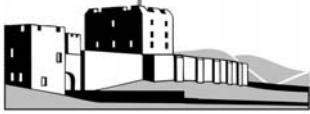


# AUDIT COMMITTEE

CARLISLE  
CITY COUNCIL



[www.carlisle.gov.uk](http://www.carlisle.gov.uk)

## *Committee Report*

Public

**Date of Meeting:** 11<sup>th</sup> January 2013

**Title:** Corporate Risk Management

**Report of:** Deputy Chief Executive

**Report reference:** SD 01/13

### **Summary:**

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

**Recommendations:** The Committee is asked to note the contents of the report as an indication of the continuing commitment to sound governance arrangements for corporate risk management

**Contact Officer:** Sarah Mason

**Ext:** 7053

## CITY OF CARLISLE

To: Audit Committee  
11<sup>th</sup> January 2013

SD01/13

### CORPORATE RISK MANAGEMENT

#### **1. Background**

In accordance with the Council's Risk Management Policy, the Corporate Risk Register (CRR) is submitted to the Resources Overview and Scrutiny Panel (ROSP) and the Audit Committee for consideration on a quarterly basis.

This report contains the Risk Register (see Appendix A) that was presented to ROSP on 18<sup>th</sup> October 2012.

#### **2. Comments on the Corporate Risk Register**

The Corporate Risk Register has been reviewed by the Senior Management Team and the Corporate Risk Management Group. During the last quarter, the Current Action Status /Control Strategy sections have been addressed and the scoring of certain risks amended accordingly. The risks are detailed in Appendix A.

A number of risks have been removed from the Corporate Risk Register as these risks have been reduced through successful mitigation action. They will continue to be monitored as operational risks 2013/14 onwards.

The Senior Management Team and the Corporate Risk Management Group have started to identify and analyse the risks in delivering the new priorities within the draft Carlisle Plan and the actions/resources that will be required to mitigate these risks. These risks, still at draft stage, are now incorporated into the Corporate Risk Register and will be further developed as the priorities are worked up and are approved at Full Council on 30<sup>th</sup> April 2013. Considering the risks at this early stage is an important step in assessing both the downside risks and also the emerging opportunities. This will provide valuable information for the further development of the priorities and key actions in delivering them.

The annual corporate risk management session was held on 7<sup>th</sup> January 2013. Members of SMT along with Finance Services Manager, Audit Manager (Carlisle City Council) and Policy and Communications Manager met to further analyse risks as the Carlisle Plan continues to be developed, to highlight any significant risks from recent Audits and to identify risks emerging from the budget process.

### **3. Recommendations**

The Committee is asked to note the contents of the report as an indication of the continuing commitment to sound governance arrangements for corporate risk management.

DARREN CROSSLEY  
Deputy Chief Executive

**Contact Officer:** Sarah Mason

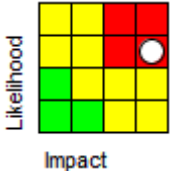
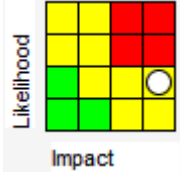
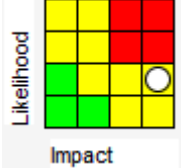
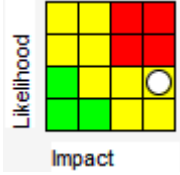
**Ext:** 7053

# Corporate Risk Register 02 October 2012

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.

## Limited Resources

There is a risk that available resources are not directed to the Council's priority areas

Present and Previous Matrices	Review Dates	Present and Previous Risk Scores	Current Action Status/Control Strategy	Target Risk Matrix
	20-Sep-2012	12	Work with the new Executive to agree the Council's new objectives is now well underway. Once these have been agreed, the Council will realign budgets to meet these priorities, whilst assuring the savings targets identified in the MTFP are met. The Council is on track to make this year's savings target. <i>The Executive (subject to consultation) has identified a further £1.38million savings to be delivered in 2013/14. In front loading the savings required this will allow the Council some breathing space to consolidate service provision going forward in resourcing the Council's new priorities and plan for efficiencies from 2015/16 of £439,000.</i>	
	19-Jul-2012	8		

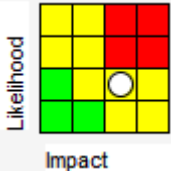
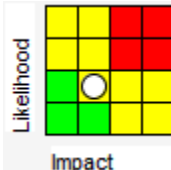
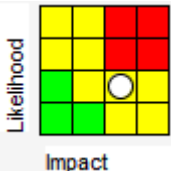
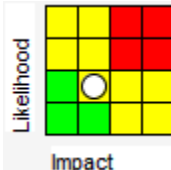
Current Impact Description	Critical
Current Likelihood Description	Reasonably probable
Risk Score	12

Target Risk Date	31-Mar-2013
Target Risk Score	8

Managed By	Peter Mason
Portfolio Holder	Cllr Tickner

## Welfare Reform agenda - Localisation of Council Tax – Reputation

Central Government is introducing a new system for administration of Council Tax support. Implementation will be from April 2013. The programme will include changes in responsibility for the City Council. There is potentially a significant reputational risk in setting the Council Tax scheme appropriately, administering and managing the change process and in communicating with and supporting customers and claimants throughout.

Present and Previous Matrices	Review Dates	Present and Previous Risk Scores	Current Action Status/Control Strategy	Target Risk Matrix
	20-Sep-2012	6	<ul style="list-style-type: none"> <li>· A lead project officer has been appointed to lead the implementation of the new system and to manage the project up to and beyond April 2013.</li> <li>· Project plans and an implementation programme have been put together and are being delivered.</li> </ul>	
	19-Jul-2012	6	<ul style="list-style-type: none"> <li>· A timetable of key decisions has now been put on the forward plan and monitoring processes for implementation of the system are in place.</li> <li>· <i>Outcome of consultation to be considered.</i></li> </ul>	

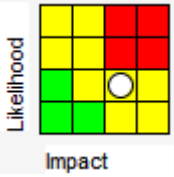
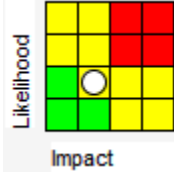
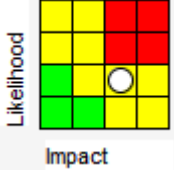
Current Impact Description	High
Current Likelihood Description	Remote
Risk Score	6

Target Risk Date	01-Apr-2013
Target Risk Score	4

Managed By	Keith Gerrard
Portfolio Holder	Cllr Riddle

## Welfare Reform agenda - Localisation of Council Tax – Finance

Aligned to the corporate risk related to the implementation of Council Tax support, there is a corporate risk to managing the financial implications of the new system.

Present and Previous Matrices	Review Dates	Present and Previous Risk Scores	Current Action Status/Control Strategy	Target Risk Matrix
	20-Sep-2012	6	The Council decision making process for agreeing the localisation of Council Tax discount scheme has been placed on the appropriate forward plans. The Council has estimated that the potential impact of these changes to be between £120k and £190k. This will depend on the take up of the new benefit discount from pensioners who did not claim Council Tax benefit and agreement of the final scheme. Budget planning for 2013/14 is taking full account of this additional cost.	
	19-Jul-2012	6		

Current Impact Description	High
Current Likelihood Description	Remote
Risk Score	6

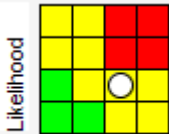
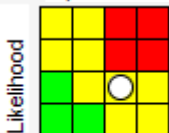
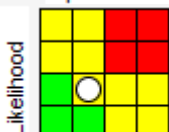
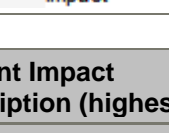
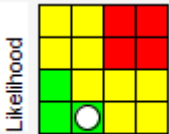


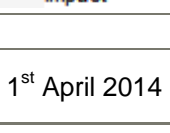
Target Risk Date	31-Oct-2013
Target Risk Score	4

Managed By	Keith Gerrard/Peter Mason
Portfolio Holder	Cllr Riddle

**\*\*NEW DRAFT RISK\*\***

**Draft Priority 1 Fostering more, high quality and sustainable business and employment opportunities, through growing existing enterprises and bringing in new ones**

1. We will not have the right sites or infrastructure to attract new businesses
2. Carlisle's investment opportunities are not realised due to low profile
3. Competition with surrounding districts / other similar cities reduces the opportunities for Carlisle

Present Matrices	Review Date	Present Risk Scores	Current Action Status/Control Strategy	Target Risk Matrix
 Likelihood  Impact  Likelihood  Impact	02/10/2012	6   6   4	1. Allocation of sites in the Local Plan   2. Development of the Carlisle Prospectus and Discover Carlisle brand / web provision   3. Develop Carlisle's unique selling point through the Economic Potential Report and promote this through the Carlisle Prospectus / Discover Carlisle	 Likelihood  Impact  Likelihood  Impact

Current Impact Description (highest)	High
Current Likelihood Description (highest)	Remote
Risk Score	6

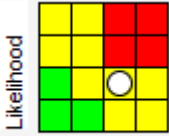
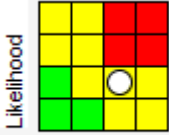
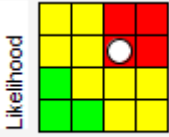
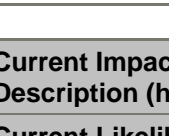
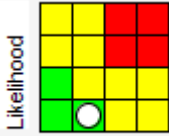
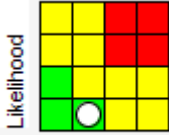
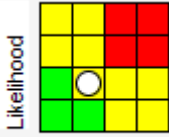

Target Risk Date	1 <sup>st</sup> April 2014
Target Risk Score	2

Managed By	Jane Meek
Portfolio Holder	Cllr Glover

**\*\*NEW DRAFT RISK\*\***

## Draft Priority 2 Providing a vibrant arts, cultural and heritage offering that befits Carlisle's history and traditions

1. No activity takes place due to lack of evidence base to provide direction
2. The market for arts / cultural activity in Carlisle is not fully understood
3. Lack of a focal point to provide arts, cultural offer

Present Matrices	Review Date	Present Risk Scores	Current Action Status/Control Strategy	Target Risk Matrix
 Likelihood  Impact  Likelihood  Impact	02/10/2012	6  6  9	1. Clear appraisal of possible options in the development of the Arts / Cultural offer to inform decision making  2. Analysis of audience and activity needed in Carlisle is undertaken  3. Provision of a sustainable Arts Centre / Hub in Carlisle	 Likelihood  Impact  Likelihood  Impact

Current Impact Description (highest)	High
Current Likelihood Description (highest)	Reasonably probable
Risk Score	9

Target Risk Date	1 <sup>st</sup> December 2013
Target Risk Score	2 / 4

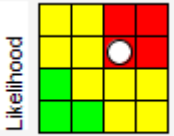
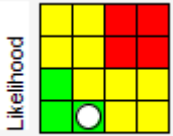
Managed By	Keith Gerrard/Jane Meek
Portfolio Holder	Cllr Quilter



**\*\*NEW DRAFT RISK\*\***

**Draft Priority 3 Working more effectively through partnerships**

1. Involvement in too many partnerships or the wrong partnerships dilutes effort and diverts capacity to low priority activity
2. Lack of clarity about the purpose / outputs of a partnership reduces the Council's ability to work effectively

Present Matrix	Review Date	Present Risk Score	Current Action Status/Control Strategy	Target Risk Matrix
	02/10/2012	9	<ol style="list-style-type: none"> <li>1. Prioritise Partnerships to maximise effectiveness</li> <li>2. Work to refresh current partnership working and what it offers and determine the gaps. Establishing clear roles, responsibilities &amp; terms of reference for each partnership</li> </ol>	

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

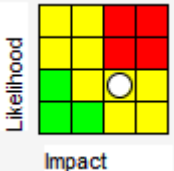
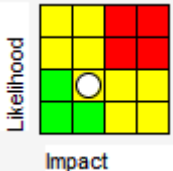
Target Risk Date	1 <sup>st</sup> April 2013
Target Risk Score	2

Managed By	Keith Gerrard/Angela Culleton/Jane Meek
Portfolio Holder	Cllr Hendry

**\*\*NEW DRAFT RISK\*\***

**Draft Priority 4 Helping to ensure that Carlisle develops a skilled and prosperous working age population for the 21<sup>st</sup> century**

- 1. There is a lack of understanding of future economic growth opportunities and the skills that will be required to support the Carlisle economy**
- 2. Key partners do not understand the needs of the local economy**
- 3. The City Council is not able to adequately influence partners in order to address the skills required to support economic growth in Carlisle**

Present and Previous Matrices	Review Dates	Present and Previous Risk Scores	Current Action Status/Control Strategy	Target Risk Matrix
	02/10/2012	6	<ol style="list-style-type: none"> <li>1. Skills gap is identified and matched to the opportunities through the Economic Potential Report and Action Plan being prepared by the Carlisle Economic Partnership</li> <li>2. This will be addressed through the Economic Potential Report and Action Plan</li> <li>3. Partnership working with key providers in education and business sectors</li> </ol>	

<b>Current Impact Description</b>	High
<b>Current Likelihood Description</b>	Remote
<b>Risk Score</b>	6

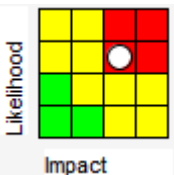
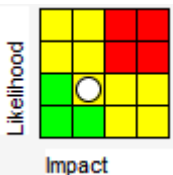
<b>Target Risk Date</b>	1 <sup>st</sup> September 2013
<b>Target Risk Score</b>	4

<b>Managed By</b>	Jane Meek/Keith Gerrard/Emma Titley
<b>Portfolio Holder</b>	Cllr Glover

**\*\*NEW DRAFT RISK\*\***

**Draft Priority 5 Making Carlisle clean and tidy \*together\***

**There is a risk that the balance of enforcement and education fails to change the behaviour of the minority of people who carry out littering and dog fouling offences. The risk is that without effective positive campaigning there will be a lack of buy-in from the public in the enforcement activity.**

Present and Previous Matrices	Review Dates	Present and Previous Risk Scores	Current Action Status/Control Strategy	Target Risk Matrix
	02/10/2012	9	Monitoring performance making best use of resources. Balancing education and enforcement. Communication of ownership. Campaigns in specific areas. Securing funding. Partnership working.	

<b>Current Impact Description</b>	High
<b>Current Likelihood Description</b>	Likely
<b>Risk Score</b>	9

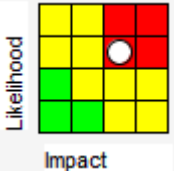
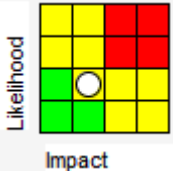
<b>Target Risk Date</b>	1/12/12
<b>Target Risk Score</b>	4

<b>Managed By</b>	Angela Culleton
<b>Portfolio Holder</b>	Cllr Martlew

**\*\*NEW DRAFT RISK\*\***

**Draft Priority 6 Helping address Carlisle's Housing Need**

1. There is a risk that the delivery of Carlisle Housing Strategy outcomes is inhibited because targets and delivery priorities are not clearly expressed and understood by key stakeholders
2. There is a lack of appropriate sites / infrastructure to address housing need in Carlisle
3. The Council has no influence over the provision of affordable housing and the need is not met

Present and Previous Matrices	Review Dates	Present and Previous Risk Scores	Current Action Status/Control Strategy	Target Risk Matrix
	02/10/2012	9	<ol style="list-style-type: none"> <li>1. Housing Strategy targets are revised and communicated to key stakeholders</li> <li>2. The Local Plan will address availability of land for development</li> <li>3. The Housing Strategy and Local Plan will support negotiations with key partners and use S106 agreements to ensure supply meets the demand for affordable housing.</li> </ol>	

Current Impact Description	High
Current Likelihood Description	Likely
Risk Score	9

Target Risk Date	1 <sup>st</sup> September 2013
Target Risk Score	4

Managed By	Jane Meek/Keith Gerrard
Portfolio Holder	Cllr Riddle