

Report of the Acting Corporate Director for Resources

STRATEGIC RISK REGISTER (SRR) Q1 2012/13 UPDATE
AND 2011/12 ANNUAL REVIEW

1. **REPORT PURPOSE**

- 1.1 This is the Q1 2012/13 (as at July) update of the Council's SRR and Annual Review of 2011/12 presenting the progress made in reducing the threat level for each strategic risk from their original position.
- 1.2 At its 1 June meeting Audit Committee selected two strategic risks for more detailed scrutiny; *SR3 – Failure to mitigate the impact of the economic climate on the Nottingham City and its citizens* and *SR12a - Failure to provide the best educational outcome for children and opportunities for young people*. Risk owners attend to provide more information and respond to questions on selected risks.

2. **RECOMMENDATIONS**

Audit Committee is recommended to:

- 2.1 Consider the strategic risks *SR3 – Failure to mitigate the impact of the economic climate on the Nottingham City and its citizens* and *SR12a - Failure to provide the best educational outcome for children and opportunities for young people* (see **Appendix 1 and 2**) for more detailed review following selection by Audit Committee at its 1 June meeting.
- 2.2 Consider and critically appraise the progress made on reducing the seriousness of the Council's strategic risks as reflected by their threat levels and Direction of Travel (DoT) for Q1 2012/13 (**Table 1** and **Appendix 3**) and for the year 2011/12 (**Appendices 4**);
- 2.3 Note the results of the review of the SRR by CLT.
- 2.4 Select a number of strategic risks from **Appendix 3** for specific scrutiny as part of the SRR Q2 2012/13 Update. Selection might be based on the time elapsed since the risk was last reviewed, changes in the risk's Threat Level (or DoT) or relevance to current local or national matters of interest or concern. Audit Committee expressed an interest at its 1 June meeting in reviewing progress on *SR26 - Failure to support Nottingham citizens and communities to cope with welfare reforms*.

3. **REASONS FOR CONSIDERATION**

- 3.1 The Audit Committee's key risk management role is to provide assurance on the adequacy of the Council's Risk Management Framework and the associated control environment by reviewing the mechanisms for assessing and managing risk.

Part of this responsibility is to ensure active risk management is undertaken by relevant managers. This report presents the latest CLT review of the strategic risks faced by the Council.

4. THREAT LEVEL REDUCTION PROGRESS

4.1 Progress in reducing the seriousness of our strategic risks is assessed by a combination of each risk's overall threat level and its Direction of Travel (DoT). This rounded assessment gives a clearer picture of progress in reducing the risk threat level. Table 1 (below) lists the risks in the SRR and presents for each the most recent change to the overall Threat Level and DoT.

4.2 Overall progress continues in reducing the threat levels of the strategic risks we face, with several risks in the SRR assessed by risk owners as improving, stable or at target. However, **seven** risks are red rated reflecting a range of delivery pressures and challenges the Council has to respond to.

4.3 For the 17 strategic risks within the SRR:

- **Four** strategic risks are now at target
- **Two** strategic risks have shown a significant reduction in threat level on Q4
 - *SR1 - Failure to implement harmonised pay, grade & terms & conditions*
 - *SR10 - Failure to maintain good standards of governance*
- A further **three** strategic risks show an improved DoT
- However, **one** strategic risk shows a deteriorating position
 - *SR26 - Failure to support Nottingham citizens and communities to cope with welfare reforms*

4.4 **Table 1** shows the strategic risks ranked in order of Threat Level and DoT (highest to lowest Threat Level):

TABLE 1: Risk Threat Level & DoT in rank order at Q1 2012/13			
SR No.	Strategic Risk Description	Threat Level	DoT (Q4–Q1)
Red rated strategic risks			
26	Failure to support Nottingham citizens and communities to cope with welfare reforms	16	↑
19	Failure to deliver Council Plan priorities	16	↔
6	Failure to safeguard vulnerable children	15	↓
3	Failure to mitigate the impact of the economic climate on Nottingham City and its citizens	12	↔
11	Failure to address medium term financial pressures in a sustainable way	12	↔
12a	Failure to provide the best educational outcome for children and young people	12	↔
14	Failure to deliver culture change	12	↔

TABLE 1: Risk Threat Level & DoT in rank order at Q1 2012/13 (continued)			
SR No.	Strategic Risk Description	Threat Level	DoT (Q4–Q1)
Amber rated strategic risks			
2	Of the reputation of the City	9	↔
8a	Failure to implement and embed effective information management structures, policies, procedures, processes	9	↓
10	Failure to maintain good standards of governance	12 to 9	↓
27	Failure of Workplace Parking Levy to raise sufficient income to meet NET Phase Two funding requirements	9	↓
5a	Failure to safeguard vulnerable adults	8 At target	↔
7	Failure of NCC's contribution to reduce crime and the fear of crime	8 At target	↔
16a	Failure of partners including the City Council to work effectively together	8 At target	↔
25	Failure to deliver improved outcomes through the Commissioning Framework	8	↔
1	Failure to implement harmonised pay, grade & terms & conditions	12 to 8	↓
24	Failure to ensure effective systems are in place to manage health and safety risks	6 At target	↔
Green rated strategic risks – There are no green rated risks at Q1.			

DoT key: ↓ Reducing Threat Level ↔ Stable Threat Level ↑ Increasing Threat Level

Appendix 3 identifies individual risk owners, detailed risk threat level assessments between November 2011 (Q2 2011/12) and June 2012 (Q1 2012/13) and the projected dates when target threat levels will be achieved.

4.5 Review of new, emerging and existing SRR risks

SR1 - Failure to implement harmonised pay, grade & terms & conditions, that are fair to all colleagues & Equal Pay legislation compliant. This is a long standing risk which entered the SRR in April 2008 assessed as 16. Over the past year work has focussed on teaching support staff and centrally based Teaching Assistants. The constituent risk from a lack of engagement by schools has been mitigated through Head Teacher briefings, identification of Single Status coordinators and written guidance from the Single Status Team. This work has contributed to a reduction in the overall threat level from 12 to 8.

SR3 - Failure to mitigate the impact of the economic climate on Nottingham City and its citizens is a long standing risk which entered the SRR in April 2008. Initially assessed at 12, the risk has typically remained at a high threat level to date reflecting the difficult and ongoing global and national economic position and the limited scope for control of the risk where activity centres on work with partners to influence the local economic environment.

The RMAP has been updated for Q1 reporting and shows an improved threat assessment for two of the constituent risks resulting from additional investment secured for business support activity and major development schemes such as NET 2, A453 and Digital Infrastructure which are anticipated to generate jobs and money in the local economy. Currently the highest constituent risk in the RMAP is *Failure with our partners to promote conditions to facilitate private sector growth* which shows a deteriorating position on the Q4 position (6 to 12). This assessment reflects external developments in terms of the eurozone crisis and national economic indicators.

The effectiveness of mitigation activity is evaluated on an ongoing basis and early warning indicators, such as the unemployment rate, have been identified in support of this work.

SR7- Failure to reduce levels and the fear of crime and anti-social behaviour (ASB) was identified for review by the Corporate Director Communities in Q2 2011/12 in response to revised Council Plan priorities, new manifesto commitments and the emerging crime and disorder issues from the disturbances in the summer.

When originally selected for review, the intention as set-out in the SRR Q2 2011/12 update to CLT was to engage key service areas across the crime and anti-social agenda in a review of the risks and preparation of an updated RMAP to develop a joined up approach to the management and monitoring of risks and management responses to strengthen collective buy-in to the management of the risk from across departments.

The Corporate Director has since chosen to re-scope the risk around a failure to meet manifesto targets for reducing levels of crime and ASB. The intention is for a revised RMAP to be available for review as part of the SRR Q2 Update.

SR10 - Failure to maintain good standards of governance entered the SRR in December 2008 and has remained largely stable at 12. For the SRR Q1 Update the risk has been reassessed as improving to 9. This improvement follows training and awareness raising aimed at ensuring wider understanding of the constitution and financial regulations. This coupled with simplification and adoption of a revised scheme of delegation has contributed to improved compliance as anecdotally evidenced by a steep increase in the amount of delegated decisions processed at a Portfolio Holder and officer level by Constitutional Services. Work is underway to develop corporate online training and an e-Form with workflow which will enable an adaptive process matched to specific delegated decisions which would deliver a number of benefits including improved timeliness, transparency, decision making, reduced bureaucracy and ultimately contribute to further improvements in standards of governance.

SR12a - Failure to provide the best educational outcome for children and young people was selected by Audit Committee at its 1 June meeting for review. The Committee expressed particular interest in understand the risks around the management of school places. A constituent risk exists in the RMAP scoped around the *Lack of financial capital to address shortage of school places in areas of significant demographic growth*. This was initially assessed at Q2 2011/12 at 25 and has remained the highest risk within the RMAP.

The Education and Inspections Act (2006) places upon Local Authorities a statutory duty to ensure there are sufficient school places for children aged 5 -16, provide diversity of school provision and promote parental choice. The ability of LA's to meet this duty is under pressure form both demographic and national government policy changes. The pupil projections data is showing a projected growth from 2009/10 to 2013/14 of 12.6% across the whole primary age range and of 17% for those children entering the school system age 5.

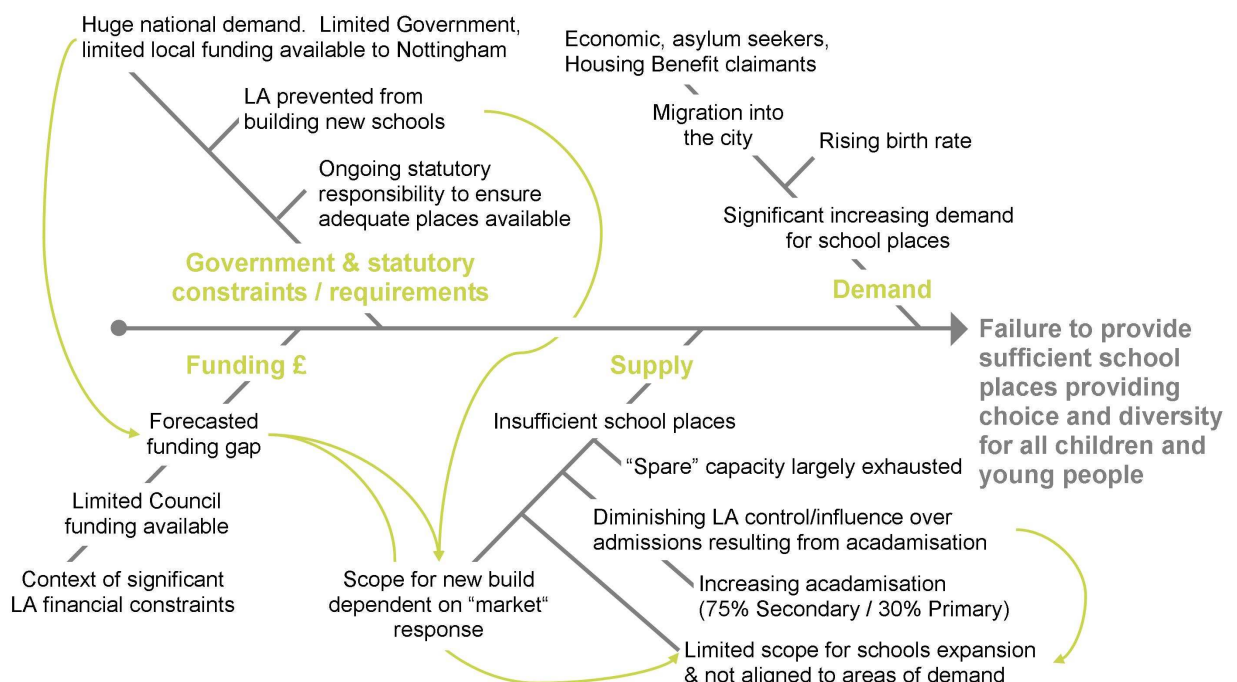
Of particular concern is that as larger cohorts leave primary at Year 6, the year on year increase will remove any remaining surplus capacity we have in the city. A programme of primary school expansion has been on-going since 2009 resulting in over a 1000 additional places. However, this has been matched by a trend of increasing demand for places causing further pressures.

Total head count (primary phase pupils)

Year	Head count
2010	23,177
2011	23,607
2012	24,250

The Academies Act 2010 adds a further challenge to Local Authorities by removing the option for LA's to provide new schools to meet additional demand. The presumption is that any new school provision will be through sponsorship of an academy or "free school" that is independent of the LA. This diminishes the scope of the Council to determine the "who", "where" and "when" of new school provision.

The following diagram provides an overview of the areas of risk, issues and uncertainty and how they relate to one another.



SR25 - Failure to deliver improved outcomes through the implementation and embedding of the Commissioning Framework within the directorate, the council and with partners: entered the SRR in Quarter 1 of 2010/11. Originally assessed as 16, the risk has now been stable at 8 for four consecutive quarters. A 3rd phase of the Commissioning Programme has recently been agreed at Transformation Steering Group which will focus on ensuring wider use and understanding of commissioning to drive improved services at lower cost. Work will be undertaken to update the RMAP for the SRR Q2 Update to reflect these changes and the progress made on this 3rd phase of the Commissioning Programme.

SR26 - Failure to support Nottingham citizens and communities in minimising any negative impact of welfare changes is now the Council's most serious risk assessed as 16 and showing a deteriorating DoT. Current indicative funding allocation suggests that the funding gap for developing Council Tax Support has increased from early estimates of £3.4m to closer to £6m. This brings further challenge to developing our local Council Tax Support scheme and managing the risks associated with minimising financial impact on citizens and the financial risks to the Council.

Work to address these risks is focussed on modelling the impact on households to shape a localised Council Tax Support scheme that where possible limits the economic impact on households, whilst aiming to reduce the financial gap. This work will lead to consultation with relevant parties, and development and implementation of an effective policy response.

New risk - Failure to create an organisational environment that supports delivery of council priorities seeks to bring together two long standing strategic risks, *SR14 - Failure to deliver culture change* and *SR19 - Failure to deliver Council Plan priorities* providing a more coherent approach to the management of the risks and reflects management accountability. CLT considered a draft RMAP at its 10 July meeting and asked that further consideration be given to the scoping of this risk prior to the RMAP being included for consideration as part of the SRR Q2 Update.

New risk - Failure to ensure a financially sustainable adult social care system is in place able to respond to the significant increase in demand for care and at the same time protects our most vulnerable citizens: This risk aligns with the "Big Ticket" Adult Social Care programme. Running from December 2011 through to March 2014, the programme has three main objectives a) delivering short and long-term savings, b) ensuring a financially sustainable care system, and c) responding to national policy drivers around personalisation, greater citizen choice, and brings together all significant change activity across the area of adult social care.

Work began in Quarter 3 2011/12 to consider the risks to the delivery of the programme and has continued with key stakeholders who are now actively engaged in the identification and assessment of both risks and opportunities, these stakeholders include a senior colleague from Health and the portfolio holder for Housing, Adults and Community Sector. Further work is planned to agree target risk ratings, risk appetite and mitigating actions (including their ownership) with key stakeholders and this will be incorporated into an updated RMAP which will be reported as part of the SRR Q2 Update for consideration by CLT as part of the SRR for inclusion to the SRR.

5. REVIEW OF PROGRESS MADE DURING 2011/12 IN MANAGING THE COUNCIL'S STRATEGIC RISKS

5.1 Significant progress was made during 2011/12 to manage and reduce the threat levels of the Council's strategic risks despite the financial and economic pressures. During 2011/12 work to manage the Council's strategic risks resulted in:

- **One** new strategic risk (SR27);
- **Five** strategic risks having threat levels reduced to such an extent that they were delegated to their respective Corporate Directorate Risk Registers (SR4, SR9, SR13, SR22, SR23);
- **Seven** strategic risks having reduced threat levels or being at target by Q4 (SR5a, SR7, SR8a, SR16a, SR24, SR25, SR27);
- **Nine** strategic risks showing no change in terms of threat level (SR1, SR2, SR3, SR6, SR10, SR11, SR12a, SR19, SR26);
- **Non** of the strategic risks had increased threat levels at Q4 compared with Q1;
- **Six** strategic risks reviewed/re-scoped, or work commenced (SR2, SR3, SR7, SR14/19, SR26).

Appendix 4 provides a summary of changes to the composition of the SRR during 2011/12 and the rationale for each and how the risk and its management have evolved since the change.

5.2 Audit Committee has an important role in ensuring the adequacy of the Council's Risk Management Framework (RMF) and the associated control environment. As part of the SRR Quarterly Updates, Audit Committee selected and received for review six Risk Management Action Plans covering the Council's most important strategic risks with risk owners attending meetings to provide a verbal briefing and answer questions:

- *SR6 - Failure to safeguard vulnerable children (Q2)*
- *SR8a - Failure to implement and embed effective information management structures, policies, procedures, processes (Q3)*
- *SR11 - Failure to address medium term financial pressures in a sustainable way Failure to support (Q3 & Q4)*
- *SR16a - Failure of partners including the City Council to work effectively together (Q1)*
- *SR26 - Nottingham citizens and communities to cope with welfare reforms (Q3)*
- *SR27 - Failure of Workplace Parking Levy to raise sufficient income to meet NET Phase Two funding requirements (Q2)*

In addition, Audit Committee reviewed and approved the updated Risk Management Framework Q2 2011/12.

6. FUTURE AUDIT COMMITTEE RISK REVIEWS

6.1 The provision to select strategic risks for review allows Audit Committee to direct attention to areas of risk considered potentially significant to the Committee's operations and remit. The Audit Committee is invited to select two strategic risks from **Appendix 3** for more detailed examination in the SRR Q2 2012/13 Update.

7. **FINANCIAL IMPLICATIONS**

7.1 There are no direct financial implications arising from this report. Actions to mitigate identified constituent risks are contained within the RMAPs. These actions will be positioned within the Council's Corporate Directorate and Strategic Service Plans and, as appropriate, inform the medium term service and budget planning process.

8. **RISK MANAGEMENT ISSUES**

8.1 These are dealt with throughout the report.

9. **LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION**

9.1 The following background papers were referred to in preparing this report:

- Quarter 1 2012/13 Strategic Risk Management Action Plans.

10. **PUBLISHED DOCUMENTS REFERED TO IN COMPILING THIS REPORT**

10.1 The following reports were referred to in preparing this report:

- SRR Q4 Update reported to Audit Committee 1 June 2012
- SRR Q3 Update reported to Audit Committee 2 March 2012
- SRR Q2 Update reported to Audit Committee 6 January 2012
- SRR Q1 Update reported to Audit Committee 23 September 2011

APPENDICIES

Appendix	Description
1	<i>SR3 - Failure to mitigate the impact of the economic climate on the Nottingham City and its citizens (RMAP selected for review by Audit Committee)</i>
2	<i>SR12a - Failure to provide the best educational outcome for children and young people (RMAP selected for review by Audit Committee)</i>
3	Nottingham City Council Strategic Risk Register - Report Summary
4	Changes to the composition of the Strategic Risk Register 2011/12

Sponsoring Corporate Director

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SR3 – Failure to mitigate the impact of the economic climate on Nottingham City and its citizens

In October 2008 CLT commissioned work to analyse the likely impact of the economic downturn on Nottingham citizens and businesses. Significant risks to the city were identified (see constituent risks below for current position). As a result, NCC began a programme of work to mitigate the impacts of the economic downturn on citizens and businesses and ensure the city is in a strong position to drive a recovery. Sustaining economic growth continues to be a challenge and experience of previous recessions suggests that recovery in the labour market will lag behind. We also expect Nottingham to be adversely affected by the cuts to public spending. Measurement of progress against this risk will be demonstrated through monitoring the Nottingham City unemployment rate which in May 2012 sits at 6.5%.

			Impact				
			Negligible (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
Likelihood	Remote (1)	(1)	1	2	3	4	5
	Unlikely (2)	(2)	2	4	6	8	10
	Possible (3)	(3)	3	6	9	12	15
	Likely (4)	(4)	4	8	12	16	20
	Almost certain (5)	(5)	5	10	15	20	25

Owner:	D. Bishop CD-Dev					Completed by:	J. Yarham / N Jenkins					Date completed:	Jun 2012		Review date:	Sep 2012				
RISK SUMMARY																				
Opening (Dec 10)			Previous (Q4 2011/12)			Current (Q1 2011/12)			Target (April 12)			Overall risk mitigation effectiveness (Adequate, Yet to secure improvement, Inadequate)								
Threat level (LxI=??)			Threat level (LxI=??)			Threat level (LxI=??)			Threat level (LxI=??)											
						DoT ↓ Improving ↔ Stable ↑ Deteriorating														
4	3	12	4	3	12	↔			4	3	12	↔			3	3	9	Yet to secure improvement		

CONSTITUENT RISKS TO BE MANAGED														
Risk Ref.	Constituent Risk Description	Opening Threat Level e.g. 2x4=8			Previous Threat Level e.g. 2x4=8			Latest Threat Level e.g. 2x4=8			DoT ↓ Improving ↔ Stable ↑ Deteriorating	Target Threat Level e.g. 2x4=8		
1	Failure to ensure with our partners that business support is fit for purpose now and in the future to take advantage of growth opportunities.				3	4	12	3	3	9	↓	2	3	6
2	Failure to influence our partners adequately to support Nottingham citizens in finding work (particularly DWP Work Programme and other JCP/SFA funding schemes)				2	3	6	2	3	6	↔	3	3	9
3	Failure to deliver a range of jobs and training opportunities for young people leads to higher levels of youth unemployment, disaffection amongst young people, loss of confidence in future prospects and low aspirations.				2	3	6	2	3	6	↔	2	3	6
4	Failure with our partners to create conditions to facilitate private sector growth locally.				2	3	6	3	4	12	↑	3	3	9
5	Failure to secure and retain funding/investment further delays and threatens the future viability of major physical development resulting in loss of potential jobs.				3	4	12	3	3	9	↓	3	3	9
6	Inadequacy of resources to deliver all required actions.	3	4	12				3	4	12	↔	3	3	9

EXISTING MANAGEMENT ACTIONS				ADDITIONAL MANAGEMENT ACTIONS			ALL
Risk Ref.	Description of actions already in place to mitigate the identified risks	Person accountable	Adequacy of those actions (Adequate, Yet to secure improvement, Inadequate)	Description of additional actions to put in place (mandatory where current risk mitigation effectiveness is "Inadequate")	Person accountable	Date action due to be completed	Review date
1/4/5	<p>Economic Resilience Forum (Strategic Priority 1 - World Class Nottingham p38)</p> <ul style="list-style-type: none"> • Resilience Forum to be reposition to undertake role of governing the Nottingham Growth Plan. 	JY	Adequate				Sep-12
4	<p>To support emerging growth sectors to ensure job creation.</p> <ul style="list-style-type: none"> • Low carbon, life science and digital content to be prioritised through the Nottingham Growth Plan. • Development of Nottingham Technology Grant Fund • Development of Nottingham Investment Fund • Development of business rates policy to support local growth • Development of Creative Quarter 	JY	Adequate				Sep-12

2/3	<p>Reducing unemployment across Nottingham</p> <ul style="list-style-type: none"> • Development of Working Nottingham strategy to identify partnership activity for reducing unemployment. Working Nottingham Operational Plan in place and being monitored by partnership. • To build ongoing relationship with JCP to align services and influence increased flexibilities. • To build relationships and influence work programme prime contracts to ensure local delivery meets local needs. • Employer hub to be developed to secure job opportunities for local people to ensure that vacancies are captured and targeted at those most at risk. • Development and implementation of Apprenticeship hub aligned with the Employer hub. • Delivery of more targeted Jobsfair for 2012 to connect local people with job opportunities. • Nottingham Jobs Fund Programme to create 130 job opportunities in 2012/13 targeted at 18-24 year old unemployed. • Development of Integrated employer engagement hub and youth employment hub as part of City Deal Process. 	JY	Yet to secure improvement				Sep-12
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1/4	<p>Identify opportunities for inward investment and exports following restructuring of UKTI (Strategic Priority 1 - World Class Nottingham No. 2 p40)</p> <ul style="list-style-type: none">• Build relationship with UKTI to position Nottingham within the national agenda.• Develop export strategy for target markets of China, Germany and India.• Development of 3 year inward investment strategy.• Development of action plan to target London based intermediaries• Development of incentives package to ensure Nottingham competitive to other UK cities.	JY	Yet to secure improvement				Sep-12
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4	<p>Maintain a vibrant city centre and thriving retail sector, including amongst independents. (Strategic Priority 1 - World Class Nottingham No. 2 p40) Development of city centre retail strategy and spatial strategy by Aug 2012. Amendments to car parking strategy to be made by Nov 2012. OMS events strategy to be produced. Action plan to address vacant units to be developed. Redevelopment of Broadmarsh</p>	JY	Adequate				Sep-12
1	<p>Provide targeted strategic business support (Strategic Priority 1 - World Class Nottingham No. 2 p40) • Launch and delivery of Nottingham Growth Plan • Growth 100 programme to be launched by Sept 2012 • Development of Nottingham Technology Grant Fund • Development of Nottingham Investment Fund</p>	JY	Adequate				Sep-12

1/2/4	<p>Identification of local business support requirements and development of tailored packages, alongside local providers, which could help drive jobs growth. (Strategic Priority 1 - World Class Nottingham No. 2 p40)</p> <ul style="list-style-type: none"> • Development and delivery of Nottingham Growth Plan • Submission of RGF bid to secure funds to support business development activity. • Low carbon, life science and digital content to be prioritised through the Nottingham Growth Plan. • Development of Nottingham Technology Grant Fund • Development of Nottingham Investment Fund • Development of business rates policy to support local growth • Development of Creative Quarter • Development of business rates policy to support local growth • Development of Creative Quarter 	JY	Adequate				Jul-12
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2/4	<p>Improve skill levels for local businesses (Strategic Priority 4 – Working Nottingham p58)</p> <ul style="list-style-type: none"> • Delivery of City Skills Fund activity which includes support for SME's. • Development of skills strategy/action plan for the city. • Supporting DNCC to secure Growth Innovation Fund and Employer Ownership Pilot funding. • Delivery of an additional 250 apprentice's through the City Deal process. • Establishment of apprenticeship hub 	NJ	Yet to secure improvement		NJA/AR	Sep-12	Sep-12
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5	<p>Retaining investment in physical infrastructure. (Strategic Priority 1 - World Class Nottingham No. 4 p40)</p> <ul style="list-style-type: none"> • Develop conurbation Infrastructure Delivery Plan to support the Core Strategy and review new s.106 and CIL potential • Build on existing conurbation, partnerships, alliances and relationships to establish common priorities to shape infrastructure prioritisation in Local Enterprise Partnership negotiations • Sustained efforts to maximise resource via all new funding routes as they emerge including Regional Growth Fund, Local Sustainable Travel Fund • Refreshed and re-targeted lobbying and influencing activity with Local MPs • Build inter-regional Lobby/Campaign on Rail priorities (Midland Main Line (MML) speed up, Nottingham to Lincoln and Nottingham to Birmingham/Sheffield) • Build inter-regional Lobby/Campaign on High Speed Rail- sustain City membership of Greengauge 21 High Speed rail Network, participate in the Eastern Partnership for HSR, participate in Core Cities lobbying on 	SF	Adequate				Sep-12
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	<ul style="list-style-type: none"> • Nottingham Investment Club – working with private sector to promote Nottingham to Inward Investors. • Sustain a range of developers’ forum/consultation activities for City to work with developers and promote sites for Inward investment opportunities. • Promotion of the Southside of the City as new office quarter linked to recently approved investment in Nottingham Station Hub and NET Phase 2 announcements. 					
4.	<p>To develop digital infrastructure to support growth of local economy</p> <ul style="list-style-type: none"> • Delivery of Ultraband project. • Ensure necessary digital infrastrucutre in place to serve and encourage growth within the Creative Quarter and other key growth zones (Open Access Nottingham) • Development of a wireless network across public venues, the creative quarter and the tram network. 	JY	Yet to secure improvement			Sep-12
4/5	<p>Secure Regional Growth Fund (RGF) funding for Nottingham</p> <p>Bid submitted on behalf of NCC by 13th June 2012</p>	JY	Yet to secure improvement			Sep-12

6	To develop sufficient capacity to ensure delivery of the growth plan and related activity. To review economic development structure and resource to ensure fit for purpose. Development of programme management function for the growth plan.	JY	Yet to secure improvement				Sep-12
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APPENDIX 2

SR12a - Failure to provide the best educational outcome for children and opportunities for young people to access further education and skills training to contribute to the economic wellbeing of the City.

This Strategic Risk was previously scoped around a failure to make improvements in educational outcomes at all key stages including GCSE results. By Q1 of 2010/11, the risk had previously been reported as being at its target threat level for four consecutive quarters and was delegated to C&F DRR for ongoing monitoring. Audit Committee requested that this risk be reviewed, in response to which the risk was re-scoped by C&F in November 2010 to include risks around a failure to ensure that children and young people thrive and achieve in education, training and employment.

		Impact				
		Negligible (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
Likelihood	Remote (1)	1	2	3	4	5
	Unlikely (2)	2	4	6	8	10
	Possible (3)	3	6	9	12	15
	Likely (4)	4	8	12	16	20
	Almost certain (5)	5	10	15	20	25

Owner:	Corp Dir Children & Families	Completed by:	Director of Schools & Learning	Date completed:	Jun 2012	Review date:	Q2 2012-2013							
RISK SUMMARY:														
Opening (Dec 10)			Previous (Apr 12)		Current (Jun 12)		Target (Apr 13)	Overall Risk Mitigation Effectiveness (Adequate, Yet to secure improvement, Inadequate)						
Threat level (Lxl=??)			Threat level (Lxl=??)		Threat level (Lxl=??)		Threat level (Lxl=??)							
			DoT ↓ Improving ↔ Stable ↑ Deteriorating		DoT ↓ Improving ↔ Stable ↑ Deteriorating									
3	4	12	3	4	12	↔	3	4	12	↔	2	4	8	Adequate

CONSTITUENT RISKS TO BE MANAGED:

Risk Ref.	Constituent Risk Description	Opening Threat Level e.g. 2x4=8			Previous Threat Level e.g. 2x4=8			Latest Threat Level e.g. 2x4=8			DoT ↓ Improving ↔ Stable ↑ Deteriorating	Target Threat Level e.g. 2x4=8		
1	Failure to deliver improved educational outcomes for children (Key stage)	3	4	12	3	4	12	3	4	12	↔	2	3	6
1.01 Q2 2011/12	Limited ability for the LA to intervene early in schools due to transfer of responsibilities.	4	3	12	4	3	12	4	3	12	↔	4	3	12
1.02 Q2 2011/12	Specialist City Council services become uneconomic as schools and academies elect to opt out of agreements.	4	4	16	4	4	16	3	4	12	↓	3	2	6
1.03	LA is unable to maintain good relations with individual schools/school associations and academies.	2	3	6	2	3	6	2	3	6	↔	2	3	6
1.04 Q3 2011/12	Failure to improve attendance and associated levels of anti-social behaviour.	3	4	12	4	5	20	3	5	15	↓	2	5	10
1.05 Q2 2011/12	Failure to ensure good and outstanding leaders in LA Community Schools.	2	4	8	2	4	8	2	4	8	↓	2	4	8
1.06	Failure to manage the LA responsibility for monitoring, challenge and intervention in schools in the face of budget reductions.	4	4	16	4	4	16	2	4	8	↓	2	3	6
1.07 Q2 2011/12	Failure to provide timely commissioned support to prevent schools entering special measures.	3	4	12	3	4	12	2	4	8	↓	1	4	4
1.08 Q3 2010/11	Failure to provide the best possible educational outcomes for Looked After Children.	3	4	12	1	3	3	1	3	3	↓	1	3	3
1.09 Q2 2011/12	Failure to coordinate timely admissions to ensure that children and young people achieve.	3	3	9	3	3	9	3	3	9	↓	1	3	3
1.10 Q2 2011/12	Lack of financial capital to address shortage of school places in areas of significant demographic growth.	5	5	25	5	5	25	5	5	25	↑	2	4	8
1.11 Q2 2011/12	Failure to deliver statutory and regulatory duties under the present financial climate.	3	4	12	3	4	12	3	4	12	↓	1	4	4
2	Failure to deliver improved educational outcomes for young people through further education.	3	3	9	3	3	9	3	3	9	↔	2	2	4

CONSTITUENT RISKS TO BE MANAGED:

Risk Ref.	Constituent Risk Description	Opening Threat Level e.g. 2x4=8			Previous Threat Level e.g. 2x4=8			Latest Threat Level e.g. 2x4=8			DoT ↓ Improving ↔ Stable ↑ Deteriorating	Target Threat Level e.g. 2x4=8		
2.01	Young people from Nottingham not having the relevant skills or science qualifications to benefit from the jobs created within Nottingham, a designated science and technology City.	4	3	12	4	3	12	4	3	12	↔	2	3	6
3	Failure to deliver improved educational outcomes for young people through vocational qualifications.	3	3	9	3	3	9	3	3	9	↔	2	2	4
3.01	Low take up of vocational qualifications by young people in Nottingham undermines the offer.	3	4	12	3	3	9	3	3	9	↓	2	3	6
3.02 Q1 2011-12	Attainment is reduced in 2013/14 as a result of the removal of accreditation of various vocational qualifications at that time.	5	3	15	5	2	10	5	2	10	↔	5	2	10
4	Failure to match education outcomes with the economic need of the City.	3	3	9	3	3	9	3	3	9	↔	2	3	6

Risk Ref.	Constituent Risk Description	Risk Mitigation Effectiveness	Responsibility for action Owner	Support	Completion date/ review cycle
EXISTING MANAGEMENT ACTIONS:					
1.0	Failure to deliver improved educational outcomes for children (Key stage)				
1.01	LA direct intervention limited to schools in categories. Extreme circumstances ofsted could be asked to intervene in Academies. Develop formal partnerships.	Adequate	GE		At Target
1.02	Building quality LA traded school improvement services and quality commissioned services. Formulise partnerships and relationships in a mixed economy of educational providers. SLAs being created for all internal services to schools. Nottingham Learning Trust established. Strategic integrated approach to traded services and academies being developed.	Adequate	GE		April 2013
1.03	Ensure regular meetings and effective communications with Head Teachers. Develop formal partnerships with learning settings.	Adequate	GE	HoS	At Target
1.04	'Turn every stone' approach – reviewing all current strategies, data use, trend analysis, local target setting, partnerships, guidance to colleagues/cllrs on challenging non-attendance. Ensuring clarity of approach with both families and schools – 'twin track'. Defining support and challenge strategy for schools. Embedding attendance protocol. Improving EWS case targeting and allocation. Improving quality of EWS case outcomes. Focusing on children, families and schools which have the greatest impact on levels of Nottingham's attendance. Planned use of weeks of action, Community Protection and vanguard team. Latest data indicates attendance improvement at twice the national average- indicates that the programme of work should continue.	Adequate	TO		October 2012
1.05	LA offered place on selection panel. Support for Governors through Governors Headship package.	Adequate	GE		At Target
1.06	Retain key staff and recruit quality school improvement support.	Adequate	GE		At Target
1.07	Develop protocol to commission quality services within Council rules. Seeking approvals that enable timely response and intervention.	Adequate	GE		April 2013
1.08	Continued implementation of strategy to improve educational outcomes for Looked After Children delivered through the Virtual Head (Separate risk management action plan available.)	Adequate	GE	MP	At Target

Risk Ref.	Constituent Risk Description	Risk Mitigation Effectiveness	Responsibility for action		Completion date/ review cycle
			Owner	Support	
EXISTING MANAGEMENT ACTIONS:					
1.09	Internal review of admissions policy and processes. Two team model now in place. Increase in the number of school places to ensure that siblings attend the same school.	Adequate	GE	AP	April 2013
1.10	Use the Education Bill and Academies Act to create additional places, re-commissioning family and parent room, IT suites etc. into classrooms. Refocusing capital commitments to give best value for money. Bid to DfE for sufficiency funding.	Yet to secure improvement	GE	AP	Ongoing
1.11	Identify statutory duties and consider delivery options.	Yet to secure improvement	GE	All HoS	April 2013
2.0	Failure to deliver improved educational outcomes for young people through further education.				
2.01	Science City Education and Training Group action plan devised, including creation of kite mark scheme for science teaching.	Adequate	JY	JR	April 2013
3.0	Failure to deliver improved educational outcomes for young people through vocational qualifications.				
3.01 and 3.02	Alternative qualifications sought and developed in line with revised national guidance. Increased quality of teaching and learning of 'traditional' academic subjects. Working with the schools to support their curriculum planning for 2012/13 based on the new list of qualifications. A non-GCSE curriculum audit has taken place and will be presented at the 14-19 Board for discussion. Projects with schools are already taking place e.g. network meetings for English and Literacy staff across all schools and academies, Year 9 literacy project at Hadden Park and C/D borderline raising the grade in GCSE English conference planned for December. Subject to approval of funding being carried forward into this financial year, further projects will continue in the 2012/13 academic year.	Adequate	JY	TK	July 2013
3.01 3.02	Review citywide progression agreement and provide curriculum support to school leaders in light of changes to the qualifications included in school performance measures.	Yet to secure improvement	JY	AM	July 2013
3.03	Implementation of Apprenticeship action plan.	Yet to secure improvement	JY	AR	October 2012

Nottingham City Council Risk Register - Report Summary

Ref.	Risk description	SR criteria							Estimated Threat Level / Seriousness / DoT				DoT	Target Threat Level	Managing Accountability		
		Highest Pri	Corp Mit	Legal	Reputation	H & S	Citizen well-being	Financial	Date threat level & DoT	2011/12					2012/12	Corp. Director (Risk Owner)	Lead Director or Senior Colleague
										Q2	Q3	Q4			Q1		
SR26	Failure to support Nottingham citizens and communities in minimising any negative impact of welfare changes		✓				✓		Date	Jul-11	Jan-12	Mar-12	Jun-12	↑	Apr-14	C. Mills-Evans Acting Chief Exec.	T. Kirkham Strategic Finance Director
									Threat Level	16 (4X4)	16 (4X4) R	16 (4X4)	16 (4x4)		9 (3x3)		
									DoT	Stable	Stable	Stable	Deteriorating				
SR19	Failure to deliver Council Plan priorities				✓			Date	Nov-11	Jan-12	Jan-12	Jan-12	↔	Sep-11	A. Probert Acting CD Resources	A. Probert Director HR & Transformation	
								Threat Level	16 (4X4)	16 (4X4)	16 (4X4)	16 (4x4)		9 (3x3)			
								DoT	Stable	Stable	Stable	Stable					
SR6	Failure to safeguard vulnerable children		✓	✓	✓		✓	Date	Oct-11	Jan-12	Apr-12	Jun-12	↓	Oct-12	I. Curryer CD-Ch & Fam	S. Gautam Director Specialist Services	
								Threat Level	15 (3x5) R	15 (3x5)	15 (3x5)	15 (3x5)		10 (2x5)			
								DoT	Improving	Improving	Improving	Improving					
SR3	Failure to mitigate the impact of the economic climate on the Nottingham City and its citizens				✓		✓	Date	Oct-11	Jan-12	Apr-12	Jun-12	↔	Apr-12	D. Bishop CD-Dev	J. Yarham Dir Economic Innovation & Employment	
								Threat Level	12 (4x3)	12 (4x3)	12 (4x3)	12 (4x3)		9 (3x3)			
								DoT	Stable	Improving	Improving	Stable					
SR11	Failure to address medium term financial pressures in a sustainable way		✓	✓			✓	Date	Oct-11	Feb-12	Apr-12	Jun-12	↔	Mar-11	A. Probert Acting CD Resources	T. Kirkham Strategic Finance	
								Threat Level	12 (3x4)	12 (3x4) R	12 (3x4) R	12 (3x4)		6 (3x2)			
								DoT	Deteriorating	Stable	Stable	Stable					
SR12a	Failure to provide the best educational outcome for children and opportunities for young people to access further education and skills training to contribute to the economic wellbeing of the City	✓	✓	✓				Date	Oct-11	Dec-11	Mar-12	Jun-12	↔	Jul-12	I. Curryer CD-Ch & Fam	G. Ellis Director Schools & Learning	
								Threat Level	12 (3x4)	12 (3x4)	12 (3x4)	12 (3x4)		8 (2x4)			
								DoT	Stable	Stable	Stable	Stable					
SR14	Failure to deliver culture change		✓					Date	Nov-11	Jan-12	Jan-12	Jan-12	↔	Apr-11	A. Probert Acting CD Resources	A. Probert Director HR & Transformation	
								Threat Level	12 (3x4)	12 (3x4)	12 (3x4)	12 (3x4)		8 (2x4)			
								DoT	Stable	Stable	Stable	Stable					
SR2	Of the reputation of the City		✓	✓			✓	Date	Oct-11	Jan-12	Mar-12	Mar-12	↔	Mar-12	C. Mills-Evans Acting Chief Exec.	R. Bhattal Head of Comms & Marketing	
								Threat Level	9 (3x3)	9 (3x3)	9 (3x3)	9 (3x3)		8 (2x4)			
								DoT	Stable	Deteriorating	Stable	Stable					
SR8a	Failure to implement and embed effective information management structures, polices, procedures, processes		✓	✓	✓		✓	Date	Oct	Jan-12	Mar-12	Jun-12	↓	Jun-14	A. Probert Acting CD Resources	M. Gannon Director IT	
								Threat Level	12 (3x4)	9 (3x3) R	9 (3x3)	9 (3x3)		3 (1x3)			
								DoT	Stable	Improving	Improving	Improving					
SR10	Failure to maintain good standards of governance		✓	✓			✓	Date	Mar-11	Jan-12	Jan-12	Jun-12	↓	Jul-11	A. Probert Acting CD Resources	G. O'Connell Director Legal & Democratic Services	
								Threat Level	12 (4x3)	12 (4x3)	12 (4x3)	9 (3x3)		6 (2x3)			
								DoT	Stable	Stable	Stable	Improving					

Ref.	Risk description	SR criteria							Estimated Threat Level / Seriousness / DoT				DoT	Target Threat Level	Managing Accountability		
		Highest Pri	Corp Mit	Legal	Reputation	H & S	Citizen well-being	Financial	Date threat level & DoT	2011/12					2012/12	Corp. Director (Risk Owner)	Lead Director or Senior Colleague
										Q2	Q3	Q4			Q1		
SR27	Failure of Workplace Parking Levy to raise sufficient income to meet NET Phase Two funding requirements				✓			✓	Date	Oct-11	Dec-11	Apr-12	Jun-12	↓	Nov-12	J. Kelly CD-Comm	A. Vaughan Dir Neighbourhood Services
								Threat Level	12 (3x4) R	12 (3x4)	9 (3x3)	9 (3x3)			6 (2x3)		
									DoT	Stable	Improving	Improving	Improving				
SR5a	Failure to safeguard vulnerable adults		✓	✓	✓		✓	✓	Date	Oct-11	Dec-12	Dec-12	Dec-12	↔	Apr-11	I. Curryer CD-Ch & Fam	H. Jones Dir Comm Inclusion E. Yardley Dir Access &
								Threat Level	8 (2x4)	8 (2x4)	8 (2x4)	8 (2x4)			8 (2x4)		
									DoT	Stable AT TARGET	Stable AT TARGET	Stable AT TARGET	Stable AT TARGET				
SR7	Failure of NCC's contribution to reduce crime and the fear of crime	✓	✓		✓		✓		Date	Oct-11	Oct-11	Oct-11	Oct-11	↔	Apr-11	J. Kelly CD-Comm	E. Orrock Comm Safety Exec. Coordinator
								Threat Level	8 (2x4)	8 (2x4)	8 (2x4)	8 (2x4)			8 (2x4)		
									DoT	Stable AT TARGET	Stable AT TARGET	Stable AT TARGET	Stable AT TARGET				
SR16a	Failure of partners including the City Council to work effectively together to achieve vision and outcomes in the Nottingham Plan to 2020		✓		✓		✓		Date	Oct-11	Nov-11	Mar-12	Jun-12	↔	2014	C. Mills-Evans Acting Chief Exec.	C. Richmond Acting Dir Policy Partnerships & Comms
								Threat Level	12 (3x4)	8 (2x4)	8 (2x4)	8 (sx4)			8 (2x4)		
									DoT	Stable	Improving AT TARGET	Stable AT TARGET	Stable AT TARGET				
SR25	Failure to deliver improved outcomes through the implementation and embedding of the Commissioning Framework within the directorate, the council and with partners				✓		✓	✓	Date	Oct-11	Jan-12	Jan-12	Jan-12	↔	Apr-12	I. Curryer CD-Ch & Fam	C. Brudenell Director Quality & Commissioning
								Threat Level	8 (2x4)	8 (2x4)	8 (2x4)	8 (2x4)			6 (2x3)		
									DoT	Improving	Stable	Stable	Stable				
SR1	Failure to implement harmonised pay, grade & terms & conditions, that are fair to all colleagues & Equal Pay legislation compliant		✓	✓	✓		✓		Date	Oct-11	Jan-12	Mar-12	Jun-12	↓	May-13	A. Probert Acting CD Resources	A. Probert Director HR & Transformation
								Threat Level	12 (3x4)	12 (3x4)	12 (3x4)	8 (2x4)			6 (2x3)		
									DoT	Stable	Stable	Stable	Improving				
SR24	Failure to ensure effective systems are in place to manage health and safety risks			✓	✓	✓	✓		Date	Nov-11	Jan-12	Mar-12	Jun-12	↔	Jul-12	A. Probert Acting CD Resources	P. Millward Head of Service Emergency Planning
								Threat Level	9 (3x3)	6 (2x3)	6 (2x3)	6 (2x4)			6 (2x3)		
									DoT	Stable	Improving AT TARGET	Stable AT TARGET	Stable AT TARGET				

DIRECTION OF TRAVEL (DoT):

Improving (reducing) threat level



Stable threat level



Deteriorating (increasing) threat level



Change & rationale for change	Current status
<i>XSR4 - Inadequate arrangements in place to respond to civil emergencies and / or catastrophic service delivery failure.</i>	
<p>This was a long standing risk scoped around the threat posed to the City from both natural and malicious threats and was initially assessed as 12. Considerable progress was made with the development of relevant plans, training and exercises to manage the risks. At the time of reporting the SRR Q3 Update, the risk had been at target (9) for six consecutive quarters. The risk was delegated to the Resources Risk Register for ongoing monitoring.</p>	<p>The threat level has remained stable at 9 since the risk was delegated. Existing constituent and emergent risks are subject to ongoing robust analysis by a multi-agency team with action plans for all high risks put in place. The Community Risk Register is regularly reviewed and approved by the Local Resilience Forum (LRF) and a detailed work plan for the mitigation of high risks agreed and monitored. Any significant rise in the threats and hazards to the city or reduction in the resources and capabilities of the City Council to respond to these risks will result in a consideration of re-introducing the Risk to the corporate register.</p>
<i>XSR9 - Failure of major programmes and projects.</i>	
<p>Originally scoped in December 2008, the risk addressed the Council's project management capacity, capability and corporate governance arrangements e.g. gateway reviews, corporate tracking, project appraisal etc. The opening risk threat level was 12. Extensive work was undertaken to address the risks and the threat at SRR Q1 had been stable at 8 for four consecutive quarters. The risk was delegated to the Development Risk Register for ongoing monitoring.</p>	<p>The risk has remained been at 8 since the risk was delegated in Q1 2011/12. The Major Programmes Division manages all capital projects in excess of £1m and revenue projects over that figure with a high reputational risk. The Division has an excellent reputation which has been recognised externally. The Project Health Board is well established and oversees/manages the project review programme which is regularly reported to Corporate Delivery Board. In 2011/12, 15 reviews were undertaken by small teams of volunteers drawn from across the Council. A similar approach is anticipated for 2012/13.</p>
<i>XSR13 - Failure to secure additional funding for Decent Homes programme.</i>	
<p>The risk was originally scoped around delivery of the decent homes programme. The formal settlement by the Homes & Communities Agency resulted in a smaller shortfall than anticipated and the risk was reassessed as 8 for two consecutive quarters. The risk was delegated to the Development Risk Register for ongoing monitoring as part of the SRR Q1 Update.</p>	<p>Following delegation this risk was re-scoped to "Failure to complete the Decent Homes programme within the funding available." to reflect £40.5m funding being secured for 2011-13 and indicative funding of £45.5m allocated for 2013-2015. Progress with the programme of works in 2011/12 has been on-track with 3,157 homes receiving improvement works. Capital receipts and decommissioning plans are still scheduled to meet the agreed targets. NCH has also achieved the necessary £10m of savings required in the programme. However, there have been indications that the Decent Homes funding allocations will be reviewed by the HCA, which could result in less than £45.5m being available in 2013-15 regardless of performance against the assessment criteria. This has resulted in an increased threat level in Q1 2012/13 to 12 against a target of 8.</p>

Change & rationale for change	Current status
<i>XSR22 - Failure to achieve national policy requirement and targets for Putting People First.</i>	
<p>This risk entered the SRR in Q2 of 2009/10 assessed as 12 scoped around the Putting People First programme aimed at meeting policy requirement for the transformation of adult social care, to improve independence and choice to citizens and ensure that this is financially sustainable. The programme came to an end and was closed as a strategic risk as part of SRR Q3 Update.</p>	<p>Constituent risks which remained on completion of the programme have been considered as part of the work to review a the risk <i>Failure to ensure a financially sustainable adult social care system is in place able to respond to the significant increase in demand for care and at the same time protects our most vulnerable citizens</i> aligned to the “Big Ticket” Adult Social Care programme.</p>
<i>SR23 - Failure to deliver the 'Local Development Core Strategy'</i>	
<p>The risk was scoped at Q3 2009/10 around the failure to deliver a Local Development Core Strategy, in support of the Regional Spatial Strategy and was assessed as 12. The Government’s Localism Bill removed the requirement for a Regional Spatial Strategy. Work with neighbouring authorities to develop a local approach for Greater Nottingham, saw an improvement in the threat level stable at 6 for four consecutive quarters. The risk was delegated to the Development Risk Register for ongoing monitoring as part of the SRR Q1 Update.</p>	<p>Although the threat level has fluctuated since being delegated, the current assessment is 6 (3x2) against a target of 4 (2x2). Rushcliffe Borough has decided to prepare a separate Core Strategy; however, the risk associated with this decision is being managed by use of a common evidence base and close joint working between the Joint Planning Advisory Board and Rushcliffe Borough. With the exception of Erewash Borough (expected 21 June), all other partner Councils have approved the strategy for publication in advance of independent examination. Public and peer consultation on the Core Strategy has been completed, and a statutory 6 week period to allow representations has begun. Further review will be undertaken once the scope and nature of the independent examination is known, towards the end of Q3 2012/13.</p>