

Report to Business & Transformation Scrutiny Panel

Agenda Item:

A.5

Meeting Date: 3rd September 2020
Portfolio: Finance, Governance & Resources
Key Decision: Not Applicable:
Within Policy and Budget Framework NO
Public / Private Public

Title: CORPORATE RISK REGISTER
Report of: Deputy Chief Executive
Report Number: CS 21/20

Purpose / Summary:

The purpose of this report is to update members of the Business and Transformation Scrutiny Panel on the management of the Council's Corporate Risk Register.

Recommendations:

The Panel is asked to scrutinise and comment on the current Corporate Risk Register, as set out in Appendix One.

Tracking

Executive:	Not applicable
Overview and Scrutiny:	Not applicable
Council:	Not applicable

1. BACKGROUND

In accordance with the Council's Risk Management Assurance Framework, the Corporate Risk Register (CRR) has been submitted to the Business and Transformation Scrutiny Panel for monitoring on a six-monthly basis. This report contains the revised current CRR, attached at Appendix 1 for consideration and comment.

2. PROPOSALS

Corporate Risk Register – progress since the last report to Business & Transformation Scrutiny Panel on 25th July 2019.

- 2.1 It is some time since this Panel received an update on the Council's Corporate Risk Register, it was due for consideration at the March meeting, which was subsequently cancelled owing to the Covid-19 pandemic.
- 2.2 Members will be aware that the Corporate Risk Management Group (CRMG) is responsible for delivering and reviewing the Risk Management Assurance Framework, maintaining and improving risk management processes as well as monitoring and advising on the Council's Corporate Risk Register.
- 2.3 The CRMG meets quarterly and most recently met on the 3rd August. Special meetings will be called by the Chair should risks be escalated and require an intervention from the CRMG or Senior Management Team.
- 2.4 The CRR was last reviewed by the CRMG at its 3rd August 2020 meeting. The control strategy narrative as well as assessment dates and target risk scores have been updated since this meeting and an up to date version is attached at Appendix One.
- 2.5 Members will note the additional corporate risk relating to the potential financial implications on the Council's revenue and capital budgets owing to the impact of Corona Virus. The World Health Organisation declared the Coronavirus Covid-19 outbreak as a pandemic and full UK lockdown followed. The threat the virus continues to present warrants escalating to the Corporate Risk Register.

- 2.6 Members will also note the additional corporate risk on the Carlisle Southern Link Road. In July 2020 the City Council and the County Council signed a Grants Agreement with Homes England for £134M funding for the Southern Relief Road. In addition, the City Council entered into a Collaboration Agreement with the County Council. As a result the City Council are obliged to achieve certain milestones which are set out in Appendix One to this report.
- 2.7 Members are asked to note that none of the corporate risks have escalated in their RAG rating since this was last reported.
- 2.8 The Council's Risk Management sub-group has continued to meet. This sub-group is chaired by the Chief Executive's Office Manager. Penholders for the risk registers are required to attend meetings and present the operational/project risk register that they are responsible for. The Sub-Group acts as a "critical friend" ensuring that risks are comprehensive; accurately scored; relevant, that a consistent approach has been taken etc. There are two operational level risk registers that have yet to be considered by the sub-group.
- 2.9 The sub-group focuses on risks at an operational/directorate level. Issues raised here can be escalated to the CRMG if deemed appropriate. The CRMG receive the minutes from the Sub-Group for information as a standing item on their agenda.
- 2.10 Updates of operational risk registers for this period have been completed within the specified timescales as set out in the City Council's Risk Management Assurance Framework. These updates are co-ordinated via SharePoint which has been a successful migration from Project Server.
- 2.11 As reported to panel members previously, the new system provides us with greater functionality and the ability to manipulate data to feed into our reporting requirements as well as a dashboard which can show at a glance the number of risks with a red rating; those risk registers which have yet to be updated; those risks which have escalated in the last quarter that might require attention.
- 2.12.1 In light of the current Covid-19 pandemic, risk register owners were asked to review their operational risks and to amend current or add new risks so as to reflect the emerging picture. Colleagues in Property Services, Neighbourhood Services, Customer Contact, Finance & Resources, Building Control plus others responded. The result is a Covid-19 specific operational risk register containing twenty-seven

operational level risks. Newly identified risks are around income shortfall; reputational damage associated with cancellation of events, the impact an outbreak could have on staffing levels in key service areas and so on. This is hosted on SharePoint and will be monitored by the Risk Management Sub-Group. Regular updates on these risks will be sought.

- 2.13 Risk registers associated with our corporate level projects will also be hosted on SharePoint. These are currently being collated. Work is underway to further enhance the SharePoint site so it can act as a central repository for information relating to corporate and operational level risks. It is proposed that these risk registers are also monitored by the Risk Management Sub-Group going forward. Members will be kept informed as this work progresses.

3. CONSULTATION

Corporate Risk Management Group meeting on 3rd August 2020.

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

The Panel is asked to scrutinise and comment on the Corporate Risk Register as set out in Appendix One.

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

The Corporate Risk Register is reviewed quarterly, it is the strategic risk assessment for the Carlisle Plan.

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Appendices :

Appendix 1 – Corporate Risk Register attached to report

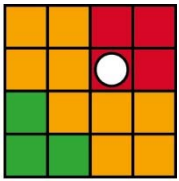
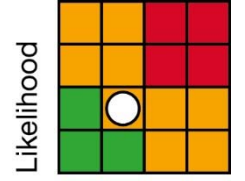
Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

Corporate Risk Register –August 2020

The inclusion of the previous and current risk matrices shows the effect that the control strategies have had on risk ratings since the last update. A target risk matrix shows the risk level that the Council is aiming to achieve from the successful implementation of the control strategies and the date for when this will be achieved.

Preparing for the future funding of local government from 2020

There is a risk that the Government fails to communicate changes to future local government funding from 2020 in a timely manner, meaning that the City Council cannot effectively prepare for these changes.

Present Matrix	Assessment Date	Present Risk Score	Control Strategy/Mitigating Actions	Target Risk Matrix
 <p>Likelihood</p> <p>Impact</p>	August 2020	9	<p>The Senior Management Team and the Finance & Resources Directorate are focussed on monitoring the development of government/local taxation and funding proposals for District Councils. However, the Government has confirmed that the two reviews; A Review of Local Authorities Relative Needs and Resources & The Business Rate Retention Reform (75%), will no longer be implemented in 2021/22. The Comprehensive Spending Review expected later this year has also been deferred until 2021. Therefore, it is likely that there will be a one-year Spending Round for 2021/22 only, meaning that we still do not yet have a sufficiently clear picture of future funding. It is only when the results of these reviews are provided that they can be used to inform our baseline funding levels for 2022/23; however, this may not be known until the autumn of 2021.</p> <p>The MTFP and Capital Investment Strategy for 2021/22 to 2025/26 are currently be considered and will be approved by Council in September 2020. These include up to date announcements and guidance issued by Central Government on baseline funding and other specific grants and funding as a result of COVID-19. Therefore, we await the outcome of the two reviews to feed into the 2022/23 budget process, and in the meantime, continue to closely monitor our income and expenditure in key areas and keep abreast of any government announcements and guidance issued by the MHCLG.</p>	 <p>Likelihood</p> <p>Impact</p>

Impact Score	3		Target Risk Date	October 2021
Likelihood Score	3		Target Risk Score	4
			Lead Officer	Alison Taylor
			Portfolio Holder	Finance, Governance & Resources
			Scrutiny Panel	BTSP

REVENUE/CAPITAL/ASSETS				
There is a risk that we fail to fully recognise and manage our operational and investment assets leading to high long-term dilapidation costs and reducing control on future capital decisions				
Present Matrix	Assessment Date	Present Risk Score	Control Strategy/Mitigating Actions	Target Risk Matrix
<div> <div>Likelihood</div> <div>Impact</div> </div>	August 2020	9	<ul style="list-style-type: none"> The Council has an approved Asset Management Plan which is updated annually in which it sets out its control strategy, including maintenance, of its operational and non-operational assets. Further, Council properties are subject to a rolling programme of inspection. The Medium-Term Financial Plan will also give consideration to the capital requirements of this programme. Following completion of condition surveys on our operational and investment portfolio an investment programme has been prepared and implemented to upgrade areas of the portfolio to ensure properties remain fit for purpose. 	<div> <div>Likelihood</div> <div>Impact</div> </div>

Impact score	3		Target Risk Date	February 2021
Likelihood score	3		Target Risk Score	6
			Lead Officer	Mark Lambert
			Portfolio Holder	Finance, Governance & Resources
			Scrutiny Panel	BTSP

ECONOMIC REGENERATION/DEVELOPMENT				
There is a risk that we fail to effectively prioritise and resource key city regeneration sites and miss the opportunity to take these forward in a progressive manner that meets the Council’s aspirations.				
Present Matrix	Assessment Date	Present Risk Scores	Control Strategy/Mitigating Actions	Target Risk Matrix
<div> <div>Likelihood</div> <div> <div> <div></div> <div></div> <div></div> <div></div> </div> <div> <div></div> <div></div> <div></div> <div></div> </div> <div> <div></div> <div></div> <div></div> <div></div> </div> </div> <div>Impact</div> </div>	August 2020	6	<p>The key regeneration sites continue to be progressed through the Borderlands Inclusive Growth Deal:</p> <ul style="list-style-type: none"> Carlisle Railway Station: a detailed business case for improvements to the station has now been prepared to draw down the £15m funding identified for the project. Citadels: the preparation of a detailed business case for the site is now underway for a mixed-use development including a new city centre campus for the University of Cumbria. Caldew Riverside: a remediation appraisal and strategy for the site has been completed that has identified the costs and preferred approach to the clean-up and redevelopment. A strategic business case for the redevelopment of the site for housing has been prepared. <p>Two key regeneration opportunity sites have also been included in the Council’s business case for Future High Street Fund investment:</p> <ul style="list-style-type: none"> Central Plaza: funding to support and accelerate the redevelopment of the site. Former Hoopers building: funding to support and accelerate a repurposing of the building. 	<div> <div>Likelihood</div> <div> <div> <div></div> <div></div> <div></div> <div></div> </div> <div> <div></div> <div></div> <div></div> <div></div> </div> <div> <div></div> <div></div> <div></div> <div></div> </div> </div> <div>Impact</div> </div>

Impact score	3
Likelihood score	2

Target Risk Date	August 2020
Target Risk Score	3

Lead Officer	Jane Meek
Portfolio Holder	Economy, Enterprise and Housing
Scrutiny Panel	EGSP

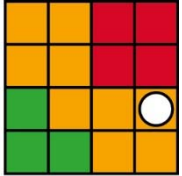
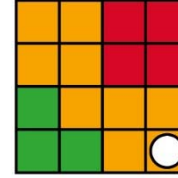
ECONOMIC/ REGENERATION	
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There is a risk that the City Council will not fulfil its obligations as set out in the Carlisle Southern Link Road (CSLR) Grant Determination Agreement with Homes England and that subsequently the funding will be withdrawn, this meaning that the City Council will consequently have to pay the County Council £5m as agreed in the Collaboration Agreement with the County Council. The City Council are responsible for the Milestones that relate to St Cuthbert's Garden Village (SCGV) and are reflected in the Collaboration Agreement. The key Milestones for the City Council are:

1) SCGV Masterplan finalised – 30 November 2020 2) Supplementary Planning Document for SCGV adopted – 30 April 2021 3) Final Housing Delivery Statement for SCGV – 30 September 2021

4) SCGV Local Plan adopted – 31 July 2022

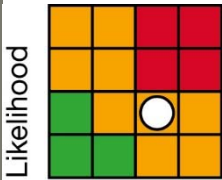
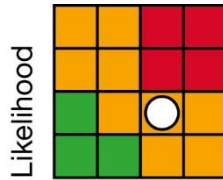
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| | | Present Risk | | |
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Present Matrix	Assessment Date	Score	Control Strategy/Mitigating Actions	Target Risk Matrix
	August 2020	8	<ul style="list-style-type: none"> Joint County and City Strategic Partnering Board provide oversight on progress and achievement of milestones. Risk Register for the Board is a standing item on the agenda and is regularly updated. Strong Governance and project management arrangements and detailed project plan for preparing the Masterplan and the Local Plan. Detailed risk register is a standing item on the St Cuthbert's Garden Village Strategic Board and is continually updated. Continued work with cross party St Cuthbert's Garden Village Members' Advisory Group (MAG) to ensure they remained briefed and supportive. MAG fulfil their role especially in relation to championing the project to wider members. Interim Procedures in place to guide early applications – design SPD and procedural guidance by legal advice on the strategy for handling planning applications for land release. Effective engagement strategy/comms plan and strong project management of engagement process. Timely feedback of outcomes of community consultation. 	

Impact score	4
Likelihood score	2

Target Risk Date	November 2020
Target Risk Score	4

Lead Officer	Jane Meek
Portfolio Holder	Economy, Enterprise & Housing
Scrutiny Panel	EGSP

RESOURCES				
There is a risk that the City Council is unable to approve a balanced budget due to the financial impact of the COVID-19 pandemic				
Present Matrix	Assessment Date	Present Risk Scores	Control Strategy/Mitigating Actions	Target Risk Matrix
	August 2020	6	<p>The financial implications arising from COVID-19 continue to be monitored through monthly returns to the MHCLG. Emergency funding has been provided totalling £1.3million and a co-funding package has been recently announced to provide a mechanism for irrecoverable sales, fees and charges income, with the Government funding 75% of losses beyond 5% of planned income. The MHCLG has also announced that any deficits within the Collection Fund will be subject to a 3-year recovery period; this being a significant risk to the Council in terms of the potential loss of income received from Council Tax and Business Rates. The economic recovery of the city and surrounding areas, following the pandemic, and as part of the Recovery Strategy, is key to ensuring financial sustainability of the Council. At the present time the Council's S151 Officer does not believe that a S114 notice is required; however, this decision will be revisited periodically once more information on budgetary pressures, in terms of loss of income and additional costs, is known and any new Government funding packages are announced.</p> <p>The Senior Management Team have set up a Business Recovery Group to review our business recovery and continuity arrangements (should there be a second wave), considering the advice from the Health Protection Board on local incidence and emerging national guidance.</p> <p>Fortnightly Strategic Recovery Coordination Group (SRCG) meetings are taking place, chaired by Katherine Fairclough, Cumbria County Council and attended by the City Council's Chief Executive.</p> <p>A number of transformative work streams are being progressed including Future High Streets Fund; Borderlands and Towns Fund. There is a conscious attempt to improve high streets (through the reopening of the High Streets Fund), towns, cities and commercial areas – to do more than recover but to innovate and address new challenges in light of Covid-19. Each workstream shares a similar purpose; to support regeneration across the district and drive Carlisle forward, supporting the growth agenda set out in the Local Plan.</p>	

Impact score	3
Likelihood score	2

Target Risk Date	March 2021
Target Risk Score	6
Lead Officer	Alison Taylor
Portfolio Holder	Finance, Governance and Resources
Scrutiny Panel	BTSP

CULTURE & SPORT				
There is a risk that we fail to deliver the required new leisure facilities at the Sands Centre, on time and within budget and therefore do not meet the saving targets identified in the Medium Term Financial Plan.				
Present Matrix	Assessment Dates	Present Risk Score	Control Strategy/ Mitigating Actions	Target Risk Matrix
	August 2020	9	<p>Since the Council approval 25 June 2019, work has continued to progress plans for the enabling works that are essential for delivery of the project objectives.</p> <p>The project team have faced significant challenges on the project development in the form of agreeing a lease at the Former Newman School and finalising permit arrangements with the Environment Agency at the Sands Centre. Both these impediments are now resolved and the temporary facilities at Newman School and the portacabins at the Sands centre are now complete and GLL and the NHS are operational.</p> <p>Covid-19 has also had an impact on the programme due to contractor and materials issues along with the requirement to use the facility as a recovery centre for the NHS.</p> <p>Since commencement of the project we have also become aware of a requirement to undertake works to the main hall roof. Investigations into possible solutions are currently being undertaken and it is hoped these could be incorporated within the existing project. A failure to address the issue now will increase the cost of repair and may risk compensation events with the current operator GLL. These challenges have caused a delay in the delivery of the new facilities, once the additional costs are known a further report will be taken to Members for their consideration and direction.</p>	

Impact score	3
Likelihood score	3

Target Risk Date	September 2020
Target Risk Score	4
Lead Officer	Darren Crossley
Portfolio Holder	Culture, Heritage & Leisure
Scrutiny Panel	HWSP/BTSP

Corporate Support				
There is a risk that critical Information and Technology (I&T) applications or infrastructure become unavailable which impacts on the delivery of council services.				
Present Matrix	Assessment Dates	Present Risk Score	Control Strategy/Mitigating Actions	Target Risk Matrix
<div><div>Likelihood</div><div><div><div><div><div></div><div></div><div></div><div></div><div></div></div><div><div><div></div><div></div><div></div><div></div><div></div></div><div><div><div></div><div></div><div></div><div></div><div></div></div><div><div><div></div><div></div><div></div><div></div><div></div></div></div><div>Impact</div></div></div></div></div></div></div>	July 2020	9	<ul style="list-style-type: none">UPS in computer room.Increased use of cloud based software, such as SalesforcePurchase of resilient Internet connection – to be implementedVirtual server hosts can automatically move virtual servers aroundSnapshots of servers before any upgrades are doneMonthly patching of clientsConfirm that all council services have adequate Business Continuity plans during annual ICT needs assessments. <p>Planned actions: Fully automated patching of servers Refresh and test the council I&T Disaster Recovery plans.</p>	<div><div>Likelihood</div><div><div><div><div><div></div><div></div><div></div><div></div><div></div></div><div><div><div></div><div></div><div></div><div></div><div></div></div><div><div><div></div><div></div><div></div><div></div><div></div></div><div><div><div></div><div></div><div></div><div></div><div></div></div></div><div>Impact</div></div></div></div></div></div></div>

Impact score	3
Likelihood score	3

	Target Risk Date	January 2021
	Target Risk Score	4
	Lead Officer	Jason Gooding
	Portfolio Holder	Corporate Support
	Scrutiny Panel	BTSP

Corporate Support
There is a risk that our digitally held data becomes unavailable, unreliable or is stolen due to error, negligence or malice

Present Matrix	Assessment Date	Present Risk Score	Control Strategy/Mitigating Actions	Target Risk Matrix
<div><div>Likelihood</div><div><div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div></div><div>Impact</div></div></div>	July 2020	9	<ul style="list-style-type: none">All user workstations protected by BitLockerMobile devices and USB portable devices encryptedAccess Management of users on all systemsImplemented basic data loss protection policy in Office 365 including email <p>Planned actions: Categorisation of data Enhanced DLP (Data Loss Prevention) policies</p>	<div><div>Likelihood</div><div><div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div></div><div>Impact</div></div></div>

Impact score	3
Likelihood score	3

	Target Risk Date	December 2020
	Target Risk Score	6
	Lead Officer	Jason Gooding
	Portfolio Holder	Corporate Support
	Scrutiny Panel	BTSP