

**CARLISLE
CITY COUNCIL**



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AUDIT COMMITTEE

Committee Report

Public

Date of Meeting: 16th April 2012

Title: Corporate Risk Management

Report of: Deputy Chief Executive

Report reference: SD 05/12

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

Date: 16th April 2012

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 29th March 2012 and any significant amendments will be taken to the Corporate Risk Management Group.

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.

3. Travelers Insurance Healthcheck

As previously reported to this Committee, Travelers, the Council's insurance company, carried out a risk management healthcheck in April 2011. Six non mandatory issues were identified during the assessment and recommendations made:

- Driver assessment scheme for all employees who drive on Council business
- Driver licence and insurance checks
- Driver handbook to include Council's road safety policy, driver's code of conduct, reporting of accidents, driver assessments and driver licence requirements
- Tree stock survey
- Measure of operator exposure time to harmful vibration

- Improved health and safety arrangements within Highways Services

Whilst none of the recommendations made are mandatory, implementing them is considered good practice and may help the Council defend potential claims. The action plan put in place to address the issues raised is now nearly complete and is detailed in Appendix B.

A further 5 days are available from Travelers from 1st May 2012 and will be used to deliver the following programme.

- Liability workshop for senior managers
- Neighbourhoods and Green Spaces
- Highways
- Events
- Member training which will look at corporate manslaughter, civic and criminal proceedings, care of duty and other areas this Committee would like to be included.

4. 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.

Appendix A

Corporate Risk Register February 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.

NEW RISK Welfare Reform agenda – reputation	As part of a series of reforms of the Welfare support system, Central Government is introducing measures which include revised systems for the calculation and administration of Council Tax support and, via a Universal Credit approach, personal credits and benefits. Implementation will be from April 2013 and on an incremental nature will run through to 2017. 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, administrating and managing the change process and in communicating with and supporting customers and claimants throughout.
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Present Risk Matrix	Review Date	Present Risk Score	Current Action Status/Control Strategy	Target Risk Matrix
	29-Feb-2012	12	The identification of a senior officer project group to oversee implementation of changes. The appointment of a skilled and experienced lead project officer to manage the project up to and beyond April 2013. Ongoing dialogue and consultation with Members through the Executive process, Overview and Scrutiny and Full Council. Aligned to this will be a review of customer contact and communication processes, advice and support mechanisms and strengthening of relationships with partners working effected groups and in community settings.	

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

Target Risk Date	01-Apr-2013
Target Risk Score	4
Managed By	Keith Gerrard
Portfolio Holder	Councillor Geddes

NEW RISK Welfare Reform agenda – finance	As part of a series of reforms of the Welfare support system, Central Government is introducing measures which include revised systems for the calculation and administration of Council Tax support and, via a Universal Credit approach, personal credits and benefits. Implementation will be from April 2013 and on an incremental nature will run through to 2017. The programme will include changes in responsibility for the City Council. There is potentially a significant financial risk in setting the Council Tax scheme appropriately and administrating and managing the change process.
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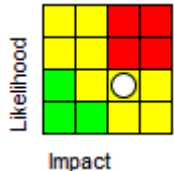
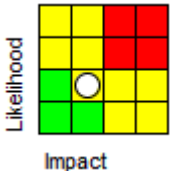
Present Risk Matrix	Review Date	Present Risk Score	Current Action Status/Control Strategy	Target Risk Matrix
	29-Feb-2012	12	The identification of a senior officer project group to oversee implementation of changes. The appointment of a skilled and experienced lead project officer to manage the project up to and beyond April 2013. Ongoing dialogue and consultation with Members through the Executive process, Overview and Scrutiny and Full Council. It is too early to assess the level of financial risk to the Council. However, the Director of Resources is a member of the senior officer project group and will lead on all financial issues.	

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

Target Risk Date	31-Oct-2013
Target Risk Score	6

Managed By	Keith Gerrard
Portfolio Holder	Councillor Geddes

NEW RISK NNDR	The current system of pooling and redistributing business rates will cease by April 2013 and Councils will retain their locally-based business rates. The purpose is to give local authorities stronger incentives to grow the business rates base and promote economic growth. Initially local authorities will be protected from any substantial change; however, in the long term, the business rates will be affected by economic growth. As a consequence there is a potential financial risk as any downturn in the local economy will directly affect the Council's finances.
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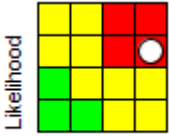
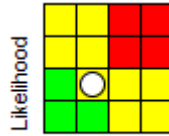
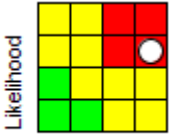
Present Risk Matrix	Review Date	Present Risk Score	Current Action Status/Control Strategy	Target Risk Matrix
	15-Mar-2012	6	<p>Establishment of Carlisle Economic Partnership. Appointment of consultants to undertake the Economic Potential Report. Establishment of a project group to identify potential projects to enable economic development. Key priority in the Corporate Plan and Economic Development service.</p>	

Current Impact Description	High
Current Likelihood Description	Remote
Risk Score	6

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

Managed By	Jane Meek
Portfolio Holder	Councillor M Bowman

Redundancy payment provision	Trend analysis suggests that, there is a risk of insufficient redundancy payment provision. The Council is required to make a further £2-£2.5m in service efficiencies.
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Present and Previous Matrices	Review Dates	Present and Previous Risk Scores	Current Action Status/Control Strategy	Target Risk Matrix
 <p>Likelihood</p> <p>Impact</p>	24-Feb-2012	12	<ul style="list-style-type: none"> - Enhanced redeployment initiatives. - Leaving new posts created by service restructures vacant until redundancy costs of restructure are met. - Apply to Government (Treasury/Dept of Communities and Local Government) for capitalisation direction (statutory redundancy costs). <ul style="list-style-type: none"> - <i>Investigating the possibility of a small recurring revenue provision to fund corporate redundancy reserve.</i> 	 <p>Likelihood</p> <p>Impact</p>
 <p>Likelihood</p> <p>Impact</p>	15-Dec-2011	12		

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

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

Managed By	Peter Mason
Portfolio Holder	Councillor J Mallinson

Limited Resources	There is a risk that scarce resources are not directed to priority areas within the Council's key objectives of local environment and local economy
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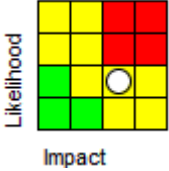

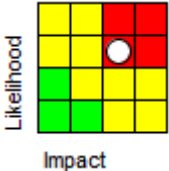
Present and Previous Matrices	Review Dates	Present and Previous Risk Scores	Current Action Status/Control Strategy	Target Risk Matrix
	23-Feb-2012	12	<p>To make sure that the Transformation Programme, and the Medium Term Financial Plan and the Annual Budget are coherently focussed toward the appropriate allocation of resources to deliver the organisation's key objectives. It is anticipated that it will take a further 3 <i>budget cycles</i> to be confident in delivering the required efficiencies. Two year (2013/14 to 2015/16 budgets) RSG settlement is in line with Council projections for transformational savings requirements. Further savings of £600,000 have been identified by SMT and will be implemented by 1st April 2012. A further £700,000 is required for 1st April 2013, £650,000 for 1st April 2014, £587,000 for 1st April 2015 and £36,000 for 1st April 2016. The Deputy Chief Executive and Directors are currently working up plans to meet the required savings for 2013/14 and 2014/15.</p>	
	22-Sep-2011	12		

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	Councillor J Mallinson

Sickness Absence	There is a risk that excessive sickness absence impacts on the Council's capacity to deliver services and its reputation for delivering value for money.
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Present and Previous Matrices	Review Dates	Present and Previous Risk Scores	Current Action Status/Control Strategy	Target Risk Matrix
	02-Feb-2012	6	<ul style="list-style-type: none"> - Lean Systems Review on sickness processes and procedures. - More robust reporting on sickness statistics. - <i>Review of absence management policy to establish measures which relate to purpose.</i> - <i>Increase staff and line manager's engagement in the process of aiding the reduction of sickness.</i> - <i>Implementation of review recommendations by October 2012.</i> 	
	15-Dec-2011	9		

Current Impact Description	High
Current Likelihood Description	Remote
Risk Score	6

Target Risk Date	31-Mar-2013
Target Risk Score	6

Managed By	Peter Mason
Portfolio Holder	Councillor J Mallinson

Provision of Disabled Facility Grants (DFGs)	Ongoing sufficient provision will need to be made for DFGs in 2013/14 budget. There is a litigation and reputational risk to the Council if the 6 month grant claim timeframe is exceeded due to insufficient funding being available.
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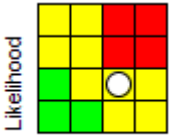
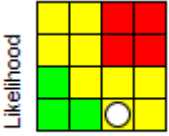
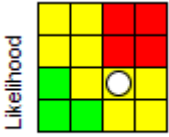
Present and Previous Matrices	Review Dates	Present and Previous Risk Scores	Current Action Status/Control Strategy	Target Risk Matrix
	29-Feb-2012	8	<ul style="list-style-type: none"> - Future procurement will be through the Framework agreement. - Strengthened assessment function and joint work with Occupational Therapists. - Ensure minimum specification for applications is appropriate and consistent. 	
	15-Dec-2011	8	<ul style="list-style-type: none"> - Improved data management to forecast and control demand. - Improved internal 'triage' process. - Improved understanding of funding support. - Consideration of the outcomes of the scrutiny review of DFGs. 	

Current Impact Description	Critical
Current Likelihood Description	Remote
Risk Score	8

Target Risk Date	01-Nov-2011
Target Risk Score	8

Managed By	Keith Gerrard
Portfolio Holder	Councillor Bloxham

Vision for the City	There is a risk that there is no clear consensus/vision for the City's Economy and no agreed strategy with Partners.
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Present and Previous Matrices	Review Dates	Present and Previous Risk Scores	Current Action Status/Control Strategy	Target Risk Matrix
 <p>Likelihood</p> <p>Impact</p>	28-Feb-2012	6	<p><i>The Carlisle Economic Partnership (CEP) is now delivering on the following key project areas:</i></p> <p><i>Establishing the future economic potential of the city region</i></p> <p><i>Devising a city region economic development framework (to deliver projects and influence the LDF)</i></p> <p><i>Delivering digital infrastructure for business development and competitiveness</i></p> <p><i>Delivering the City Business Improvement District</i></p> <p><i>Marketing Carlisle – via web and other communication campaigns</i></p>	 <p>Likelihood</p> <p>Impact</p>
 <p>Likelihood</p> <p>Impact</p>	26-Sep-2011	6		

Current Impact Description	High
Current Likelihood Description	Remote
Risk Score	3

Target Risk Date	31-Mar-2011
Target Risk Score	3

Managed By	Darren Crossley
Portfolio Holder	Councillor Mitchelson

Appendix B

Update March 2012: Risk Improvement Requirements & Recommendations: Travelers Insurance Co. Ltd, 19 April 2011

Recommendations made by Travelers Insurance Co Ltd	Progress to date	Responsible Service Manager/Safety Health and Environmental Manager (SHE)
<p>Driver assessment scheme should include all employees who drive on Council business. Driver assessments should include health surveillance and fitness checks, particularly high mileage drivers (>20k miles) or drivers who operated vehicle machinery.</p>	<p>Complete. Internal driver assessment is undertaken for those who drive Council vehicles. Health surveillance is already undertaken for all persons using Council vehicles/machinery.</p>	<p>Relevant Managers and SHE Manager</p>
<p>Driver licence checks should be carried out following accidents. Insurance checks should be carried out for those drivers who are on Council business and who provide their own insurance cover. Monitoring arrangements should be in place to ensure these arrangements are adhered to.</p>	<p>Driver licence and insurance checks and self declaration form collation is currently underway. 95% information has been collated.</p>	<p>Relevant Service Managers who have persons driving on Council business within their teams.</p>
<p>Produce a comprehensive driver handbook to include Council's road safety policy, driver's code of conduct, reporting of accidents, driver assessments and driver licence requirements etc.</p>	<p>Management of Road Risk Policy (MORR) is already in place. Driver handbook is being progressed by various teams involved with this and is 80% complete. A document will be available in all Council vehicles to record 3rd party information following an accident.</p>	<p>SHE / Transport Co-ordinator / Managers of teams using Council Vehicles Insurance Officer</p>
<p>Loss control arrangements within Neighbourhoods and Green Spaces require further evaluation and improvement.</p>	<p>An updated action plan is now in place to address risk management of the Council's tree stock. A survey programme for trees is part of the Neighbourhoods and Green Spaces transformation 2012-13. An inspection regime will prioritise the work and survey results will be recorded electronically.</p>	<p>Neighbourhoods and Green Spaces Team. This is now included on their Operational Risk Register.</p>
<p>A system should be implemented to reliably measure operator exposure time to harmful vibration.</p>	<p>Refresher training has been carried out and the only outstanding team to complete this is Neighbourhoods and Green Spaces. This will be carried out early 2012-13.</p>	<p>Neighbourhoods and Green Spaces Manager</p>
<p>Improve health and safety arrangements within Highways Services- Ensure risk assessments are suitable and sufficient Ensure working practices are always safe Ensure working practices are always enforced</p>	<p>Risk assessments within Highway Services have been updated. Safe working practices are being progressed.</p>	<p>Local Environment Asst Director / Highways Manager.</p>