel Members.

6) That Corporate Risk training be arranged for the Panel.

(The meeting ended at 11.37am)