

Report to Audit Committee

Agenda
Item:

A.12

Meeting Date: 14th April 2014
 Portfolio: Finance, Governance and Resources
 Key Decision: Not applicable:
 Within Policy and Budget Framework
 Public / Private Public

Title: CORPORATE RISK MANAGEMENT
 Report of: Deputy Chief Executive
 Report Number: SD 10/14

Purpose / Summary:

The purpose of this report is to update Members on the Council's risk management arrangements.

Recommendations:

The Committee is asked to:

- (i) Note the contents of the report as evidence of the continuing commitment to and culture of sound governance arrangements for corporate risk management;
- (ii) Identify any risk management training requirements by members of Audit Committee.

Tracking

Executive:	
Overview and Scrutiny:	
Council:	

1. BACKGROUND

1.1 In accordance with the Council's Risk Management Policy, the Corporate Risk Register (CRR) has been submitted to the Resources Overview and Scrutiny Panel (ROSP) for monitoring and Audit Committee for independent assurance. Reports are now submitted on a 6 monthly rather than 3 monthly cycle. This is the first report to this new schedule.

This report contains the Risk Register (see Appendix A) presented to ROSP on 3rd April 2014.

2. PROPOSALS

2.1 Corporate Risk Register

The Corporate Risk Register continues to be reviewed quarterly in line with the Council's Risk Management Policy by the Corporate Risk Management Group and Senior Management Team. This contains those risks considered to be the significant risks in achieving the City Council's objectives for 2014/15:

- Asset Business Plan – Asset Disposal Strategy
- Asset Business Plan – Asset Acquisition Strategy
- Delivering the Carlisle Plan
- Council's Income Targets
- Housing needs of vulnerable groups
- Workforce planning

2.2 Risk Management training programme

Arrangements are currently being made for a risk management training programme for 2014/15. This will focus on the following areas:

- IOSH (Institution of Occupational Safety and Health) training for managers
- Updating the risk management e-learning module and delivering to staff
- Zurich insurance risk management training

The Audit Committee is asked to consider any training required by its members to assist them in better appreciation of risk management good practice.

3. CONSULTATION

- 3.1** Corporate Risk Management Group 12th March 2014
Senior Management Team 18th March 2014
ROSP 3rd April 2014

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

4.1 The Committee is asked to:

- (i) Note the contents of the report as evidence of the continuing commitment to and culture of sound governance arrangements for corporate risk management;
- (ii) Identify any risk management training requirements by members of Audit Committee.

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

5.1 The key risks in delivering the priorities in the Carlisle Plan have been identified and analysed along with the actions/resources that will be required to mitigate these risks. These risks are contained in the Corporate Risk Register and are reviewed regularly by the Corporate Risk Management Group and Senior Management Team.

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**Appendices
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:

- None

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's - To ensure that the Council's risk management arrangements are monitored effectively.

Deputy Chief Executive –

Economic Development –

Governance –

Local Environment –

Resources -

Appendix A

Corporate Risk Register March 2014



Note: Amendments in the last quarter are marked in italics. The inclusion of the previous and current risk matrices shows the effect that the control strategies have had on risk ratings since the last quarterly 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.

Asset Business Plan – Asset Disposal Strategy

'There is a risk that significant delays in the disposal of Council assets will have substantial impact on the capital reinvestment plans and revenue position of the Council'

Present and Previous Matrices	Assessment Dates	Present and Previous Risk Scores	Current Action Status / Control Strategy	Target Risk Matrix
	12-Mar-2014	6	1. Regularly monitor the disposal negotiations in line with the Asset business case. 2. Seek advice from our agent and be ready to take appropriate action to remarket the asset should this need arise. 3. Complete refresh of the Asset Business Plan partly targetting housing land provision to meet priority in the Carlisle Plan. 4. The impact of delays in the disposal programme has been accounted for in the 2014/15 budget.	
	02-Sep-2013	9	4. The impact of delays in the disposal programme has been accounted for in the 2014/15 budget. <i>Risk to remain on Corporate Risk Register until Business plan is complete.</i>	

Current Impact Description	High
Current Likelihood Description	Reasonably probable
Risk Score	9

Target Risk Date	01-Dec-2014
Target Risk Score	3

Lead Officer	Mark Lambert
Portfolio Holder	Councillor Tickner
Overview and Scrutiny Panel	Resources

Asset Business Plan – Asset Acquisition Strategy

'There is a risk that significant delays in acquiring new revenue producing assets will have a substantial impact on the Council's revenue position during the current MTFP / budget process'

Present and Previous Matrices	Assessment Dates	Present and Previous Risk Scores	Current Action Status / Control Strategy	Target Risk Matrix
	12-Mar-2014	9	1. Complete control strategy for above corporate risk (Asset Disposal Plan). The MTFP has taken account of the loss of income. 2. Review and seek agreement from Executive / Council to a Capital Investment Strategy covering the key criteria and potential projects for investment (including the repayment of loans etc). 3. Review Investment Strategy including Invest to Save, linked where appropriate to other procurement activities eg. the redevelopment of the Sands Centre.	
	02-Sep-2013	12		

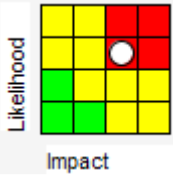
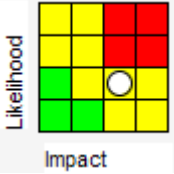
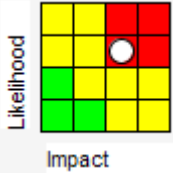
Current Impact Description	High
Current Likelihood Description	Probable
Risk Score	12

Target Risk Date	01-Apr-2016
Target Risk Score	3

Lead Officer	Mark Lambert
Portfolio Holder	Councillor Tickner
Overview and Scrutiny Panel	Resources

Delivering the Carlisle Plan

'There is a risk that we don't have the optimum balance of resources targetted to deliver the activities and projects delivering the Carlisle Plan'

Present and Previous Matrices	Assessment Dates	Present and Previous Risk Scores	Current Action Status / Control Strategy	Target Risk Matrix
 <p>Likelihood Impact</p>	06-Mar-2014	9	<p>Grant Thornton, the Council's external auditors has recently reviewed the Council's arrangements for securing financial resilience (risk) and is very satisfied with the arrangements in place. However, it does suggest that the Council's usable reserves are the lowest in it's bench marking group.</p> <ol style="list-style-type: none"> 1. Get resources placed appropriately for the objectives of the Council. 2. Develop clear service standards in order to monitor key priority areas, including the Carlisle Plan eg. Clean Up Carlisle and thus balance allocation of resources. 3. The Corporate Programme Board is managing the support resources required to deliver key Council objectives. 4. The 2014/15 budget / MTFP has taken account of budget pressures due to reduction in RSG, additional National Insurance, increased pension costs etc and the implications for transformational savings going forward. Further savings of £1.839m need to be identified by 2015/16 and a further £2.1m in future years. <i>Salary savings through voluntary redundancy and vacancy management initiatives and SMT restructure have identified £370k savings towards 2015/16 target. Also £250k reduction in Tullie House grant. This reduces the 2015/16 target to £1.219m.</i> 	 <p>Likelihood Impact</p>
 <p>Likelihood Impact</p>	02-Sep-2013	9		

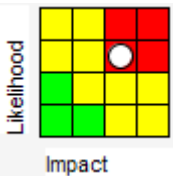
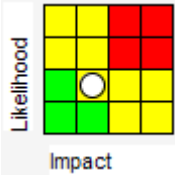
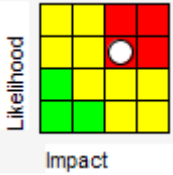
Current Impact Description	High
Current Likelihood Description	Reasonably probable
Risk Score	9

Target Risk Date	01-Apr-2017
Target Risk Score	6

Lead Officer	Jason Gooding
Portfolio Holder	Councillor Glover
Overview and Scrutiny Panel	Resources

Council's Income Targets

'There is a risk that the Council's income from chargeable services eg car parking does not meet MTFP targets and that the Council does not take advantage of other commercial opportunities'

Present and Previous Matrices	Assessment Dates	Present and Previous Risk Scores	Current Action Status / Control Strategy	Target Risk Matrix
	12-Mar-14	9	1. Improved marketing of chargeable services. 2. Improved performance information to enable intervention measures to be taken quicker. 3. Review of commercial opportunities to identify a range of opportunities to pursue during 2014/15. 4. Fundamental review of car parking provision and charging <i>is taking place. Staffing structure review subject to consultation.</i> 5. Review of income targets / corporate charging policy in May 2014.	
	02-Sep-2013	9		

Current Impact Description	High
Current Likelihood Description	Reasonably probable
Risk Score	9

Target Risk Date	01-Apr-2015
Target Risk Score	4

Lead Officer	Senior Management Team
Portfolio Holder	Councillor Tickner
Overview and Scrutiny Panel	Resources

Housing needs of vulnerable groups

'There is a risk that we are not able to reduce repeat use of access to our homeless facilities'

Present and Previous Matrices	Assessment Dates	Present and Previous Risk Scores	Current Action Status / Control Strategy	Target Risk Matrix
	28-Feb-2014	6	1. Strengthen procedures that support vulnerable people at the correct times of crisis. 2. Maintain strong partnership working with Supported Housing Providers, Probation, Criminal Justice system, health professionals and pathways to training and employment. 3. <i>Complete the Hostel review implementing the recommendations from April 2014 onwards. This will also strengthen procedures that support vulnerable people.</i>	
	02-Sep-2013	9		

Current Impact Description	High
Current Likelihood Description	Reasonably probable
Risk Score	9

Target Risk Date	01-Dec-2014
Target Risk Score	6

Lead Officer	Jane Meek
Portfolio Holder	Councillor Riddle
Overview and Scrutiny Panel	Community

Workforce planning

'There is a risk of not having sufficient management competency to deliver our organisational objectives'

Present and Previous Matrices	Assessment Dates	Present and Previous Risk Scores	Current Action Status / Control Strategy	Target Risk Matrix
	12-Mar-2014	6	1. Transformation reviews across the Council (2011/12/13) have focussed on the deployment of staff and the balance between management, back office and frontline staff. It is felt that this balance currently suits the needs of the Council. 2. A new Organisational Development Plan has now been completed. This attends to the issues of management competency and 'new' skills including commissioning, commercial marketing skills and drafting tenders / monitoring contracts. The implementation of this plan has begun and will be monitored via SMT.	
	12-Dec-2013	6		

Current Impact Description	High
Current Likelihood Description	Remote
Risk Score	6

Target Risk Date	01-Apr-2014
Target Risk Score	4

Lead Officer	Jason Gooding
Portfolio Holder	Councillor Tickner
Overview and Scrutiny Panel	Resources