

People Panel

**Agenda
Item:**

Meeting Date: 12th January 2023
 Portfolio: Finance, Governance & Resources
 Key Decision: Not Applicable:
 Within Policy and
 Budget Framework YES
 Public / Private Public

Title: CORPORATE RISK REGISTER & LOCAL GOVERNMENT
 REVIEW (LGR) TRANSITION
 Report of: Deputy Chief Executive
 Report Number: CS 02/23

Purpose / Summary:

The purpose of this report is to update members of the People Scrutiny Panel on the management of the Council’s Corporate Risk Register. This report will also cover arrangements for the transition of such risks to Cumberland Council.

Recommendations:

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

The Panel is asked to note and comment on the arrangements for the transition of risks to Cumberland Council.

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 Place 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 Scrutiny in March 2022

- 2.1 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. Special meetings will be called by the Chair should risks be escalated and require an intervention from the CRMG or Senior Management Team. Regular meetings of the CRMG are scheduled up until Vesting Day.
- 2.4 The CRR was last reviewed by the CRMG and Senior Management Team w/c 29 November 2022. 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.
- 2.7 None of the existing risks have escalated in their RAG rating since this was last reported to Members. Members will note a red risk status for the new risk on the Sustainable Warmth project.
- 2.8 The Council's Risk Management sub-group last met in December 2022. 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. Regular meetings of this Group are scheduled until

Vesting Day and it is recognised that these meetings will continue beyond 1st April 2023

- 2.9 The vast majority of 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.
- 2.10 Members will note the addition of a new corporate risk focused on the delivery of the Sustainable Warmth project.

Comments on this risk, our stated mitigating actions and the risk scores would be welcomed from the panel.

- 2.11 An LGR Risk Management Task & Finish Group has been set up, this includes a cross section of colleagues from each of the authorities within the Cumberland footprint who have responsibility for risk. The City Council's risk champion and head of internal audit represent the City Council at these meetings.

The risk management function sits under the Director of Resources within the Cumberland Council structure.

The aim of the Task & Finish Group is that a streamlined approach to risk management can be agreed resulting in a single strategic risk register as well as risk management framework for the new authority. If possible, ahead of Vesting Day, a suite of training materials for Officers, Members and Risk Champions will need to be developed.

Members will recall the external challenge that was initiated by the Risk Management Sub Group from Zurich into the City Council's risk management processes. The outcomes from this piece of work will be fed into the work undertaken by the above-mentioned Task & Finish Group.

An important part of the emerging Cumberland Council strategic risk register will be the transfer of ongoing, strategic risks from each sovereign council. Our CRMG has started the process of identifying key risks for transfer and we will conclude this exercise in the final quarter of 2022/23. Any comments and suggestions from this panel are welcomed.

2.13 A recent internal audit into risk management assurance has been undertaken by our internal audit team and this resulted in a **reasonable assurance** rating. Several recommendations were made concerning the renewal of the corporate policy and the CRMG operation. Where appropriate these will be actioned by Carlisle City Council and any remaining actions (that better suit the new council arrangements) will be transferred to the new authority.

3. CONSULTATION

Corporate Risk Management Group and SMT w/c 30 November 2022.

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.

Contact Officer: Tracey Crilley

Ext: 7120

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 –November/December 2022

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.



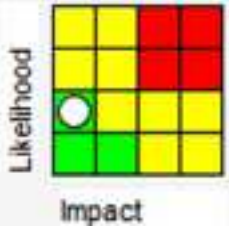
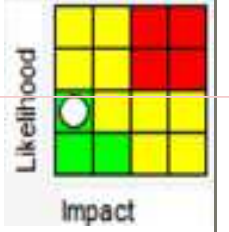
Preparing for the future funding of local government from 2023

There is a risk that the Government fails to communicate changes to future local government funding from 2023 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
	November 2022	1	<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 2022/23; in fact, DLUHC have announced that the 75% BR Retention Reform will no longer proceed as it does not accord with the Government's Levelling Up agenda.</p> <p>The 2021 Spending Review was announced in October 2021, with the final funding settlement announced in February 2022; this again was only a one-year settlement for 2022/23 with no multi-year settlement provided. This means that we still do not yet have a sufficiently clear picture of future funding. It is only when the results of the Fair Funding review are provided that they can be used to inform our baseline funding levels for 2023/24; however, this may not be known until the autumn of 2022, at which point it will be the responsibility of the new Unitary Authority established as a result of Local Government Reorganisation (LGR) in Cumbria. Financial modelling for LGR is based upon the assumption that LGR will be at no detriment to other local authorities and will be based upon the funding envelope for Cumbria.</p> <p>The MTFP and Capital Investment Strategy for 2022/23 to 2026/27 were approved by Council in September 2021. These included up to date announcements and guidance issued by Central Government on baseline funding and other specific grants and funding. Therefore, we continue to closely monitor our income and expenditure in key areas and keep abreast of any government announcements and guidance issued by the DLUHC.</p> <p>THIS RISK WILL TRANSFER TO THE NEW CUMBERLAND COUNCIL AFTER 1ST APRIL 2023. THE LGR PROGRAMME IS CONSIDERING AND ACTING ON THE ELEMENTS OF THIS RISK DESCRIBED ABOVE. THE PRESENT AND TARGET RISK SCORES FOR THIS RISK HAVE NOW BEEN MOVED TO A SCORE OF 1 RECOGNISING THAT THE TRANSFER OF THE IS RISK.</p>	

Commented [DC1]: Do we need to say why we now see this score as 1? Is this because the risk will transfer and not be a Carlisle CC risk?

Impact Score	1		Target Risk Date	Autumn 2022
Likelihood Score	1		Target Risk Score	1
			Lead Officer	Alison Taylor
			Portfolio Holder	Finance, Governance & Resources
			Scrutiny Panel	Resources

RESOURCES				
There is a risk that the financial impact of the Covid-19 pandemic on the Council's budget is not fully understood which may require future changes to the Council's Savings Strategy.				
Present Matrix	Assessment Date	Present Risk Scores	Control Strategy/Mitigating Actions	Target Risk Matrix
	November 2022	2	<p>A balanced budget for 2022/23 to 2026/27 was approved by full Council on 1st February 2022; with minimum level of reserves maintained, and no savings required in 2022/23.</p> <p>However, recurring revenue savings of £2.050m are required from 2023/24 onwards and work commenced to identify these savings in line with the approved Savings Strategy. However, any savings from 2023/24 will be the responsibility of the new Cumberland Council once budgets, balance sheets and funding gaps have been aggregated and dis-aggregated, with material budgetary assumptions being considered and revised by the Interim and permanent S151 officer of the new Cumberland Council.</p> <p>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 new Council. The City Council's current budget monitoring position shows a healthy financial position with any shortfalls of income and additional costs (mainly as a result of the pandemic) being accommodated within savings elsewhere in the revenue budget.</p> <p>At the present time the City Council's S151 Officer does not believe that a S114 notice is required; however, this decision is kept under review and is revisited periodically.</p> <p>THIS RISK, IF APPLICABLE, WILL TRANSFER TO THE NEW CUMBERLAND COUNCIL AFTER 1ST APRIL 2023 IN TERMS OF THE ONGING FINANCIAL IMPACT OF COVID-19 FOR 2023/24 ONWARDS</p>	

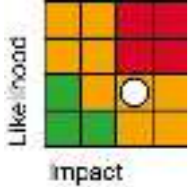
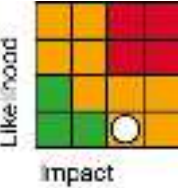
Commented [DC2]: As per Risk 1 above, it may be helpful to explain the new score. Should we also remove the line relating to S114?

Impact score	1
Likelihood score	2

Target Risk Date	September 2022
Target Risk Score	2
Lead Officer	Alison Taylor
Portfolio Holder	Finance, Governance and Resources
Scrutiny Panel	Resources

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
	November 2022	6	<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. Work is ongoing with colleagues at our partner authorities in preparation for the new Cumberland Council to ensure that this risk continues to be managed by the new authority. 	

Impact score	3		Target Risk Date	December 2022
Likelihood score	2		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
	November 2022	6	<p>The key city regeneration sites continue to be progressed through the Borderlands Inclusive Growth Deal, Town Deal and Future High Streets Fund.</p> <ul style="list-style-type: none"> Carlisle Railway Station: £20m funding of funding from the Borderland Inclusive Growth Deal has been allocated to the project to deliver internal and external improvements to the station. Cumbria County Council are delivering the project and have appointed design and build contractors to develop the final schemes and carry out the works. The necessary land assembly work is nearing completion, with the City Council having agreed to transfer the freehold of The Pools site to Cumbria County Council. The Citadels: £50m of funding from the Borderland Inclusive Growth Deal has been allocated to the project to create a new city centre campus and HQ for the University of Cumbria. £4m of funding from the Carlisle Town Deal has also been allocated to deliver a Business Exchange Centre within the campus. The University are delivering the project and have appointed design and build contractors to develop the final schemes and carry out the works. Planning permission was granted for the scheme in August 2022. The necessary land assembly work is nearing completion, with the City Council having agreed to transfer the properties on English Street and Victoria Viaduct (Woolworths Building) to the University of Cumbria. The Council have also completed the demolition of Paton House, which received £1.7m funding from Cumbria LEP. Caldew Riverside: £850,000 has been secured through the Town Deal to address the remediation on the site and bring it back into the housing land supply. Ground investigations and monitoring have now been completed and a remediation and development plan is being produced. The tender for the first phase of remediation works is due to be issued next month. Council has also been invited to submit a business case to Homes England for further funding to undertake viability assessments, masterplanning work and site servicing to facilitate a residential redevelopment scheme. Central Plaza: £4.7m funding has been secured through the Future High Streets Fund to support and accelerate the redevelopment of the site. Ground investigations and assessment of the structural stability of the retaining walls of the site have now been completed. A specification for the scope of works required to get the site development ready is being produced. A marketing exercise is also being undertaken to identify potential developers. 6-24 Castle St: £1.2m funding has been secured through the Future High Streets Fund to support and accelerate the repurposing of the buildings. The buildings have been integrated into the development proposals for Tullie House and City Council have transferred the FHSF funding and the freehold of the Castle St. properties to the Tullie House Trust to enable the delivery of the project. The development of detailed designs for the scheme is underway. 	

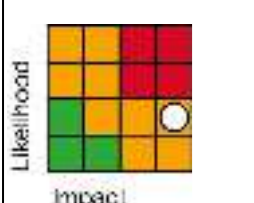
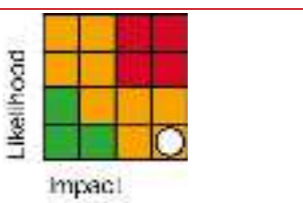
Impact score	3
Likelihood score	2

Target Risk Date	September 2022
Target Risk Score	3

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

ECONOMIC/ REGENERATION

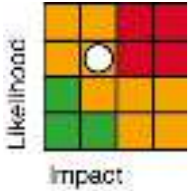
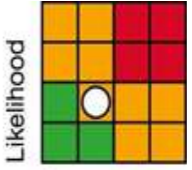
There is a risk that the City Council will not fulfil its obligations as set out in the Carlisle Southern Link Road (CSLR) Grant Determination Agreement with Homes England and that subsequently the funding will be withdrawn, this meaning that the City Council will consequently have to pay the County Council £5m as agreed in the Collaboration Agreement with the County Council.

Present Matrix	Assessment Date	Present Risk Score	Control Strategy/Mitigating Actions	Target Risk Matrix
	<p>November 2022</p>	<p>8</p>	<p>The County Council’s Executive deferred the awarding of the Construction contract in March ‘22 in lieu of rising costs. It remains committed to delivering the CSLR and has been in continuous dialogue with Homes England. Re-procurement of the contract is programmed to conclude in January ‘22 with construction to start in June ‘23. This will require a new GDA with Homes England.</p> <p>Actions completed to Date:</p> <p>Completion of the SCGV Masterplan Framework in December 2020 and adoption of the Strategic Design Supplementary Planning Document in April 2021.</p> <p>SCGV Local Plan – additional evidence to inform the emerging Plan’s infrastructure requirements and viability position are well underway and will be concluded by January ‘23. Policies to firmly embed good design will be enhanced following our selection as one of the 25 Pathfinders to prepare the SCGV Design Code by May ‘23 (supported by £120,000 in funding). £2m Town Deal Funding is for the early delivery of the 12 ha ‘Start with the Park’ Green and Blue Infrastructure with the formal planning application submitted in Sept and negotiations underway to acquire the land.</p> <p>Development Corporation Business Case – remains broadly on track with specialist legal and financial advisors providing support in preparing an options appraisal of the most appropriate form(s) of long term delivery vehicle.</p> <p>Wider Control Measures include:</p> <ul style="list-style-type: none"> • Joint County and City Strategic Partnering Board provides 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. Governance arrangements now been reviewed and agreed to reflect the next stage of the Plan’s progression and preparation of the Dev. Co. Business Case. 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. 	

Commented [DC3]: Is this correct? Or do you mean 2023?

Impact score	4
Likelihood score	2

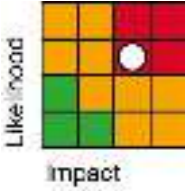

Target Risk Date	December '22
Target Risk Score	4
Lead Officer	Jane Meek
Portfolio Holder	Economy, Enterprise & Housing
Scrutiny Panel	EGSP

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
	December 2022	6	<p>The Sands leisure centre has been handed over and is in use and the temporary accommodation for GLL and the NHS at the former Newman School site has been handed back to the Landlord.</p> <p>The Sand project team have taken collective steps to minimise the impact of the extension of time generated by the Covid pandemic and have agreed a partial take-over of the new build to mitigate this delay in sectional completion. It is now anticipated that sectional completion will occur on 20.12.22.</p> <p>Work continues to be undertaken on exploring options for monitoring the condition of the Events Hall roof. This work was outlined in previous Executive and Council reports. Once this more detailed survey work has been completed resulting actions / monitoring plans will be produced</p> <p>Internally Council officers have also set up a 'client' monitoring group to review progress, learn from any lessons and provide a resource for future capital project developments.</p>	

Impact score	3
Likelihood score	2

Target Risk Date	December 2022
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
	November 2022	9	<ul style="list-style-type: none"> • UPS in computer room. • Increased use of cloud based software, such as Salesforce • Resilient Internet connection in place • Antivirus on servers and Windows clients • Virtual server hosts can automatically move virtual servers around • Snapshots of servers before any upgrades are done • Monthly patching of clients • Some server patching outsourced • SIEM solution in place monitoring infrastructure and security logs • Barracuda Email Security scanning all inbound email <p>Planned actions: Fully automated patching of servers currently being rolled out</p>	

Impact score	3
Likelihood score	3

Target Risk Date	October 2022
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
	November 2022	9	<ul style="list-style-type: none"> All user workstations encrypted by BitLocker Mobile devices and USB portable devices encrypted Domain access management of users Implemented basic data loss protection policy in Office 365 including email Egress secure communication in place for Track and Trace team <p>Planned actions: Categorisation of data Office 365 Enhanced DLP (Data Loss Prevention) policies User access to 3rd party hosted systems security review MFA for 3rd Party Supplier remote support access – currently under review</p>	

Impact score	3
Likelihood score	3

Target Risk Date	December 2022
Target Risk Score	6
Lead Officer	Jason Gooding
Portfolio Holder	Corporate Support
Scrutiny Panel	BTSP

Impact of LGR Programme on Carlisle Plan delivery and associated corporate services

There is a risk that as the LGR Programme consumes resources along its Critical Path (version 5.1) the demands of fulfilling the programme will begin to compete with the commitments made to delivering the Carlisle Plan and associated corporate services. This may draw resources away from the Carlisle Plan delivery and associated corporate services which could lead to delays and increased costs, due to the need to recruit additional resources.

Present Matrix	Assessment Date	Present Risk Score	Control Strategy/Mitigating Actions	Target Risk Matrix
	November 2022	4	<p>The LGR Programme has reached a point in its (2022/23) delivery where the impact on Carlisle City Council staff resources is largely known and plans for the final 100 days of the programme are being factored into our resourcing of Carlisle Plan requirements to the end of March.</p> <p>Elements of the Carlisle Plan that will run beyond March 2023 will transfer to Cumberland Council along with the risks associated with delivery.</p>	

Impact score	2
Likelihood score	2

Target Risk Date	December 2022
Target Risk Score	4
Lead Officer	Jason Gooding
Portfolio Holder	Corporate Support
Scrutiny Panel	Resources

Sustainable Warmth Project

There is a risk that Carlisle City Council will be unable to fully deliver this £19.95M project and will have to return any outstanding element of the grant monies to BEIS. This could result in significant reputational damage for the City Council, especially given the current cost of living crisis.

Present Matrix	Assessment Date	Present Risk Score	Control Strategy/Mitigating Actions	Target Risk Matrix
	November 2022	16	<ul style="list-style-type: none"> • A new project management team is in place. Recruitment of additional fixed term staff to process the applications along with a team of casual employees to support the current back log. • Weekly meetings with BEIS have been instigated so that progress can be monitored and issues swiftly addressed. At the present time it is indicated there will be no time extension for the project, however this will be kept under review with BEIS. • A streamlined applications process has been implemented to speed up delivery, the team are engaged and trained in the process. • Recent recommendations from internal audit into the project are welcomed and being implemented. • Additional resources secured from the other Cumbria Districts to assist with the administrative function associated with the project. • Spend profile associated with the project is under review. This will enable a more realistic spending target to be agreed with BEIS. • The need for a full set of signed MOUs is recognised and is being pursued. 	

Impact score	4
Likelihood score	4

Target Risk Date	March 2022
Target Risk Score	8
Lead Officer	Mark Lambert
Portfolio Holder	
Scrutiny Panel	