

# CARLISLE CITY COUNCIL

Report to:- THE MAYOR AND MEMBERS' OF THE CITY COUNCIL

Date of Meeting:- 13 JUNE 2002

Agenda Item No:-

9

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Public

Operational

Delegated: Yes

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## Accompanying Comments and Statements

Required

Included

Environmental Impact Statement:

No

Corporate Management Team Comments:

No

City Treasurers Comments:

No

City Solicitor & Secretary Comments:

No

Head of Personnel Services Comments:

No

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Title:-

**ORGANISATIONAL REVIEW RISK MANAGEMENT**

Report of:-

**TOWN CLERK AND CHIEF EXECUTIVE**

Report reference:-

**TC. 102/02**

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## Summary:-

This report describes the risk management process established to manage the corporate reorganisation.

## Recommendation:-

Members are recommended to note this report.

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**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: None

## 1. Introduction

- 1.1 Members will recall that at the last meeting of the Organisational Assessment Best Value Review Sub Committee, it was agreed that a summary report would be produced identifying the Risk Management Strategy for the Organisational Assessment. A fully detailed risk management plan has been considered by the Corporate Management Team, which defines the risks by category of probability and impact and establishes monitoring and risk management arrangements. A summary of progress by exception will be reported to the Corporate Management Team on a two-weekly basis until the end of the review.

## 2. Background

- 2.1 When managing a substantial project, it is important to establish the major risks that could stand in the way of successful delivery, and to develop ways of minimising both the probability of occurrence and the impact. The District Auditor has previously emphasised to the Council the importance of having formal risk management processes for major projects.
- 2.2 Officers, working with HACAS Chapman Hendy, have established a risk management strategy in respect of the corporate reorganisation. The stages of developing the strategy are as follows:
- a) **Defining** the project - This has been defined as: "Successfully delivering and managing the corporate organisational review"
  - b) **Identifying** the risks
  - c) **Categorising** the risks by probability and impact (high, medium or low under each of these two headings)
  - d) **Prioritising** the subsequent monitoring of the risks – Priority is being given by officers to monitoring those risks judged to be high or medium probability or impact, or both. Other (i.e. low probability or impact) risks will be reviewed quarterly to see if they should be re-categorised.
  - e) **Developing** the risk management strategy – These are the specific actions that need to be taken to manage the risk. Responsibility for managing each risk is given to named officers.
  - f) **Monitoring** – This will take place at a number of levels (e.g. by individual managers), Corporate Management Team and the Project Team will also review the management of each risk at an agreed frequency.



### 3. Summary of risk management strategy

3.1 This exercise has produced a substantial amount of detailed operational material for officers to use in order to manage the process. The risks are grouped under nine headings; the table below summarises the essence of each type of risk and the strategies adopted to manage them:

RISK HEADING	DESCRIPTION/EXAMPLE OF RISK	NATURE/EXAMPLE OF RISK MANAGEMENT
Financial	Any major reorganisation, in any sector, brings the risk of not fully appreciating the financial impact.	<ul style="list-style-type: none"> <li>• Detailed costing</li> <li>• Independent advice and verification</li> <li>• Thorough negotiations with key partners (e.g. Riverside Housing Group and Carlisle Housing Association)</li> </ul>
Political	The reorganisation will need Member approval and it is essential to minimise the risk that, after considerable work by officers and advisers, Members decide the result is not acceptable.	<ul style="list-style-type: none"> <li>• Substantial Member and cross-party involvement in the process</li> <li>• Good and frequent Member briefing</li> </ul>
Customer-related	The outcome of the reorganisation needs to be a Council focussed on activities that customers believe are relevant, and, despite other (e.g. financial) pressures, this principle must not be lost.	<ul style="list-style-type: none"> <li>• Regular taking stock that customer interests are being kept to the forefront of planning</li> </ul>
Managerial	The process of change will put additional pressures on managers, and the risk of overload must be minimised. Managing change also needs special	<ul style="list-style-type: none"> <li>• Management development needs to be strengthened</li> <li>• Priorities will need to be clearly set especially during the periods of</li> </ul>

RISK HEADING	DESCRIPTION/EXAMPLE OF RISK	NATURE/EXAMPLE OF RISK MANAGEMENT
	skills; thus, not acquiring and using these effectively would be a risk.	major change <ul style="list-style-type: none"> <li>• Performance management systems are to be strengthened</li> </ul>
Service	Any disruption to services during the reorganisation needs to be minimised. The Council will be a smaller entity after transfer of the housing stock, DSO and Leisuretime, so service planning must take this into account.	<ul style="list-style-type: none"> <li>• Close monitoring of services during major change period</li> <li>• Creativity in devising new ways of providing services</li> </ul>
Technological	Information and communications technology (ICT) will form an important part of the reorganised Council. The Council needs to know the potential of the available technology but also be realistic about what it can afford to buy and support.	<ul style="list-style-type: none"> <li>• Research, particularly on how others have tackled this</li> <li>• Make realistic judgements about the availability of skills needed to run the available options</li> </ul>
Legal	The Council must remain alert at all times to its statutory duties as an authority and employer.	<ul style="list-style-type: none"> <li>• The Council has a strong in-house legal service and is taking expert external advice</li> </ul>
Environmental	The physical environment (e.g. offices) created as part of the reorganisation needs to be both practical and to an acceptable standard.	<ul style="list-style-type: none"> <li>• The Council needs to review the options developed in the light of these requirements</li> </ul>

#### 4. Conclusion

- 4.1 Members will be advised of any emerging issues over the coming months that reflect the work arising from the risk management strategy.

5. **Recommendations**

Members are recommended to note this report.

**P Stybelski**

Town Clerk and Chief Executive

06 June 2002