Risk Management Strategy

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WHAT BENEFITS WILL THESE PROPOSALS BRING TO COPELAND RESIDENTS?

Risk Management will strengthen the ability of the Council to achieve its corporate objectives and priorities and enhance the value of services provided.

WHY HAS THIS REPORT COME TO THE EXECUTIVE?
(eg Key Decision, Policy recommendation for Full Council, at request of Council, etc.)

The report provides Members with the details of the revised Risk Management Strategy.

RECOMMENDATIONS: It is recommended that

The Executive considers and agrees the Risk Management Strategy.

The Risk Management Strategy and associated Strategic Risk Register are presented to Full Council for information and to raise general awareness of the Council's agreed approach to strategic risk management; and

All Members are subsequently invited to a Member Briefing Session regarding the Risk Management Strategy and Strategic Risk Register.

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1. **INTRODUCTION**

1.1 The Risk Management Audit carried out in 12/13 recommended that the Risk Management Strategy should be refreshed in line with current reporting practice set out in the Performance Management Framework and then reported to the Audit and Governance Committee and the Executive. The current Risk Management Strategy was approved in 2006.

1.2 Both corporate governance and risk management has become increasing important in ensuring robust and effective service delivery for local authorities. The revised Strategy (attached as Appendix A) outlines how Copeland Borough Council is taking on its responsibility to manage both risks and opportunities using a structured and

focused approach. It also builds on the recent Manager and Member training provided by Zurich.

2.   RISK MANAGEMENT STRATEGY

2.1 The Council has a statutory responsibility to have in place arrangements for managing risks. Risk Management covers the whole spectrum of risks and not just those associated with finance, health & safety, business continuity and insurance. It also includes risks associated with service provision, effectiveness and continuity, reputation, compliance with legislation and environment.

2.1 Risk Management strengthens the ability of the Council to achieve its corporate objectives and priorities and enhance the value of services provided. It provides a strategic tool in planning and decision making. The findings of the recent internal Risk Management Audit recommended that the Risk Management Strategy should be updated to reflect the current revised reporting practices in the Performance Management Framework.

2.2 The main changes to the strategy are:
*   It is a shorter and more concise document making it easier for the reader to understand how the Council manages risks
*   The risk management cycle has been updated in line with the recent Zurich training and best practice
*   The document incorporates the revised reporting practices as set out in the Performance Management Framework
*   A new section "Risk in Partnership" has been added to reflect the Council's vision and operating model as set out in the Council Plan 2013 -15
*   The roles and responsibilities have been simplified so that Members and staff are clear about their duties.
*   Risk Prioritisation Matrix has been added to the Appendix.

2.3   The attached Risk Management Strategy and Policy will be used as a basis to further embed risk management, which in turn will support the delivery of quality customer focused services within a clear framework of corporate governance.

3.   ALTERNATIVE OPTIONS TO BE CONSIDERED

3.1   Executive can decide to accept or reject the changes to the Risk Management Strategy.

4.   CONCLUSIONS

4.1   The revised Risk Management Strategy sets out our process for identifying, assessing and managing risks in order for the organization to achieve its strategic objectives while protecting resources to residents and other key stakeholders.

5.   STATUTORY OFFICER COMMENTS

5.1   The Monitoring Officer's comments are: Report sets out a robust and proportionate approach to risk management in line with recommended practice.

5.2   The Section 151 Officer's comments are: With increasing uncertainty on our funding and resource levels arising from the CSR 10 and now CSR13, alongside national policy changes, the identification and management of our strategic risks is vital for the council. The risk management strategy and register provides a robust process for us to identifies the strategic risks and devise appropriate responses

5.3   EIA comments are: No specific comments

5.4   Policy Framework comments are: The Risk Management Strategy is a key to managing the overall policy framework and delivering the Corporate Plan 2013 – 15.

5.5   Other consultee comments, if any:

6.   HOW WILL THE PROPOSALS BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?

6.1   The Risk Management Strategy sets out how the Councils will manage risks. The Strategic Risk Register which contains the Councils key risks will be monitored on a quarterly basis by Corporate Leadership Team.

7.   WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?

7.1   The report results in a clear strategy for managing risks and forms part of the Performance Management Framework.

List of Appendices

Appendix A - Risk Management Strategy
Appendix B – Risk Register

Copeland Borough Council

Risk Management Strategy
April 2013

1.   Introduction

The Council recognises it has a responsibility to manage risks as a key component of good corporate governance and is committed to embedding risk management into daily operations of the Council from setting of objectives, to service and financial planning through to departmental processes.

The objectives of the strategy are to:

- further develop risk management and raise its profile across the Council
- integrate risk management into the culture of the organisation
- embed risk management through the ownership and management of risk as part of all decision making processes including annual service planning and corporate plans.
- manage risk in accordance with best practice
- create effective processes that will allow the Council to make risk management assurance statements annually
- establish clear roles and responsibilities

This document sets out:

♦ Definition of risk management
♦ Our approach
♦ The risk management cycle
♦ Risk management and our existing processes
♦ Risk management in partnerships
♦ Roles and responsibilities

This strategy outlines how Copeland Borough Council is taking on its responsibility to manage both risks and opportunities using a structured and focused approach. The Council's Risk Management Policy Statement is attached - see Appendix 1.

2.   Definition of Risk Management?

Risk Management, amongst other definitions, can be defined as:

"The management of integrated or holistic business risk in a manner consistent with the virtues of economy, efficiency and effectiveness. In essence it is about making the most of opportunities (making the right decisions) and about achieving objectives once those decisions are made. The latter is achieved through controlling, transferring and living with risks." *ZMMS/SOLACE, Chance or choice? July 2000.*

Risk Management is a strategic tool and is an essential part of effective and efficient management and planning. Risk can be classified as either strategic risks that impact on the medium to long term objectives of the Council or operational risks that are associated with the day – to day activities of the Council.

3. Our approach

The Council will seek to embed risk management into its culture, processes and structure to ensure that opportunities are maximised. Copeland Borough Council will seek to encourage Members and staff to identify, understand and manage risks, and learn how to accept the right risks. Adoption of this strategy must result in a real difference in the Council's behavior.

4. The Risk Management Cycle

Implementing the strategy involves identifying, analysing, prioritisation, managing and monitoring risks.

Risk Identification:

Identifying and understanding the hazards and risks facing the Council is crucial if informed decisions are to be made about policies or service delivery methods. The risks associated with these decisions can then be effectively managed.

The identification of risks is derived from both a 'top down' (corporate) and a 'bottom up' (departmental service) process of risk assessment and analysis resulting in coverage of the whole Council.

Risks can be identified as strategic and/or operational. Appendix 2 shows the different categories of risk.

Risk Analysis:

Once risks have been identified they need to be systematically and accurately assessed using methods already used in the Council. If a risk is seen to be unacceptable, then steps need to be taken to control it or respond to it.

Risk Prioritisation:

Following identification and analysis the risks will need to be evaluated according to the potential likelihood of the risk occurring and its impact if it did occur. A matrix is used to plot the risks and once completed this risk profile clearly illustrates the priority of each risk. The prioritization matrix is set out in Appendix 3.

Risk Management:

This is the extent by which organisations tolerate risks. It is assessing whether to control, tolerate, transfer or terminate the risk. Risks may be:-

Transferred: insurance/outsource/partnerships
Treated: mitigating the risk by managing down either impact/likelihood or both
Tolerated: understanding and living with the risk
Terminated: risk serious – only option to terminate the activity that is generating the risk

Risk Control:

Risk control is the process of taking action to minimise the likelihood of the risk event occurring and/or reducing the severity of the consequences should it occur. Risk control usually requires managers to identify and implement action plans to mitigate against the risks.

Risk Monitoring:

The risk management process does not finish with the risk control procedures in place. Their effectiveness in controlling risk must be monitored and reviewed. It is also important to assess whether the nature of the risk has changes over time.

The details for monitoring the risks are set out below.

5.   Risk Management and our existing processes

Identifying risks:

The Corporate Performance Framework in place incorporates risk identification via monthly performance meetings between managers and the Heads of Service and discussed at Corporate Leadership Team (CLT) monthly where the Strategic Risk Register is updated as needed.

Managers are required to consider risk when assessing new initiatives or proposing savings to existing service provision as part of the annual service planning and project approval process.

Partnerships will be assessed for risk prior to the Council agreeing to become a member. Approval will be required by CLT.

Recording the risk:

All risk are recorded on the Strategic Risk Register and/or the departments Operational Risk Register. Operational risks are recorded on the Covalent Performance Management System.

Where there are major risks identified by projects, these will be recorded on a project risk log.

Monitoring and review:

The Operational Risk Register is reviewed by the Managers and Heads of Service as part of the performance monitoring meetings with any significant issues reported to CLT via the Top Facts.

The Strategic Risk Register is reviewed monthly by CLT with quarterly monitoring report going to the Audit and Governance Committee.

An annual review of the overall process by Internal Audit will be reported to CLT and Members on its effectiveness.

6.   Risk Management in Partnership

As the Council is increasingly using partnership working to deliver its priorities and services, it is essential that:

• The risks associated with working in partnership with other organisations have been
  identified. Some of these risks can be managed through formal contracts and
  partnership agreements.
• Partnerships have effective risk management procedures in place.
• A risk assessment should be carried out prior to entering into any partnership and
  should be monitored throughout.
• There should be a system to regularly review the risks.

7.   Roles and responsibilities in Risk Management

The following describes the roles and responsibilities that Members and officers will play in introducing, embedding and owning the risk management process**:-**

Who	Roles & Responsibilities
Members	• To ensure the effective management of risk by officers of the Council • To gain an understanding of risk management and its benefits • To require officers to develop and implement an all-encompassing approach to risk management.

Executive members	• Approving the Risk Management Strategy and policy statement. • Influence the culture of risk management within the Council including determining whether it is risk averse or a risk taker and what type of risk is acceptable or unacceptable. This therefore determines the Councils appetite and tolerance to risk • Active in the process of identification and evaluation of corporate risks and appropriate application of the 4Ts. • To approve the major decisions affecting the Councils risk profile • Commissioning and reviewing an annual assessment of the effectiveness of the risk management and internal control framework • Approving the public disclosure of the annual outcome of this assessment (the assurance statement), and publishing it in the annual Statement of Accounts (or Audit Committee function if allowable) • Ensuring an open and receptive approach to solving risk problems is adopted by all members • To ensure the Council makes prudent recognition and disclosure of the financial and non-financial implications of risk to satisfy itself that the less significant risks are being actively managed by Officers and/or appropriate controls.
Audit & Governance Committee	• Monitoring the effectiveness of the Council's risk management and internal control arrangements across the Council • Receiving and reviewing quarterly monitoring reports • Making recommendations to the Executive which improve the effectiveness of the Council's risk management and internal control arrangements.
Chief Executive, Directors and Heads of Service (Corporate Leadership Team)	• To ensure that the council manages risk effectively through the development and monitoring of a comprehensive risk management strategy • To act as the Corporate Risk Management Working Group • To ensure that the requirements of Corporate Governance reporting are met • To develop the corporate Risk Management Strategy and communicate to elected Members • To promote and oversee its implementation across the Council • To monitor and review the effectiveness of the Risk Management Strategy • To agree any inputs and resources required to support the

	work corporately
	• To identify areas of overlapping risk
	• To identify and communicate risk management issues to departments
	• Consider issues/reports raised through Performance Monitoring
	• To advise Executive of any significant risk and or action plan required.
Departmental Management Teams	• To ensure that risk is managed effectively in each service area within the agreed corporate strategy
	• To feed into the development of the corporate Risk Management Strategy from a service specific perspective
	• To ensure that the strategy is implemented effectively across its services
	• To identify strategic and operational risks associated with its service and report accordingly
	• Identifying risks through the service planning process
	• To liaise as appropriate with external agencies in identifying and managing risk
	• To work with the finance department in assessing departmental insurance requirements
	• To disseminate the detail of the strategy and allocate responsibilities for implementation to service managers and staff
	• To establish the training requirements of managers and staff with regard to strategy implementation.
Employees	• To manage risk effectively in their job
	• To liaise with their line manger to assess areas of risk in their job
	• To identify new or changing risks in their job and feed these back to their line manager
Internal Audit	• To provide assurance to officers and Members on the effectiveness of controls
	• To challenge and test risk management processes
	• To have regard to the risk strategy assessments in determining the audit programme
	• Report annually to Audit & Governance committee on the effectiveness of internal control mechanisms as part of the review of corporate governance arrangements.
Accountancy	• To inform investment decisions made by the council
	• To assess the financial implications of strategic policy options

	• To provide assistance, advice and training on budgetary planning and control • To ensure that the Financial Ledger allows effective budgetary control • To negotiate insurance cover in liaison with departments
Legal services	• To provide legal advice to departments on the legality of policy and service delivery choices • To update departments on the implications of new or revised legislation • To support any litigation cases
Human resources	• To provide advice to departments on any human resource issues relating to strategic policy options or the risks associated with operational decisions • To commission risk management training
Policy & Transformation	• To provide advice on the implications of potential service actions for the Council's corporate goals and objectives • To support CLT in the development and delivery of the Strategic Risk Register • To provide programme office advice and assistance to the Change Programme Board
Health & Safety	• To advise on any Health & Safety implications of the chosen or proposed arrangements for service delivery. • To provide an inspection role in relation to Health & Safety duties.

8.   Conclusion

The adoption of a sound risk management approach should achieve many benefits for the Council. It will assist in demonstrating that the Council is continuously improving and will go a long way to demonstrating effective corporate governance.

The challenge is to implement a comprehensive risk management process without significantly increasing workloads. This should be achieved in part by making risk management part of existing processes and reviews rather than treating it as a separate function.

RISK MANAGEMENT POLICY STATEMENT

Copeland Borough Council is committed to identifying and managing risks affecting the organisation. The Council recognises that some risks will always exist and will never be completely eliminated. However, the Council recognises its responsibility to manage risks effectively and supports a structure and focused approach to managing them by approval of this Risk Management Policy.

By doing this it aims to:
- Better achieve its corporate objectives and priorities
- Manage its resources effectively
- Improve the quality of its business decisions
- Anticipate and respond to change (e.g.: social, environmental, legislative and their associated risks) in a proactive and systematic way
- Prevent loss or injury to its staff and the public
- Provide greater protection of its assets and guard against impropriety or poor value for money
- Enhance corporate governance
- Reduce complaints against the council
- Protect the reputation of the Council and increase community confidence
- Minimise the number of incidents which require internal investigation
- Reduce the cost of insurance, incidence of claim and improve the Councils ability to defend claims

To achieve these aims and objectives the Council will:
- Raise awareness of the need for effective risk management, by all those connected with service delivery, through advice and training; and provide opportunities for shared learning.
- Introduce risk management systems and processes which conform to best practice
- Determine the Councils appetite or tolerance to risk
- Allocate resources to identified priority areas
- Establish clear roles, responsibilities and reporting lines for risk management within the Council
- Incorporate risk management into the business planning process and embed risk management within the culture of the organisation
- Incorporate risk management into reviews of services
- Incorporate risk management into all substantive service developments and projects
- Monitor risk management arrangements on an ongoing basis

Risk Identification

STRATEGIC Fundamental decisions regarding an organisations objectives	OPERATIONAL. Decisions regarding operational activity to support an organizations objectives
Political Associated with failure to deliver either local or central government policy, or to meet the local manifesto commitments.	**Business Continuity** Associated with interruptions to the council's ability to provide a service e.g. through loss of facilities, staff, IT etc.
Economic Affecting the ability of the Council to meet its financial commitments e.g. internal budgetary pressures, failure to purchase adequate insurance provision, external macro level economic changes, consequences of investment decisions.	**Financial** Associated with financial planning and control and the adequacy of insurance cover.
Social Relating to the effects of changes in demographic, residential or socio-economic trends on the Council's ability to deliver its objectives.	**Legal & Professional** Related to possible breaches of legislation or failure to follow council policies and procedures.
Legislative Associated with current or potential changes in National or European Law.	**Physical** Related to fire, security, accident prevention and health and safety.
Sustainability Relating to the environmental consequences of progressing the Council's strategic objectives (e.g. in terms of energy efficiency, pollution, recycling, landfill requirements, and emissions, etc.).	**Contractual** Associated with the failure of contractors to deliver services or products to the agreed cost or specification.
Partnership Associated with working with other councils, agencies and the private and voluntary sector to deliver the Council's strategic objectives.	**Environmental** Relating to pollution, noise or energy efficiency of ongoing service operations.

Risk Prioritisation matrix
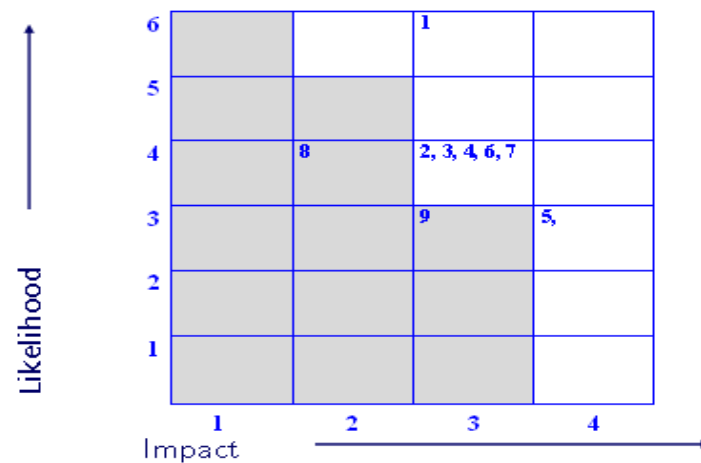
Likelihood:

6 = Very High

5 = High

4 = Significant

3 = Low

2 = Very Low

1 = Almost Impossible

Impact:

4 = Catastrophic

3 = Critical

2 = Marginal

1 = Negligible

The impact – this being the extent to which the issue (assuming it were to manifest itself to the degree defined in the consequences) would impact on the organisation's ability to achieve its vision and priorities

The likelihood – taking into account existing measures to manage the issue and (not those planned or not yet in operation) how likely is the impact to occur within the timeframe of the Corporate Plan

Strategic Risk Register 2013/14

Risk Description 1:	Securing financial viability							
Risk Score		Likelihood - Very High (6), Impact - Critical (3)						
Vulnerability/contributing factors	**Trigger(s)/Event(s)**	**Potential Impact/Consequences**	**Risk owner**	**Date Identified**	**Action/ Controls already in place**	**Required management action/control**	**Critical Success Factors & KPIs**	**Review date**
• Following the recent budget announcement, the settlement has given even more uncertainty • A number of national policy changes which impact on finances e.g. localised business rates and council tax • Volatility of finances e.g. over or under achieving • Scale and pace of the financial targets • Limited or unknown ability to secure additional income (link to assets)	• Medium Term Financial Plan (MTFP) identifies 2.5 million reduction over 2 years • Failure to define core business • Not achieving buy in to make that reduction • Securing the decision • Implementation of the savings • Unknown Settlement • Impact of County Council decisions e.g. recycling • Cuts in other public services – impact on the Council – leading to increase demand of council services	• Not being able to fund core business • Affect the most vulnerable in society • Increase demand on services e.g. homelessness • Lead to a different change programme • Less prepared for alternative delivery models • Credibility/Reputation (personally and as an organisation) • Inability to achieve investment in priority areas based on evidence/need • Slash and burn	Chief Executive with Head of Corporate Resources	05/07/12	Change Board established to oversee the corporate change programme Close scrutiny of the MTFS A clear process for delivering a policy lead budget agreed	Continuing close scrutiny of MTFS Monthly budget monitoring Change Programme Board meets regularly to deliver planned actions	Monthly budget monitoring Achieve outcomes and targets for all projects Change Programme Board meets regularly	Monthly

1

Risk Description 2:	Lack of capacity, resources and capability to deliver the change programme							
Risk Score		Likelihood –Very High (6), Impact - Critical (3)						
Vulnerability/contributing factors	**Trigger(s)/Event(s)**	**Potential Impact/Consequences**	**Risk owner**	**Date Identified**	**Action/ Controls already in place**	**Required management action/control**	**Critical Success Factors & KPIs**	**Review date**
• Scale and pace of change – immediate volume of work • Imperative behind the changes (incremental change not sufficient) • Managing and leading the change (significant transformation required) • Change fatigue (3 years) • Transformation change 'v' normal service delivery • Risk of losing key staff – staff thinking what's best for them • Recruit and retain elected members	• Loss of key staff • Reliance on good will (pushed too far) • Failure to define core business • Partnership breakdown (over reliance on partnerships) • Prioritisation – failure to prioritise • Leadership and management of the change programme insufficient • Insufficient capacity to deal with the scale and pace of change required • Loss of existing elected members	• Business Continuity • Organisational resilience • Don't deliver key services • Performance declines • Core services don't get delivered to those who most need them • Reputation • Staff absenteeism • Morale	Chief Executive	05/07/12	New Corporate Leadership team in place & Change Programme Board established New Performance Appraisal System in place Core curriculum devised & delivered Competency Framework in place North West Employers continue to support Process for delivering policy led budget devised & underway Resources	Change Programme Board to deliver change programme. CLT to monitor organisational performance & wellbeing Continue with change support for staff Change Management Policy C2C Budget to support organisational change Transition Funding	Employee & Resident satisfaction Change Programme Board to deliver change programme on time & to standard Staff turnover Absenteeism Staff retention	Quarterly

2

						allocated and underway for Organisational Development		
						Member Development Member briefings		

Risk Description 3:	Challenge/Judicial review							
Risk Score		Likelihood - Low (3), Impact - Critical (3)						
Vulnerability/contributing factors	**Trigger(s)/Event(s)**	**Potential Impact/Consequences**	**Risk owner**	**Date Identified**	**Action/ Controls already in place**	**Reguired management action/control**	**Critical Success Factors & KPIs**	**Review date**
• Decisions that will have an impact on local communities • Potential reduction in discretionary services (high visibility) • A safe decision (appropriate and timely decision) – process needs to be proportionate, robust and safe • Community appetite to challenge decisions unknown	• Failing to consult or communicate appropriately • Failure to deliver to the timetable • Risk of pre-determination • Ineffective process in place • Insufficient resources devoted to the decision-making process	• Financial loss • Reputation damage • Need to start the process again • Lost time • Lost saving (linked to MTFS)	Chief Executive with Head of Policy & Transformation	05/07/12	Project Management Training delivered Policy Forecast Change Programme Board established Decision making process devise and agreed Equality Scheme and approach to EIAs agreed. Public Consultation complete	Consultation plan and delivery mechanism to be agreed Key stakeholders to be engaged	Consultation plan devised and delivered on time. Engage key stakeholders	Monthly

3

Risk Description 4:	Maintaining focus on the Council's core business							
Risk Score		Likelihood - High (5), Impact - Critical (3)						
Vulnerability/contributing factors	**Trigger(s)/Event(s)**	**Potential Impact/Consequences**	**Risk owner**	**Date Identified**	**Action/ Controls already in place**	**Required management action/control**	**Critical Success Factors & KPIs**	**Review date**
• Gaining consensus over core business • Gaining agreement about what to stop • Ineffective employment of resources	• Maintain focus on core business • Not following through on a decision • Holding the line	• Business Continuity • Organisational resilience • Performance falls • Affect the most vulnerable in society • Inability to achieve investment in priority areas based on evidence/need • Reputation	Chief Executive	05/07/12	Change Programme Board established Decision making process agreed Performance Management Framework established MTFS	Effective communication with stakeholders, partners and staff Consultation plan to be agreed and delivered Continue to monitor MTFS Corporate Plan Service Plans Stops List Change Programme Board established	MTFS Customer Satisfaction – new target and regular monitoring Budget delivered Service Plan delivery monitoring by CLT	Quarterly

Risk Description 5:	Inability of the Council to make the necessary decisions in a timely way							
Risk Score		Likelihood – Significant (4), Impact - Critical (3)						
Vulnerability/contributing factors	Trigger(s)/Event(s)	Potential Impact/Consequences	Risk owner	Date Identified	Action/ Controls already in place	Required management action/control	Critical Success Factors & KPIs	Review date
• Emotional response to make decisions • Unpopular decisions • Close knit community • Elected members learning in their roles • Cross council support	• Decisions overturned • Individuals choosing to not participate in decision making • Maintaining decisions	• Don't get clarity • Can't deliver the MTFS • Political fallout • Uncertainty • Reputation damage • Morale issues	Chief Executive with Director of Services	05/07/12	Change programme Board established Decision making process agreed Joint regular sessions with Informal Executive Regular Member briefings on key issues. Member & staff engagement Setting priorities	Effective communication with stakeholders Continued staff engagement Communicate need for change Scenario Planning Training & Development programme for Officers and Members	MTFS Consultation plan devised and delivered	Monthly

Risk Description 6:	Making partnerships work during times of significant change						
Risk Score		Likelihood - High (5), Impact - Critical (3)					
Vulnerability/contributing factors	**Trigger(s)/Event(s)**	**Potential Impact/Consequences**	**Risk owner**	**Date Identified**	**Action/ Controls already in place**	**Required management action/control**	**Critical Success Factors & KPIs**	**Review date**
• Some partners are in the same position (public sector partners e.g. austerity measures) • Capacity is therefore reduced • Not sure which partners the Council is reliant on (which partners are most important to deliver the change agenda) • Strategic alignment of key partnerships • Reducing partnership arrangements to a small number of	• Each agency having to make its own savings • Lack of joined approach to savings programme and impact analysis • Retrenchment of partners • Lack of capacity to work together on known issues • Taking resources out of partnership arrangements (cash and people) • Will need to re-prioritise partnership arrangements around agreed priorities • The need for new and different partners	• Ability to work differently in the future to maintain service provision • Reputational impact • Ability to maintain key relationships and the benefits associated with them	Director of Services	05/07/12	Copeland Partnership Assessment & Priority Process (link to Corporate Plan priority 2) Cumbria Chief Executive Officers group	Review partnerships and partnership arrangement Stakeholder/Partner Engagement Plan Priority Setting Match skills to deliver for the future Review of New Nuclear Governance Framework and Strategic Partnership Meetings	Number of relevant and sustainable partnerships	Quarterly

strategic partnerships Realising the best opportunities through partnership working	

Risk Description 7:	Failure to design services to meet the needs of the most vulnerable in the community							
Risk Score		Likelihood - High (5), Impact - Critical (3)						
Vulnerability/contributing factors	**Trigger(s)/Event(s)**	**Potential Impact/Consequences**	**Risk owner**	**Date Identified**	**Action/ Controls already in place**	**Required management action/control**	**Critical Success Factors & KPIs**	**Review date**
• Customers who are most vulnerable will be most affected by any reduction in service delivery • Role of a district council • Need to invest in service areas which support the most vulnerable in the community • Most vulnerable in	• Lack of evidence of need or impact • Taking decisions that have multiple impacts on the same communities • Not identifying opportunities to work differently to help maintain services for those most in need • Not engaging the hard to reach in the decision-making process	• Communities and residents suffer • Health-related impacts worsen • Community cohesion challenged • Demand for public services increase • Reputational issues for the Council • Staff morale as unable to help those most in need or sustain these services most needed	Director of Services	05/07/12	Key services being delivered for those in need. Partnership work around financial inclusion	Community Needs Analysis Consultation Plan devised and agreed Stakeholder Engagement Alternate ways of working analysis Working with partners around delivery	Ill Health IMD data Fuel Poverty Child Poverty Consultation respondent profiles EIA for services Investment Profile for each service Relevant and sustainable partnerships	Monthly

society experience multiple impacts • Most likely to be struggling at household level • Least likely to have a voice in the decision-making process								

Risk Description 8:	**Reputation – Deleted March 2013**

Risk Description 9	**The role of the Council within Nuclear and Energy sectors**							
Risk Score	**Likelihood - Very High (6), Impact - Critical (3)**							
Vulnerability/contributing factors	**Trigger(s)/Event(s)**	**Potential Impact/Consequences**	**Risk owner**	**Date Identified**	**Action/ Controls already in place**	**Reguired management action/control**	**Critical Success Factors & KPIs**	**Review date**
• Failure to represent the community nuclear and energy related projects, including issues relating to radioactive waste management and disposal • Failure to meet statutory obligations	• Failure to retain staff • Failure to retain skills • Inability secure funding for staff resource • NSIP and GDF programme slippage • PPA commitments not met	• Failure to represent the community • Inability to influence industry and government agenda to ensure recognition of Copeland's unique role in the sector • Failure to secure community benefits	Director of Services	12/9/12	On going match of staffing to external funding opportunities PPA's in place Engagement with industry and government – ensuring representing on national bodies	PPA monitoring, nuclear programme updated Review and implementation of governance structure for collaborative/partnership working within nuclear and energy sector	Milestones and regulatory requirements met	6 monthly

8

Vulnerability/contributing factors	Trigger(s)/Event(s)	Potential Impact/Consequences	Risk owner	Date Identified	Action/ Controls already in place	Reguired management action/control	Critical Success Factors & KPIs	Review date
through NSIP (Nationally Significant infrastructure projects) (New Build and New Grid) process. • Failure to support commitments to GDF process		• Failure to regeneration and economic benefit from new development			and representative groups			

Risk Description 10:	Meeting statutory responsibilities during a time of budgetary change							
Risk Score	Likelihood - High (5), Impact - Critical (3)							

Vulnerability/contributing factors	Trigger(s)/Event(s)	Potential Impact/Consequences	Risk owner	Date Identified	Action/ Controls already in place	Reguired management action/control	Critical Success Factors & KPIs	Review date
• Failure to identify all statutory obligations and where these are met within the organisation • Impact of budget reductions on ability to carry out statutory duties • Failure to identify new and changing requirements • Failure to retain	• Failure to retain critical organisational knowledge • Failure to retain staff	• Failure to achieve could result in financial penalties.	Chief Executive	08/08/12	Identified different service types	Monitor new and emerging requirement Monitor continued delivery of existing requirements	Meet statutory requirements Meeting regulatory requirements e.g. INSPIRE Investment required to meet new/emerging statutory requirements	Quarterly

• sufficient critical • Financial penalties • Failure to retain critical mass to meet statutory obligations							

Risk Description 11:	NNDR & the Growth Strategy						
Risk Score	Likelihood - High (5), Impact - Critical (3)						
Vulnerability/contributing factors	**Trigger(s)/Event(s)**	**Potential Impact/Consequences**	**Risk owner**	**Date Identified**	**Action/ Controls already in place**	**Required management action/control**	**Critical Success Factors & KPIs**	**Review date**
• Changes in Local Government Finance means that income from NNDR is no longer guaranteed due to new collection procedure • Growth of businesses does not happen and level of appeals means overall rateable value drops • Success & strength of LEP	• Businesses enter into the appeals procedure • Failed /successful bids (eg RGF)	• Loss of income (£165,000) if drops below base level • Loss of funded growth projects • Stalled development	Chief Executive	27/03/13	Service Plans Corporate Plan Pipeline development projects Albion Square construction NDA property strategy	New monthly monitoring of NNDR Councils response to Hestletine's review (TBA) New Growth Strategy (TBA) Role of the Council on LEP (TBA) Prioritisation of BEC enabling funding Council lead on SL Socio economic working group and plans Whitehaven Town	NNDR Collection performance No of bankruptcies Number of appeals No of new business start ups Total rateable value outwith Sellafield Developments completions	Quarterly

							Centre MasterPlan		

Risk Description 12:	**Maintaining the Robustness and Integrity of Business Systems**								
Risk Score	**Likelihood - Significant (4), Impact - Critical (3)**								
Vulnerability/contributing factors	**Trigger(s)/Event(s)**	**Potential Impact/Consequences**	**Risk owner**	**Date Identified**	**Action/ Controls already in place**	**Required management action/control**	**Critical Success Factors & KPIs**	**Review date**	
• At a time of downward budget pressures and significant organisational change we need to continue to invest in underlying business systems to ensure systems remain fit for purpose and ensure Business Continuity	• Implementing the vision and the role of the Council 2015 • Upgrades • Information Security • Digitalisation - part of the change programme • Audit & Inspection • Business Continuity	• Business Continuity • Organisational resilience • Performance declines • Service delivery interrupted/ delayed. • Reputation	Chief Executive	05/06/13	Change Board oversee the change plan IT policies & procedures Improved Information Management & procedures Active approach to known issues Planned approach to IT upgrades & swap outs Consider approach to IT investment	Invest in underlying business systems IT strategy work Planned approach to Digitalisation of services Monitoring of planned approach to IT investment Issues monitoring by Change Programme Board	Availability of key systems Minimising outage Return on Investment for IT Compliance with regulation standards	Monthly	

Horizon Scanning – Risks that can be identified but insufficient detail to action at this time

- Welfare Reform – Universal credit
- Local Land Charges Litigation
- Local Government Finance Bill
- Resource/Capacity – single points of failure
- External Funding
- Emergency Planning situations – impact on resources
- New GDF Process
- Data Management

<u>**Risk Matrix**</u>

The Strategic Risk Register contains risk scoring. Two scores are given on each risk; one of the likelihood that the risk could happen (6=Very High to 1=Almost Impossible) and second, what the scale of the impact could be if that risk occurs (4=Catastrophic to 1=Negligible).