

# Report to Business & Transformation Scrutiny Panel

Agenda Item:

**A.3**

Meeting Date: 1<sup>st</sup> April 2021  
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.19/21

## 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 3<sup>rd</sup> September 2020.**

- 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 and most recently met on the 11th March 2021. 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 11<sup>th</sup> March 2021 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 At its meeting on 1st December 2020, Members of this Panel requested a risk assessment be carried out in relation to the potential impact and implication of a 'Hard' or 'No Deal' Brexit on the City Council and delivery of its services.

This work has been undertaken and the risk assessment was considered by the CRMG at its most recent meeting to discuss whether this risk was to feature on the Council's Corporate Risk Register. The CRMG felt that the risk assessment should be kept under review at an operational level. It was agreed at this meeting that the biggest risk to the City Council is not keeping ahead of new legislation and ensuring a good level of awareness amongst service managers. It is recognised that the

Council will have to respond to issues presented by this issue that are ultimately beyond its control.

- 2.7 None of the risks have escalated in their RAG rating since this was last reported to Members.
- 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. The Sub-Group has now considered each operational risk register from across the Council. It is a number of years since the first operational risk register was reviewed by the Group and as such the Group will work its way through the registers for a second time, to ensure standards have been maintained.
- 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.
- 2.11 The Risk Management Sub Group commissioned a piece of work to be carried out by Zurich. The scope of this piece of work included assessment of the City Council's overarching approach to conducting operational risk assessments, in line with its Risk Management Assurance Framework. This included a review of the procedures for undertaking and assessing risk assessments in relation to liability risks and the arrangements for ensuring consistency and competence.

An action plan has been formulated including nine recommendations for action. This has been considered by the Risk Management Sub Group and timescales will be applied to each action. The Risk Management Sub Group have updated the Corporate Risk Management Group as to the contents of this report and will take on a monitoring role going forward. A copy of this report is attached at Appendix Two for Members' information. This had been a positive piece of work and provided much welcome external challenge to the City Council's processes.

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. 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 has been considered by the Risk Management Sub-Group. Regular updates on these risks will be sought.

### **3. CONSULTATION**

Corporate Risk Management Group meeting on 11th March 2021.

### **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: 7114**

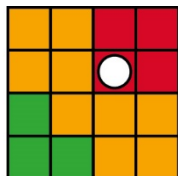
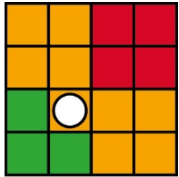
### **Appendices :**

**Appendix 1 – Corporate Risk Register attached to report**

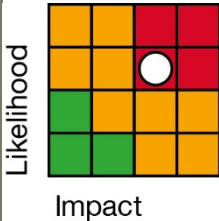
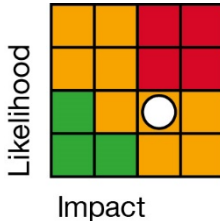
**Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:**

## Corporate Risk Register – March 2021

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 2022				
There is a risk that the Government fails to communicate changes to future local government funding from 2022 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>	March 2021	9	<p>The Senior Management Team and the Finance &amp; 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 &amp; 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 2022. Therefore, there will be a one-year Spending Review 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 2022.</p> <p>The MTFP and Capital Investment Strategy for 2021/22 to 2025/26 were approved by Council in September 2020. These included 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 2022
Likelihood Score	3		Target Risk Score	4
			Lead Officer	Alison Taylor
			Portfolio Holder	Finance, Governance & Resources
			Scrutiny Panel	BTSP

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
	March 2021	9	<p>A balanced budget for 2021/22 to 2025/26 was approved by full Council on 17th February 2021; with a savings requirement in order to maintain a minimum level of reserves. The Savings Strategy has been reviewed by both SMT and JMT (March 2021) to feed into the Medium Term Financial Plan for the next five year financial planning process, and areas for potential savings identified for 2021/22 and 2022/23. An exercise will commence shortly to align resources to the new Carlisle Plan priorities, and a Task &amp; Finish Group will be established to assist in the production of a Commercialisation Strategy for the Council. Additional COVID funding of approximately £616,000 has been allocated as part of the finance settlement for 2021/22. The financial implications arising from COVID-19 continue to be monitored through monthly returns to the MHCLG. Emergency funding has been provided in 2020/21 totalling £1.8million and a co-funding package, providing a mechanism for irrecoverable sales, fees and charges income, with the Government funding 75% of losses beyond 5% of planned income, has provided funding of £381,035 to date. The MHCLG 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. The Council's Savings Strategy and the achievement of savings may therefore be subject to review once the financial impact of Covid-19 on the Council's budget becomes clearer during 2021/22.</p> <p>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>	

Impact score	3
Likelihood score	3

Target Risk Date	November 2021
Target Risk Score	6

Lead Officer	Alison Taylor
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<b>Portfolio Holder</b>	Finance, Governance and Resources
<b>Scrutiny Panel</b>	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
	February 2021	6	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>Covid-19 has impacted on our ability to progress our full capital works programme however this will be re-programmed and undertaken once restrictions are eased.</li> </ul>	

Impact score	3		Target Risk Date	October 2021
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
<div> <div>Likelihood</div> <div> </div> <div>Impact</div> </div>	March 2021	6	<p>The key regeneration sites continue to be progressed through the Borderlands Inclusive Growth Deal:</p> <ul style="list-style-type: none"> <li>Carlisle Railway Station: the MHCLG has approved the business case to release the £20m funding allocated to the project.</li> <li>Citadels: the preparation of a detailed business case for the site is now nearing completion for a £72m development that will create a campus for the University of Cumbria and a new business innovation centre</li> <li>Caldew Riverside: £850,000 has been secured through the Town Deal Capital Accelerated Fund to remediate the site and prepare it for a residential redevelopment</li> </ul> <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"> <li>Central Plaza: funding to support and accelerate the redevelopment of the site.</li> <li>6-24 Castle St. - funding to support and accelerate a repurposing of the building.</li> </ul>	<div> <div>Likelihood</div> <div> </div> <div>Impact</div> </div>

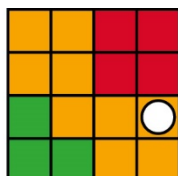
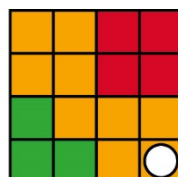
Impact score	3
Likelihood score	2

Target Risk Date	March 2021
Target Risk Score	3

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

## ECONOMIC/ REGENERATION

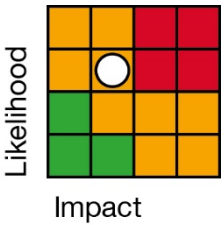
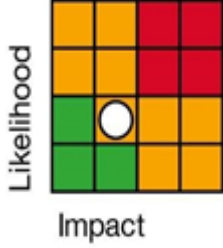
There is a risk that the City Council will not fulfil its obligations as set out in the Carlisle Southern Link Road (CSLR) Grant Determination Agreement with Homes England and that subsequently the funding will be withdrawn, this meaning that the City Council will consequently have to pay the County 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>Likelihood</p> <p>Impact</p>	March 2021	8	<p><b>Actions completed to Date:</b></p> <p><b>SCGV Masterplan Framework</b> - finalised and submitted to Homes England in November 2020 and subsequently endorsed as evidence to the emerging Local Plan by Executive (December 2020).</p> <p><b>SCGV Strategic Design Supplementary Planning Document</b> - was consulted on between November and December 2020. Comments have been reviewed and amendments prepared. Scheduled to be considered and adopted by Executive on 6 April 2021.</p> <p><b>SCGV Final Housing Delivery Statement</b> – scope and content of the HDS agreed with Homes England and both the Outline and Interim Housing Delivery Statements have been successfully submitted to Homes England in accordance with the HIF Agreement. Final Housing Delivery Statement to be submitted in September 2021 will be informed by <i>inter alia</i> the revised outputs from the infrastructure/viability analysis (detailed below).</p> <p><b>SCGV Local Plan</b> – consultation on the Overview and Scope of the local plan content was undertaken between September and October 2019. This in addition to the SCGV Masterplan Framework informed the Preferred Options Draft (consulted on between November and December 2020). 69 individuals and organisations responded and comments are being analysed. Further evidence is being collated / to be commissioned to refine and further inform the Plan’s infrastructure requirements and viability (fundamental to securing a sound plan). Future programme to now be reviewed to confirm the formal Regulation 19 Publication Draft in mid-2021.</p> <p><b>Wider Control Measures include:</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>Effective engagement strategy/comms plan and strong project management of engagement process. Timely feedback of outcomes of community consultation.</li> </ul>	 <p>Likelihood</p> <p>Impact</p>

<b>Impact score</b>	4
<b>Likelihood score</b>	2

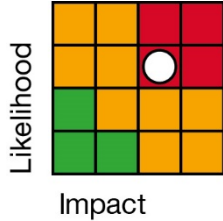
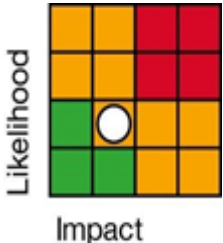
<b>Target Risk Date</b>	May 2021
<b>Target Risk Score</b>	4

<b>Lead Officer</b>	<b>Jane Meek</b>
<b>Portfolio Holder</b>	<b>Economy, Enterprise &amp; Housing</b>
<b>Scrutiny Panel</b>	<b>EGSP</b>

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
	Feb 2021	6	<p>Sands main works contract has now been signed and work has started on the main site. The project is currently on target for completion and within budget.</p> <p>An assessment has been made of the impact of Covid-19 based on current guidelines and a range of mitigating measures have been built into the contract and working arrangements. These align with Construction Leadership Council operating procedures.</p> <p>Brexit – where possible arrangements are in place to mitigate the impact of delays in the supply of materials which are imported, manufactured from imported materials or are currently produced in the UK by an overseas company.</p> <p>Further work is currently being 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 explored with Executive.</p> <p>Work is also underway with GLL to establish the financial impact of Covid-19 and any project delays on the Council's Leisure Management Contract. The results of these discussions will inform any future risk scoring / mitigating actions.</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	2
Likelihood score	3

Target Risk Date	June 2021
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
	March 2021	9	<ul style="list-style-type: none"><li>• UPS in computer room.</li><li>• Increased use of cloud based software, such as Salesforce</li><li>• Purchase of resilient Internet connection – to be implemented</li><li>• Virtual server hosts can automatically move virtual servers around</li><li>• Snapshots of servers before any upgrades are done</li><li>• Monthly patching of clients</li><li>• Confirm that all council services have adequate Business Continuity plans during annual ICT needs assessments.</li></ul> <p>Planned actions: Fully automated patching of servers Refresh and test the council I&amp;T Disaster Recovery plans.</p>	

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>	March 2021	9	<ul style="list-style-type: none"><li>All user workstations protected by BitLocker</li><li>Mobile devices and USB portable devices encrypted</li><li>Access Management of users on all systems</li><li>Implemented basic data loss protection policy in Office 365 including email</li></ul> <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>

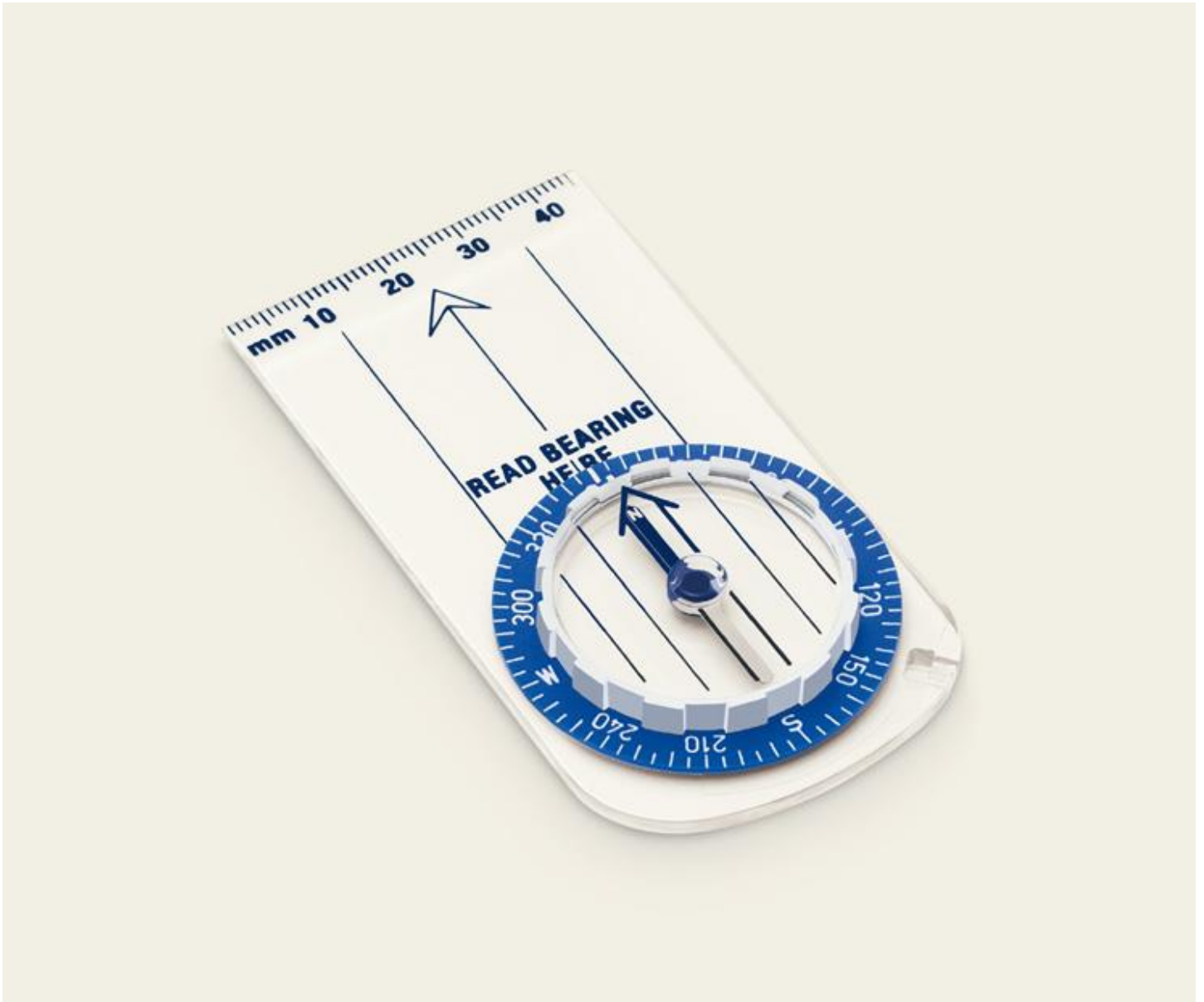
Impact score	3
Likelihood score	3

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

# Risk Engineering

Risk Improvement – Liability: Operational Risk Management Review

Helping you to understand and mitigate your risks



Date of Issue: 16 Nov 2020  
Confidential

**Carlisle City Council**  
Civic Centre, Rickergate  
Carlisle  
CA3 8QG  
United Kingdom

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## Executive summary

### Scope and purpose

This Operational Risk Management Review focused on Carlisle City Council ('the Council') systems for the assessment of key operational risks and the procedures for developing and updating operational risk registers across each of the Council's Service Areas. The review considered the risk assessment policies, methodologies and guidance used by each Service Area and the internal arrangements and working practices to assist in managing operational risks, implementing suitable mitigating measures and defending liability claims.

The review included interviews with representatives from each Service Area with responsibility for managing the risk assessment process and overseeing the updating of the operational risk register. Due to ongoing restrictions on site visits as a result of the current pandemic, interviews were conducted remotely, with relevant documentation shared electronically.

The scope of the review included the overarching approach to conducting operational risk assessments and updating the operational risk register, in line with the Council's *Risk Management Assurance Framework*, the procedures for undertaking risk assessments in relation to liability risks and the arrangements for ensuring consistency and competence. The following Service Areas were involved in the review;

- Building Control
- Carlisle Partnership
- Customer Services
- Financial Services
- Green Spaces, Bereavement Services, City Centre Management
- Homeless Prevention & Accommodation
- Human Resources & Payroll
- Investment & Policy
- ICT
- Neighbourhood Services
- PA Support
- Planning Services
- Policy & Communication
- Property Services
- Regulatory Services
- Revenues & Benefits Service
- Workforce Development

When assessing a customer's approach to operational risk management, Zurich Risk Engineering (ZRE) look for there to be a defined corporate policy or approach to undertaking risk assessment, implemented through;

- Risk identification – *established risk management framework, clear systems for identifying risks and controls and effective management of risk assessment documentation;*
- Assessment of risks – *defined processes for assessing the significance of risks and the suitability of controls;*

- Risk-based action plans – *using the results of risk assessments to determine necessary mitigating actions and systems for tracking the completion of identified actions;*
- Training & competence – *arrangements to ensure that risk assessors are trained & competent;*
- Monitoring & reviewing – *structured arrangements to monitor & review risks and to respond to new and emerging risks.*

This report includes brief commentary on the positive features of operational risk assessment arrangements, together with recommendations and 'Risk Improvement Actions' (RIAs), where these are considered necessary. RIAs are actions that Zurich Risk Engineering would recommend in order to improve the system to a good standard or to improve claims defensibility. Other recommendations may be made that help to develop the risk assessment regime but are not considered as important as RIAs.

## **Understanding the risks**

Public liability claims can come from any third party who believes they have suffered either personal injury or property damage as a result of the Council's negligence. Many claims result from alleged defects to property and other assets. Local Authorities are often seen as soft targets for public liability claims as they have significant property portfolios and assets that are open to a wide demographic of people. Employers liability claims can arise when an employee believes they have suffered personal injury at work as a result of the Council's negligence, or the negligence of another person.

Whilst the Council has insurance policies in place to meet the cost of claims, it must be recognised that claim settlement payments are only part of the true claim cost. Time taken to investigate and process claims requires resources to be committed and inevitably there can be disruption to services. Hidden costs associated with claims can be several times more than amounts met by insurers.

A breakdown of Carlisle City Council's liability and motor claims for the previous two years is included in the Appendix. In addition to the claims listed which were referred to the insurer, there are a significant number of claims which fall within the excess and are not referred to the insurer. These claims are handled internally, with costs met by the Council. When taking into account the claims handled internally, for the period 01/05/2019 to date, there were a total of 27 public liability claims and 162 motor claims.

Adequate risk assessment arrangements, combined with suitable mitigation measures and record keeping, remain a key tool in terms of identifying and reducing the number of potential risks and minimising the potential impact on the organisation. They are also of great importance in the prevention of accidents and incidents in the first instance and in the defence of public or employer's liability claims.

The review examined the Council's arrangements for undertaking risk assessments. It was pleasing to note that there are established risk assessment arrangements in place in each of the Service Areas that were sampled. This report considers the risk assessment practices implemented by each of the Service Areas reviewed.

## Positive features

- The Council has defined its general approach and commitment to managing risk in the *Risk Management & Assurance Framework* document, which is signed off by the Chief Executive;
- There was good understanding amongst Risk Owners of risk assessment responsibilities and the requirement to periodically review operational risk registers for each Service Area;
- All operational risk registers had been updated in line with the timescales set out in the *Risk Management & Assurance Framework*;
- It was evident that Risk Owners had considered the impact of current risks on their operations, e.g. the impacts of COVID-19 on operations appeared on risk registers;
- Open discussions concerning risk and the content of Operational Risk Registers at forums such as the Risk Management Sub Group provided oversight of the risk assessment process and support to Risk Owners;
- Training has been delivered to Risk Owners to increase knowledge and understanding of the risk assessment process.

## Overview of risk improvement actions

Nine RIAs have been raised in relation to this review, in the following areas;

- Document control arrangements for the risk management framework – 1 RIA
- Risk assessment procedures & arrangements – 5 RIAs
- Risk based action plans – 1 RIA
- Training & competence - 1 RIA
- Monitoring & review – 1 RIA

Across all Service Areas sampled, operational risk assessments were carried out to assist with the review of the operational risk register. There is a reasonably robust system of monitoring and oversight, however some of the expected elements of an effective risk management framework were not fully implemented. It is recommended that one person/department co-ordinates action on RIAs to ensure a consistent approach to improvements, where this is appropriate.

## Participants

Vivienne Whiteman – Insurance Officer

Luke Leathers – Head of Service for Green Spaces, Bereavement Services & City Centre Management

Tracey Crilley – Office Manager & PA Support

Reg Bascombe – Revenues & Benefits Manager

Steven O'Keefe – Policy & Communications Manager

Steven Tickner – Financial Services Manager

Robert Doran – Building Control Service Manager

Colin Bowley – Neighbourhood Services Manager

Neil Dixon – Neighbourhood Services Operations Manager

Emma Dixon – Carlisle Partnership Manager

Matthew Ward – Customer Services Manager

Christopher Hardman – Planning Services Manager

Jillian Hale – Principal Local Plans Officer

Helen Jackson – Principal Planning Officer

Mark Walshe – Property Services Manager

Scott Burns – Regulatory Services Manager

Tammie Rhodes – Principal Housing Officer

Sue Kaveney – HR Manager

Julie Kemp – Workforce Development Manager

David Strong – ICT Manager

Christian Lexa – ICT Lead Officer

Neil Cole – Head of Planning Policy

Arup Majhi – Safety, Health & Environmental Manager

## Abstract on risk improvement action

Report Date	RIA ID	Completion Status	Action Title	Priority
16 Nov 2020	001	Not yet actioned	Document control arrangements for the risk management framework	Advisory
16 Nov 2020	002	Not yet actioned	Risk assessment procedures & arrangements	Advisory
16 Nov 2020	003	Not yet actioned	Risk assessment procedures & arrangements	Advisory
16 Nov 2020	004	Not yet actioned	Risk assessment procedures & arrangements	Advisory
16 Nov 2020	005	Not yet actioned	Risk assessment procedures & arrangements	Advisory
16 Nov 2020	006	Not yet actioned	Risk assessment procedures & arrangements	Advisory
16 Nov 2020	007	Not yet actioned	Risk based action plans	Advisory
16 Nov 2020	008	Not yet actioned	Training & competence	Advisory
16 Nov 2020	009	Not yet actioned	Monitoring & review	Advisory

## Risk improvement action

RIA	Document Control Arrangements for the Risk Management Framework				Advisory
RIA ID 001	Completion Status	Not yet actioned			
	Report Date	16 Nov 20	Target Implementation Date		
Description	The risk management guidance documents referred to during the review, including the <i>Risk Management &amp; Assurance Framework</i> and the <i>Introduction to Risk Assessments</i> guidance, did not include details of document authors, version details or the dates of issue and review. It is recommended that document control arrangements are established for all key risk management guidance documents, including risk assessment templates.				
Update					

RIA	Risk assessment procedures & arrangements				Advisory
RIA ID 002	Completion Status	Not yet actioned			
	Report Date	16 Nov 2020	Target Implementation Date		
Description	The assessment of risks in some Service Areas was undertaken solely by the Risk Owner. It is recommended that, where possible, other key personnel within the Service Area are involved in the process of undertaking risk assessments and reviewing the operational risk register, as this will provide broader risk insights and help to embed understanding of the risk management process within the wider team.				

<b>Update</b>				
<b>RIA</b>	Risk assessment procedures & arrangements			
<b>RIA ID 003</b>	<b>Completion Status</b>	Not yet actioned		
	<b>Onsite Date</b>	16 Nov 2020	<b>Target Implementation Date</b>	
<b>Description</b>	It was confirmed that not all items included in operational risk registers will have a corresponding risk assessment, with the documenting of some risk assessments limited to the entry in the risk register. The risk descriptions included in operational risk registers do not always fully capture details of causation and impacts for the identified risk. If the operational risk register is to be the only recorded assessment for certain risks, it is important that sufficient detail is included. Clear guidance should be developed, or included in the <i>Risk Management Assurance Framework</i> , which explains how to record details of the risk, causation, impacts and controls for each entry, along with details of how to complete each of the fields in the risk register.			
<b>Update</b>				

<b>RIA</b>	Risk assessment procedures & arrangements			
<b>RIA ID 004</b>	<b>Completion Status</b>	Not yet actioned		
	<b>Onsite Date</b>	16 Nov 2020	<b>Target Implementation Date</b>	
<b>Description</b>	Various different risk assessment templates were used for general liability risk assessments across the different Service Areas. It is recommended that a standard template is identified for use which includes all the key elements from a claims defensibility perspective (as identified in the Council's risk assessment template) and provides a consistent approach across all Service Areas.			
<b>Update</b>				

<b>RIA</b>	Risk assessment procedures & arrangements			
<b>RIA ID 005</b>	<b>Completion Status</b>	Not yet actioned		
	<b>Onsite Date</b>	16 Nov 2020	<b>Target Implementation Date</b>	
<b>Description</b>	Most Risk Owners were not aware of the bowtie technique that is endorsed in the document as a tool for exploring risks. There have been previous discussions as to the usefulness of the bowtie method in the context of reviewing operational risks and it is recommended that the next review of the <i>Risk Management &amp; Assurance Framework</i> considers whether this remains in the framework and, if so, the arrangements for implementing, recording and fully embedding this risk assessment approach.			
<b>Update</b>				

RIA	Risk assessment procedures & arrangements				Advisory
RIA ID 006	Completion Status	Not yet actioned			
	Onsite Date	16 Nov 2020	Target Implementation Date		
Description	The 5 step approach to risk assessment is the methodology used for liability risk assessments. It is recommended that this approach is incorporated into the <i>Risk Management &amp; Assurance Framework</i> and/or step by step guidance on how to complete a risk assessment is developed, with reference to the risk assessment templates to be used.				
Update					

RIA	Risk based action plans				Advisory
RIA ID 007	Completion Status	Not yet actioned			
	Onsite Date	16 Nov 2020	Target Implementation Date		
Description	The process for capturing additional mitigating actions is not consistently applied and there is no clear guidance regarding the monitoring of identified mitigating actions, with some Risk Owners utilising the notes field on the operational risk register. It is recommended that this process is reviewed to ensure that it provides adequate assurance that identified actions have been assigned and that they are monitored to completion.				
Update					

RIA	Training & competence				Advisory
RIA ID 008	Completion Status	Not yet actioned			
	Onsite Date	16 Nov 2020	Target Implementation Date		
Description	Some Risk Owners felt that they would benefit from additional risk assessment training and it is recommended that a review of training needs is carried out and additional training is arranged as necessary. For Risk Owners who have recently taken on the role, it was felt that an induction on the risk assessment process would be beneficial.				
Update					



RIA	Monitoring & review				Advisory
RIA ID 009	Completion Status	Not yet actioned			
	Onsite Date	16 Nov 2020	Target Implementation Date		
Description	During discussions regarding liability risk assessments, it was confirmed that some Service Areas utilised a ‘read and sign’ procedure for risk assessments and associated safe working procedures to confirm that employees have read and understood the content. Such records support claims defensibility and it is recommended that this approach is implemented across all Service Areas.				
Update					

## Summary of findings

The following section provides a summary of the findings of the review in relation to the overall approach to assessing key operational risks and the procedures for developing and updating operational risk registers across each of the Council's Service Areas. The same criteria were used when assessing each Service Area. A cross reference with any RIAs is provided.

### Risk Assessment Framework

The Council has defined its overarching risk management policy in the *Risk Management & Assurance Framework* and this document sets out the approach to the management of operational, strategic and project related risks. The document is signed off by the Chief Executive and there are systems in place to provide oversight of risk registers by key management groups.

The *Risk Management & Assurance Framework* document does not include details of the document author, version details or the dates of issue and review. It is recommended that document control arrangements are established for this and other key risk management documents. **See RIA 001**

In addition to the Council's *Risk Management & Assurance Framework*, various guidance documents are available for managers to refer to when undertaking risk assessments in relation to liability risks, e.g. risk of injury or ill health to employees or others. This documentation is controlled by the Health & Safety Department and includes the internal guidance '*Introduction to Risk Assessments*' and the external Health & Safety Executive guidance document '*5 Steps to Risk Assessment*'.

### Assessment of risks

During discussions regarding the process for developing the content of the operational risk register, it was evident that different approaches were adopted by the different Service Areas. Some Risk Owners indicated that they would assess risks in isolation and that this process would not normally involve other representatives from the service or team, whereas others had processes in place for risk management discussions within their supervisory teams, to obtain wider views on potential risk impacts prior to updating the operational risk register. It is recommended that this 'team approach' to undertaking risk assessments is adopted by all Service Areas, as this will provide broader risk insights and help to embed understanding of the risk management process within the wider team. **See RIA 0002**

Some Risk Owners were not familiar with the guidance available to them to assist with the risk assessment process, for example, the risk scoring guidance in the *Risk Management Assurance Framework*, and, for liability risks, the suite of documents provided by the Health & Safety Department.

It was established that not all items included in operational risk registers will have a corresponding risk assessment, with the documenting of some risk assessments limited to the entry in the risk register. The risk descriptions included in operational risk registers do not always fully capture details of causation and impacts for the associated risk. **See RIA003**

In relation to liability risks, there were numerous health and safety risk assessment templates in use (not including specific risk assessment templates). The Carlisle City Council standard risk assessment template, which follows the 5 step approach to risk assessment, tracks required mitigating actions and includes details of who completed the assessment, the date of the assessment, a section for sign off/authorisation and monitoring/review. The guidance document referred to previously, *Introduction to Risk Assessments*, provides a step by step guide on how to complete a risk assessment, although there is no reference to the use of a template to record the risk assessment. Sampling of Service Area risk assessments found that other general risk assessment templates are in use and it was confirmed by the Safety, Health & Environmental Manager that the use of a standard template is not a specific requirement of the internal risk assessment procedure, with the aim being not to discourage those who may prefer to use their own template. Some of the alternative risk assessment templates provided by Service Areas during the review were variations of the Council's standard template with key sections omitted, such as the sign off/authorisation section. Other template examples provided by Service Areas did not include details of who completed the risk assessment or the date of assessment/review, etc. Some of these omissions could present an issue from a defensibility perspective in the event of liability claims.

It is recommended that a standard template is identified for use which includes all the key sections (as identified in the Council's risk assessment template). This will help to ensure a consistent approach to risk assessment across all Service Areas and that, from a claims defensibility perspective, the key elements of the risk assessment are included. **See RIA004.** The document control arrangements outlined at RIA001 should include risk assessment templates.

Liability risk assessments for health and safety risks are assessed using the 5 x 5 risk rating scale, which differs from the 4 x 4 risk analysis scale used in the *Risk Management & Assurance Framework*. Whilst the numerical rating of risks is not a legal requirement, it may aid consistency, particularly where, for example, health & safety risks are subsequently included on the operational risk register, if a single risk rating scale is used.

There was discussion of the methodologies outlined in the *Risk Management & Assurance Framework*, and the majority of Risk Owners were not aware of the bowtie technique that is endorsed in the document as a tool for exploring risks. There have been previous discussions as to the usefulness of the bowtie method in the context of reviewing operational risks and it is recommended that the next review of the *Risk Management & Assurance Framework* considers whether this remains in the framework and, if so, the arrangements for implementing, recording and fully embedding this risk assessment approach. **See RIA005**

The current *Risk Management & Assurance Framework* does not include reference to the 5 step approach to risk assessment or link to the other guidance documents that are available to assist with the risk assessment process. It is recommended that the 5 step approach to risk assessment is incorporated into the *Risk Management & Assurance Framework* and that formal, step by step guidance on how to complete a risk assessment is developed, with reference to the method of recording risk assessments and the templates to be used. **See RIA006**

### **Risk-based action plans**

An essential part of the risk assessment process is using the results of the risk assessment to determine mitigating actions. Where actions are identified for risks that

are included within operational risk registers, it is not clear in all cases how these are tracked and if separate action plans exist. The 'Control Strategy/Mitigating Actions' section of the risk register is sometimes a combination of implemented and planned actions, whereas some Risk Owners use the 'notes' column on the operational risk register to capture planned additional mitigating actions. Discussions indicated that actions included in the notes field would subsequently be re-visited at the next quarterly review by the Risk Owner.

It is recommended that this process is reviewed to ensure that it provides adequate assurance that identified actions have been assigned and dated and that actions are monitored accordingly. Guidance should be provided for Risk Owners explaining how to accurately record risks on the operational risk register, along with the process for capturing and subsequently monitoring identified mitigating actions. **See RIA007**

### **Training & competence**

Discussions during the review confirmed that a range of risk assessment training has been made available for Risk Owners to attend, covering the risk assessment approaches detailed in the *Risk Management & Assurance Framework* and the approach to general H&S risk assessments. Some Risk Owners felt that they would benefit from additional risk assessment training and it is recommended that a review of training needs is carried out and additional training is arranged as necessary. For Risk Owners who have recently taken on the role, it was felt that an induction on the risk assessment process would be beneficial. **See RIA008**

### **Monitoring & reviewing**

There is a well embedded process in place for the quarterly review of operational risk registers by all Service Areas. This process is monitored by the Office/PA Manager and every Risk Owner interviewed had a good understanding of review requirements and the necessary review frequency. There is also good oversight provided by the Risk Management Sub-Group and many Risk Owners commented that they appreciated this 'critical friend' support. There is the opportunity to strengthen the internal review process in some Service Areas by involving more people and this could be done, for example, by including the risk register as an item for discussion at the relevant team meetings prior the quarterly review of the register.

During discussions regarding liability risk assessments, it was confirmed that some Service Areas utilised a 'read and sign' procedure for risk assessments and associated safe working procedures to confirm that employees have read and understood the content. Such records support claims defensibility and it is recommended that this approach is implemented across all Service Areas. **See RIA009**

## Final remarks

I would like to take this opportunity to formally thank all those who participated in this review for their assistance and co-operation during the process. If there are any questions arising from the report, or if further information is required, I would be pleased to assist.

Zurich Risk Engineering is continually looking to improve its services. In support of this, it would be appreciated if the recipient of this report could take a few moments to complete the online Customer Response Survey, for which there is a link at the end of this report.

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## Appendix

### Claims Data

Public Liability							
Policy Year	No of Open Claims	No of Closed Claims	Total Number	TTN	Outstanding	Paid	Total Cost
2019/2020	0	2	2	48	£0.00	£6,150.51	£6,150.51
2020/2021	2	0	2	27	£5,177.00	£0.00	£5,177.00
<b>Total</b>	<b>2</b>	<b>2</b>	<b>4</b>		<b>£5,177.00</b>	<b>£6,150.51</b>	<b>£11,327.51</b>

Motor							
Policy Year	No of Open Claims	No of Closed Claims	Total Number	TTN	Outstanding	Paid	Total Cost
2019/2020	7	19	26	17	£26,201.00	£68,839.39	£95,040.39
2020/2021	9	3	12	19	£19,329.00	£10,200.66	£29,529.66
<b>Total</b>	<b>16</b>	<b>22</b>	<b>38</b>		<b>£45,530.00</b>	<b>£79,040.05</b>	<b>£124,570.05</b>

Miscellaneous							
Policy Year	No of Open Claims	No of Closed Claims	Total Number	TTN	Outstanding	Paid	Total Cost
2015/2016	0	5	5	49	£0.00	£226,689.24	£226,689.24
2017/2018	0	2	2	8	£0.00	£3,236.17	£3,236.17
2018/2019	0	1	1	9	£0.00	£1,286.00	£1,286.00
2019/2020	1	1	2	108	£1,299.00	£496.12	£1,795.12
<b>Total</b>	<b>1</b>	<b>9</b>	<b>10</b>		<b>£1,299.00</b>	<b>£231,707.53</b>	<b>£233,006.53</b>

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