

# Resources Overview and Scrutiny Panel

Agenda  
Item:

**A.6**

Meeting Date: 10th October 2013  
 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/06/13

**Purpose / Summary:**

The purpose of this report is to update members of the Resources Overview and Scrutiny Panel on the Corporate Risk Register.

**Recommendations:**

1. To scrutinise and provide feedback on the updated Corporate Risk Register.
2. That for reasons set out in 2.2 of report, it is suggested that ROSP scrutinise corporate risk management issues on a 6 monthly rather than quarterly basis.

**Tracking**

Executive:	
Overview and Scrutiny:	
Council:	

## 1. BACKGROUND

- 1.1 In accordance with the Council's Risk Management Policy, the Corporate Risk Register (CRR) is submitted to this Panel for scrutiny.

## 2. PROPOSALS

### 2.1 Changes to Corporate Risk Register

The Corporate Risk Register has recently been reviewed and updated following

- Senior Management Team 20<sup>th</sup> August 2013
- Corporate Risk Management Group 2<sup>nd</sup> September 2013
- Directorate Management Team (DMT) meetings August 2013

Two new corporate risks have been added -

#### **Asset Business Plan – Asset Disposal Strategy NEW RISK**

There is a risk of substantial impact to the Council's revenue position / MTFP and reinvestment plans if there is a significant delay in the disposal of Council assets. The impact will be quantified as part of the 2014/15 budget deliberations. The disposal programme is constantly monitored and advice sought from the Council's agent as applicable, so that appropriate action will be taken at the earliest opportunity.

#### **Asset Business Plan – Asset Acquisition Strategy NEW RISK**

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.

This risk is linked to the control of the above risk. The Capital Investment Strategy within the Asset Management Business Case will be reviewed and agreement sought from Executive / Council. This will cover the key criteria and potential projects for investment, including the repayment of loans etc. Implementation of the Investment Strategy, including Invest to Save, will be linked to other procurement activities eg. the redevelopment of the Sands Centre.

The following corporate risks will remain on the current Corporate Risk Register. Further details of the risks and control strategies are set out in Appendix A.

Delivering service objectives  
Council's Income Targets  
Addressing Carlisle's current and future housing needs  
Housing needs of vulnerable groups  
Workforce planning  
Improving Industrial Estate Performance

2 risks will be removed from the Corporate Risk Register for the reasons stated below.

### **Welfare Reform**

Informal briefings from DWP suggest that the transfer from Housing Benefit to Universal Credit for the majority of our claimants is unlikely before 2016/17. Therefore this risk will remain on Revenues and Benefits operational risk register for action and monitoring as appropriate.

### **Promoting Carlisle**

The Sense of Place was launched on 11th July. Old Town Hall phase 2, Public realm and Foyer projects will use Sense of Place implementation (Carlisle story) to promote Carlisle. With development of the Sense of Place implementation plan this risk will now be removed from the Corporate Risk Register and be actioned / monitored at service level.

## **2.2 Corporate Risk Management reporting cycle**

The Corporate Risk Register is quite stable with any changes now incremental and risk management is well understood by all parties. In these circumstances, the Corporate Risk Management Group suggest that the reporting cycle to ROSP moves from quarterly to 6 monthly.

## **3. CONSULTATION**

### **3.1 Corporate Risk Management Group 2<sup>nd</sup> September 2013**

#### **4. CONCLUSION AND REASONS FOR RECOMMENDATIONS**

**4.1** The Panel is asked to scrutinise and comment on the Corporate Risk Register as set out in Appendix A and the new suggested reporting cycle as in 2.2.

#### **5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES**

**5.1** This is the risk assessment for the Carlisle Plan. It will be reviewed quarterly.

**Contact Officer: Sarah Mason**

**Ext: 7053**

**Appendices SD 06/13 Appendix A  
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** - This is the purpose of the report



# Corporate Risk Register 02 September 2013

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.

**NEW RISK 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 Matrix	Assessment Date	Present Risk Score	Current Action Status / Control Strategy	Target Risk Matrix
	02-Sep-2013	9	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. Take full consideration of the capital and revenue impact of any significant delay in disposal and discuss the implications with Executive (Sept 2013).	

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

<b>Target Risk Date</b>	01-Dec-2013
<b>Target Risk Score</b>	6

<b>Managed By</b>	Jason Gooding
<b>Portfolio Holder</b>	Councillor Tickner

**NEW RISK 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 Matrix	Assessment Date	Present Risk Score	Current Action Status / Control Strategy	Target Risk Matrix
	02-Sep-2013	12	1. Complete control strategy for above corporate risk (Asset Disposal Plan). 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.	

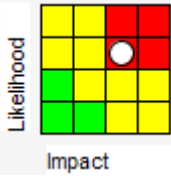
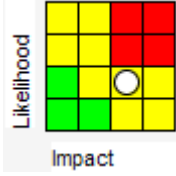
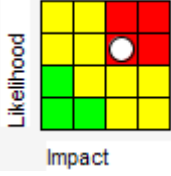
<b>Current Impact Description</b>	High
<b>Current Likelihood Description</b>	Probable
<b>Risk Score</b>	12

<b>Target Risk Date</b>	01-Dec-2013
<b>Target Risk Score</b>	6

<b>Managed By</b>	Senior Management Team
<b>Portfolio Holder</b>	Councillor Bradley; Councillor Tickner

**Delivering service objectives**

**'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
	02-Sep-2013	9	<p><i>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.</i></p> <ol style="list-style-type: none"> <li>1. Get resources placed appropriately for the objectives of the Council.</li> <li>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.</li> <li>3. <i>The Corporate Programme Board is now operational and managing the support resources required to deliver key Council objectives.</i></li> <li>4. Preparation for 2014/15 budget / MTFP will take account of budget pressures due to reduction in RSG, additional National Insurance, increased pension costs etc.</li> </ol>	
	06-Mar-2013	9		

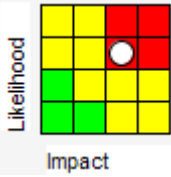
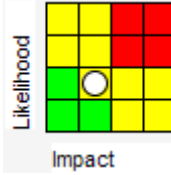
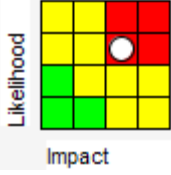
<b>Current Impact Description</b>	High
<b>Current Likelihood Description</b>	Reasonably probable
<b>Risk Score</b>	9

<b>Target Risk Date</b>	01-Apr-2014
<b>Target Risk Score</b>	6

<b>Managed By</b>	Jason Gooding
<b>Portfolio Holder</b>	Councillor Glover

**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
	02-Sep-2013	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 2013/14/	
	06-Mar-2013	9		

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

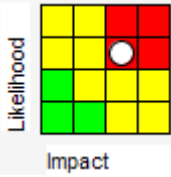
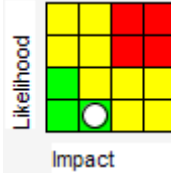
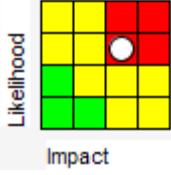
<b>Target Risk Date</b>	01-Apr-2014
<b>Target Risk Score</b>	4

<b>Managed By</b>	Senior Management Team
<b>Portfolio Holder</b>	Councillor Tickner



**Addressing Carlisle's current and future housing needs**

**'There is a risk that the delivery of social housing projects is slow and could impede availability of decent and healthy accommodation'**

Present and Previous Matrices	Assessment Dates	Present and Previous Risk Scores	Current Action Status / Control Strategy	Target Risk Matrix
	02-Sep-2013	9	1. <i>Maintain and review good</i> partnership working with registered providers of social housing (RPs) / developers. 2. <i>Ensure good communication with developers and RPs around land development availability issues.</i> 3. <i>Review progress against Housing Needs Assessment.</i> 4. Work collaboratively with external partners and others LAs to implement a 'fit for purpose' Landlord accreditation scheme. 5. Review and strengthen private sector engagement to ensure delivery of safe, warm affordable housing.	
	16-Jul-2013	9		


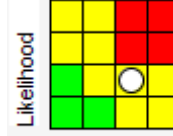
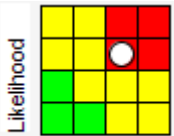
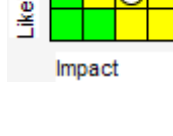
<b>Current Impact Description</b>	High
<b>Current Likelihood Description</b>	Reasonably probable
<b>Risk Score</b>	9

<b>Target Risk Date</b>	01-Apr-2014
<b>Target Risk Score</b>	2

<b>Managed By</b>	Keith Gerrard
<b>Portfolio Holder</b>	Councillor Riddle

**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
	02-Sep-2013	9	1. Strengthen procedures that support vulnerable people at the correct times of crisis. 2. <i>Maintain</i> strong partnership working with Supported Housing Providers, Probation, Criminal Justice system, health professionals and pathways to training and employment. 3. Undertake a detailed and comprehensive Hostel review and implement recommendations.	
	16-Jul-2013	9		

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

<b>Target Risk Date</b>	01-Dec-2014
<b>Target Risk Score</b>	6

<b>Managed By</b>	Keith Gerrard
<b>Portfolio Holder</b>	Councillor Riddle

**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
	02-Sep-2013	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.	
	06-Mar-2013	9	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.	

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

<b>Target Risk Date</b>	01-Apr-2014
<b>Target Risk Score</b>	4

<b>Managed By</b>	Jason Gooding
<b>Portfolio Holder</b>	Councillor Tickner

**Improving Industrial Estate Performance**

**'There is a risk that Carlisle does not provide suitable industrial estate accommodation to grow our business base'**

Present and Previous Matrices	Assessment Dates	Present and Previous Risk Scores	Current Action Status / Control Strategy	Target Risk Matrix
	02-Sep-2013	6	1. Local Plan. 2. Kingstown Industrial Estate / Parkhouse / Morton development plans. 3. <i>The redevelopment of Durranshill Industrial Estate working alongside the Homes and Communities Agency and current occupiers.</i> 4. Liaison with other industrial estate owners to improve the quality of our offer.	
	06-Mar-2013	9		

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

<b>Target Risk Date</b>	01-Apr-2014
<b>Target Risk Score</b>	2

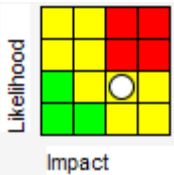
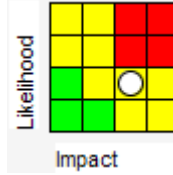
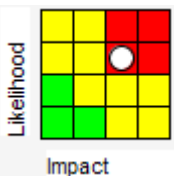
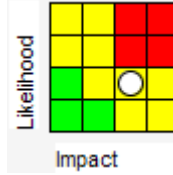
<b>Managed By</b>	Jane Meek
<b>Portfolio Holder</b>	Councillor Bradley

The following risks will be removed from Corporate Risk Register and will remain on the appropriate service level operational risk register for further action and monitoring.

**DELETE FROM CORPORATE RISK REGISTER**  
**Welfare Reform**

**Risks:**

- 1. Downsizing the Council's Benefits services**
- 2. Customer Contact Centre resources to manage the short term changes affecting vulnerable groups**
- 3. Loss of government grant and impact on treasury management**

Present and Previous Matrices	Assessment Dates	Present and Previous Risk Scores	Current Action Status / Control Strategy	Target Risk Matrix
	02-Sep-2013	6	1. The Welfare Reform Board <i>is now operational and is ensuring that the 'local' move towards Universal Credit is being effective.</i> 2. An effective communication strategy with vulnerable groups <i>has been developed and is being implemented.</i> 3. Review and amend Customer Contact staff structures and designations alongside monitoring service demand and footfall. <i>This has happened but will continue to be monitored.</i>	
	21-Aug-2013	9	4. Monitor DWP change / implementation timetable. 5. Once a detailed timetable is known of the transfer of Housing Benefit to Universal Credit is known, modelling of the impact on Treasury Management will be undertaken.	

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

<b>Target Risk Date</b>	01-Apr-2014
<b>Target Risk Score</b>	6

<b>Managed By</b>	Keith Gerrard; Peter Mason
<b>Portfolio Holder</b>	Councillor Riddle

**DELETE FROM CORPORATE RISK REGISTER**  
**Promoting Carlisle**

**There is a risk that the Promoting Carlisle projects to deliver the key priority (Discover Carlisle, Carlisle Prospectus and Sense of Place) do not define Carlisle and achieve more investment in the City**

Present and Previous Matrices	Assessment Dates	Present and Previous Risk Scores	Current Action Status / Control Strategy	Target Risk Matrix
	02-Sep-2013	6	Sense of Place Implementation Plan	
	06-Mar-2013	6		

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

<b>Target Risk Date</b>	01-Apr-2014
<b>Target Risk Score</b>	2

<b>Managed By</b>	Jane Meek
<b>Portfolio Holder</b>	Councillor Glover