WARDS AFFECTED: ALL   Item No……..

<div align="right">AUDIT COMMITTEE
17 December 2010</div>

Report of the Deputy Chief Executive/Corporate Director for Resources

STRATEGIC RISK REGISTER (SRR) – Q2 2010/11 UPDATE

1.   REPORT PURPOSE

1.1   This is the Q2 strategic risk management report which focuses on the progress made in reducing threat levels for each strategic risk (SR).

1.2   At its 28 May meeting the Audit Committee asked for an assessment to be made of the impact of the change of government and associated policy on the risks in the Strategic Risk Register (SRR). An initial assessment was provided in the Q1 SRR Update reported on the 24 September. This exercise has been repeated in light of further information released as part of the Comprehensive Spending Review (CSR) with further updating of Risk Management Action Plans to include new constituent risks and related mitigating actions.

2.   RECOMMENDATIONS

       Audit Committee is recommended to:

2.1   Consider and critically assess the progress on reducing the seriousness of the Council's strategic risks as reflected by their current threat levels and Direction of Travel (DoT) (Table 1 page 2 and Appendix 1 page 10).

2.2   Note the results of the review of the SRR by Corporate Leadership Team (CLT) and the delegation of a strategic risk to the corresponding Corporate Directorate Risk Register and the revision of the former Strategic Risk xSR12 – Attainment, in light of observations made by Audit Committee at its 24 September meeting (Table 2 page 4);

2.3   Consider the assessment of the impact of the change of government and associated policy (Table 3 page 5 and Appendix 2 page 12);

2.4   Note the addition of a new strategic risk, SR26 – Failure to support Nottingham citizens and communities to cope with welfare reforms and consider the draft RMAP included as Appendix 3 page 15;

2.5   Consider the RMAP for SR3 – Failure to mitigate the impact of the economic climate on Nottingham City and its citizens to satisfy themselves that it is being effectively risk managed (Appendix 4 page 18);

2.6   Consider and approve the updated Risk Management Framework (RMF) (Table 4 page 5 and Appendix 5 page 23);

2.7   Select up to two strategic risks from Appendix 1 (on page 9) for specific scrutiny for the SRR Q3 2010/11 update.

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 19 risks in the SRR and presents for each the most recent change to the DoT and the overall threat level.

4.2   Overall progress continues in reducing the threat levels of the strategic risks we face, with many of risks in the SRR assessed by risk owners as improving or stable. However, a number of risks are red rated and showing a deteriorating position reflecting the outcome of the CSR and related reductions in funding and the range of delivery pressures and challenges the Council has to respond to.

4.3   For the 19 strategic risks within the SRR:

- Seven risks have been assessed as deteriorating at Q2;
- Six risks show an improving DoT. **SR4 -** Inadequate arrangements in place to respond to civil emergencies and / or catastrophic service delivery, has a reduced threat level and has achieved target level;
- **SR7 -** Crime and fear of crime is already at target.

4.4   **Table 1** shows the 19 strategic risks ranked in order of threat level and DoT (highest to lowest threat level):

TABLE 1: Risk Threat Level & DoT in rank order (Q2 2010/11)			
SR No.	Strategic Risk Description	Threat Level	DoT (Q1–Q2)
Red rated strategic risks			
11	Failure to address medium term financial pressures in a sustainable way	16	⇧
13	Failure to secure additional funding for Decent Homes programme	16	⇧

TABLE 1: Risk Threat Level & DoT in rank order (Q2 2010/11) *(continued)*			
SR No.	**Strategic Risk Description**	**Threat Level**	**DoT (Q1–Q2)**
19	Failure to deliver Council Plan	12 to16	⇧
26	Failure to support Nottingham citizens and communities to cope with welfare reforms results in increased economic hardship and long term risks to the economy (new risk added to the SRR November)	16	New risk
6	Failure to safeguard vulnerable children	15	⇔
3	Failure to mitigate the impact of the economic climate on the Nottingham City and its citizens	9 to 12	⇧
16a	Failure of partners including the City Council to work effectively together to achieve vision and outcomes in The Nottingham Plan to 2020	9 to 12	⇧
22	Failure to achieve national policy requirements and targets for 'Putting People First'	9 to 12	⇧
5a	Failure to safeguard vulnerable adults	12	⇔
10	Failure to maintain good standards of governance	12	⇔
14	Failure to deliver culture change	12	⇔
1	Failure to implement harmonised pay, grade & terms & conditions, fair to all colleagues & Equal Pay legislation compliant	12	⇩
25	Failure to develop a strong and well resourced commissioning programme	16 to 12	⇩
2	Reputation of the City	8 to 9	⇧
24	Failure to prevent death, injury and/or ill health in the workplace, on site or visiting a client/service user	12 to 9	⇩
4	Inadequate arrangements in place to respond to civil emergencies and / or catastrophic service delivery	12 to 9 **At target**	⇩
Amber rated strategic risks			
7	Failure of NCC's contribution to reduce crime and the fear of crime	8 **At target**	⇩
9	Failure of major projects and programmes	12 to 8	⇩
23	Failure to deliver the Local Development Framework Core Strategy	12 to 6	⇩
Green rated strategic risks – No green rated risks at Q2 although a number suggested for demotion to respective Corporate Directorate Risk Registers (see below)			

Key: ⇩ **-** Reducing threat level; ⇔ **-** Stable threat level; ⇧ **-** Increasing threat level.

Appendix 1 shows the detailed risk threat level assessments between December 2009 and October 2010 (Q2 2010/11), each risk owner's assessment of the dates when target threat levels will be achieved and the ownership of each risk.

4.5 <u>Review of new / emerging risks and existing SRR risks</u>

In the Q1 SRR Update a series of supporting criteria were proposed to inform the review and help future decisions as to whether risks should be sited in the SRR or in lower levels of the Council Risk Register. These criteria are:

- Impact on delivery of highest priorities;
- Reputational impact;
- Significant financial impact;
- Health & Safety implications;
- Citizen wellbeing;
- Contravention of legal/regulatory requirements;
- A risk which results in, or requires Corporate or Council-wide impact or mitigation.

4.6 These criteria have been incorporated to the updated RMF to help provide a clearer rationale for assessing impact and determining level of the Council Risk Register at which risks should be held (particularly the SRR). Table 2 explains the revisions to the SRR approved by CLT as part of the SRR Q2 Update using the above criteria in combination with quarter on quarter progress in reducing risk threat levels:

TABLE 2: Summary of revisions to the SRR	
Action	**Rationale**
SR17 - Failure to protect Council's investments	
Delegated to the Resources Corporate Directorate Risk Register (CDRR) for ongoing monitoring	An appropriate investment strategy has brought about a reduction in the level of risk to the Council's investments (limiting investments and maintaining appropriate diversity of investment). Reducing the levels of cash for investment through cash management has also contributed to minimising impact on the Council's finances. The financial markets have shown a positive response to Government changes which leaves the Council's investments less vulnerable to those looking to exploit instability in the financial markets. The risk was originally assessed as 12 (3x4), but has now been assessed at 8 (2x4) for four consecutive quarters.
SR26 - Failure to support Nottingham citizens and communities to cope with welfare reforms results in increased economic hardship and long term risks to the economy	
Added to the SRR (draft RMAP included as Appendix 3).	A draft RMAP has been prepared in response to a request by CLT at it 10 August meeting. The risk is assessed as being high (4x4=16) with significant citizen well-being implications including increased economic hardship particularly for lone parents and disabled people. There is also the potential for adverse impact on the local economy and increased demand on Council Services. The Welfare Reform Agenda will impact across a range of Council Services and effective mitigation will require a joined up Council wide approach.

TABLE 2: Summary of revisions to the SRR *(continued)*	
Action	**Rationale**
xSR12 - Failure to make educational attainment progress	
Re-scope RMAP around the risk "Failure to secure improved outcomes for children & young people." Due for reporting to CLT for consideration in SRR Update Q3	At Q4 2009/10 this risk was delegated to the Children and Families Corporate Directorate Risk Register for ongoing monitoring having been at target for four consecutive quarters. Audit Committee raised concerns that recent key stage results would necessitate escalation of the risk back to the SRR. Following discussion with Children & Families Services it was agreed that the risk was too tightly scoped and that a "Failure to secure improved outcomes for children and young people" would be a better description (improvement measured by relative placement to other Local Authorities). This revision will also reflect information in the Government's Education White paper due for release in December 2010.

4.7 At its 24 September meeting the Audit Committee asked for more information on the *Review of 100 Voluntary Sector Services* included as a mitigation to SR25 – Commissioning risks. The Council has historically funded the Voluntary Sector to provide a range of complementary social care services. Funding was originally by grant, but has gradually moved to a commissioning process.

4.8 Expenditure was in excess of £3.9m and spanned more than 50 providers and 74 services. Many of these services were awarded as grants 10 years ago and over time had become subject to service specifications or contracts. The majority of these were not tendered for or market tested and standardised monitoring arrangements were not in place.

4.9 The Review of 100 Voluntary Sector Services was a rigorous review of these services and involved extensive consultation and engagement of stakeholders. Key outcomes secured through undertaking the review include:

- Improved future market management arrangements;
- Services with outcome based specifications;
- Increased value for money from services;
- Robust and transparent arrangements in place with providers;
- Enhanced collaborative relationships with partners.

The effectiveness of this review has resulted in a similar approach being adopted for the review of other services, for example children's services contracts.

5. ASSESSING THE IMPACT OF THE CSR ON RISKS CONTAINED IN THE SRR

5.1 The CSR published in October has provided the basis for a more informed assessment of Government policy changes and their impact on the Strategic Risk Register. These risks have been incorporated to RMAPs including appropriate mitigating actions and are reflected in the Q2 update of the SRR.

5.2 A summary for all existing Strategic Risks is included as Appendix 2, while Table 3 provides a summary of those for which the impact of the CSR has been assessed as <u>HIGH</u>.

TABLE 3: Summary of the impact assessment of the change of government on Strategic Risks where impact assessed as <u>HIGH</u>
SR2 - Reputation of the city
Reduced Government funding may result in local service reductions and Council job losses increasing the likelihood of adverse local coverage. To some extent this may be offset by the widespread understanding of the national context. Effective communication both internally to colleagues and externally to citizens will be important to avoid an adverse impact on the Council's reputation.
SR3 - Failure to mitigate the impact of the economic climate on the City and its citizens
Government changes will adversely affect the local economic climate placing greater significance on the ability of the Council to mitigate these impacts. However, public spending cuts as part of deficit reduction will also limit the ability of NCC and partners to respond to these threats. Identified threats include: - The end of the Future Jobs Fund and phased ending of the Working Neighbourhoods Fund has been announced;   - Nottingham's relatively high level of reliance on the public sector (1 in 3 jobs) leaves the city particularly vulnerable to anticipated public sector job loses;   - While the national economy is forecasted to continue to grow, Nottingham faces particular risks because of its high rate of benefits claims and low skill levels.   There are a wide number and variety of mitigations already in place, despite this, the assessment of the threat has increased from 9 to 12.
SR9 - Failure of major programmes and projects
The Government and specifically the Comprehensive Spending Review (CSR) has had a material impact on the Council. The Building Schools for the Future (BSF) Wave 5 has been capped and stopped by the Government, although the Council has taken legal action against the Government for a Judicial Review into the funding change. Similarly Nottingham Express Transport (NET) and Meadows Private Finance Initiative (PFI) have needed to address a change of Government commitment and it is likely that other major projects will be impacted upon. Over the next 5 years there is likely to be a reduction in capital project support from Government that will impact on Council priorities and emerging policy.
SR11 - Failure to address medium term financial pressures in a sustainable way
The CSR was broadly in line with the Medium Term Financial Plan projections although the front loading of the grant reduction for Local Government does result in additional budget pressures for 2011/12 and 2012/13. Threats and uncertainties mean that the risk remains at 16 (high risk), but with a deteriorating (DoT). Specific areas of uncertainty include the move to 'roll' specific grants into the Formula Grant, the Review of Local Government Finance and the review of the Housing Revenue Account (HRA).
SR13 - Failure to secure additional funding for Decent Homes
Although funding of £32 million has already been secured from the Homes and Communities Agency to March 2011, there is uncertainty regarding funding for the following two financial years. A funding shortfall is anticipated which will require a review of the programme and identification of alternative methods to fund and complete. The position is made more difficult as the £200 million PFI credit for the Meadows Housing proposals has been cut preventing funding of improvement of HRA stock via PFI. Threats and uncertainties mean that the risk remains at 16 (high risk), but with a deteriorating DoT.

TABLE 3: Summary of the impact assessment of the change of government on Strategic Risks where impact assessed as <u>HIGH</u> *(continued)*
SR16a - Failure of partners including the City Council to work effectively together to achieve vision and outcomes in The Nottingham Plan to 2020
The CSR increases the challenge for partners and partnerships to work effectively together to achieve Nottingham's vision and outcomes, while making it imperative that they do to meet the wider social and economic challenges presented by the CSR. Consequently the level of threat has deteriorated since Q1 from 9 to 12. Particular challenges include: - Very significant financial reductions have been identified from the CSR including;   28% reduction in funding to Local Authorities through 'formula grant' over the next four years;   20% real terms reduction in Central Government police funding by 2014-15;   45% reduction in NHS <u>management</u> costs by 2014;   - Significant cuts to regeneration funding and significant changes to the public bodies which have previously funded economic growth e.g. Regional Development Agencies (RDAs) to be replaced by Local Enterprise Partnerships (LEP) and £1.4 billion Regional Growth Fund (RGF);   - Significant job loses are anticipated in the public sector. Nottingham's high reliance on the public sector as an employer (1 in 3 jobs) leaves the city particularly vulnerable;   - Reductions in public sector spending and public sector job loses will impact on private sector businesses and the local economy.
SR19 - Failure to deliver Council Plan
Significant reduction in funding means that money historically available to fund/resource priorities will not be available. This places greater significance on the authority's ability to make decisions around what should be prioritised and de-prioritised and its ability to effectively translate those decisions into reality. There is a risk that longer term strategic priorities will be compromised by the immediate need to make savings such that longer terms impacts on costs/outcomes are difficult to predict. There is also an increased risk that investment of resources/capacity which could generate and support innovation will not be available. Consequently this risk has been assessed as increasing from 12 to 16.
SR25 - Failure to develop a strong and well resourced commissioning programme
Reductions in the value and number of grants will necessitate an increase in decommissioning activity. An effective commissioning programme forms part of the authority's response to grant and financial pressures. These competing priorities could place additional demands on the current team limiting its ability to make planned improvements. Despite this, the threat assessment has improved since Quarter 2 from 16 to 12 and mitigations already in place are still expected to be effective in reducing the threat level to the target of 6.

6. UPDATE TO THE RISK MANAGEMENT FRAMEWORK

6.1 The Risk Management Framework (RMF) describes the authority's arrangements for identifying, managing, escalating/demoting risks and individual/collective roles and responsibilities in support of those arrangements. The RMF and its updating forms part of the Audit Committee's ongoing work programme.

6.2 The Risk Management Framework was adopted in 2006 and has been updated a number of times since. This latest revision aims to avoid duplication and make the contents more easily accessible and understood. Table 4 is a summary of the revisions to the RMF and the rational for each.

TABLE 4: Summary of revisions to the Risk Management Framework	
Revision	Rationale
Section on risk appetite and boundaries on risk taking added.	This addition reflects the shifting emphasis of Risk Management from managing risks, to managing risks to secure opportunities which may also require a change in our appetite for risk taking within appropriate boundaries.
Reduced the number of formal stages Risk Management.	The number of risk management stages has been reduced to simplify the process and make it more readily understood and applied. The RMF and Project Risk Management Guidance are now consistent with one another in terms of the stages and the language used.
Included updated escalation criteria for Strategic Risks.	Criteria have been added to provide a clearer rationale assessing impact and determining level of the Council Risk Register at which risks should be held particularly the SRR.
Updated Threat Assessment Matrix included as appendix.	Provides additional guidance on what types of impacts could be considered and how to interpret likelihood and how these link to the Threat Assessment Matrix and appropriate responses.

7.   FUTURE AUDIT COMMITTEE RISK REVIEWS

7.1   When considering the Q1 SRR Update, Audit Committee selected SR3 for further review at this meeting (RMAP included as Appendix 4). The Risk Owners or their representative will be at this meeting to answer questions. xSR12 - Attainment was also selected, but has been deferred for re-scoping of the risk and will be presented to the Committee for review as part of the Q3 SRR update. The provision to select strategic risks for review allows the 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 up to two strategic risks from Appendix 1 for more detailed examination.

8.   FINANCIAL IMPLICATIONS

8.1   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.

9.   RISK MANAGEMENT ISSUES

9.1   These are dealt with throughout the report.

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

10.1   None.

11.   PUBLISHED DOCUMENTS REFERED TO IN COMPILING THIS REPORT

11.1   None.

APPENDICIES

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Nottingham City Council Risk Register - Report Summary

Ref.	Risk	SR criteria							Estimated Threat Level / Seriousness / DoT						DoT	Target Threat Level	Corp. Director (Risk Owner)	Lead Director or Senior Colleague
		Highest Pri	Corp Mit	Legal	Reputation	H & S	Citizen well-being	Financial										
SR11	Failure to address medium term financial pressures in a sustainable way		✓		✓			✓	Date	Dec-09	Apr-10	Jul-10	Oct-10		⇑	Mar-11	C. Mills-Evans DCEX/CDR	T. Kirkham Strategic Finance Director
									Threat Level	16 (4x4)	16 (4x4)	16 (4x4)	16 (4x4)			6 (3x2)		
									DoT	Stable	Improving	Stable	Deteriorating					
SR13	Failure to secure additional funding for Decent Homes programme	✓			✓	✓		✓	Date	Dec-09	Apr-10	Jul-10	Oct-10		⇓	Apr-11	J. Dearing CD-Dev	S. Smales Director Planning
									Threat Level	12 (3x4)	12 (3x4)	16 (4x4)	16 (4x4)			8 (2x4)		
									DoT	Stable	Stable	Deteriorating	Deteriorating					
SR19	Failure to deliver Council Plan				✓				Date	Dec-09	Apr-10	Jul-10	Oct-10		⇑	Jan-11	C. Mills-Evans DCEX/CDR	A. Probert Director HR & Org
									Threat Level	12 (3x4)	12 (3x4)	12 (3x4)	16 (4X4)			4 (1x4)		
									DoT	Deteriorating	Improving	Stable	Deteriorating					
SR26	Failure to support Nottingham citizens and communities to cope with welfare reforms results in increased economic hardship and long term risks to the economy (new risk added		✓				✓		Date						N/A	Jan-11	J. Todd Chief Exec.	P. Wakefield Director Strategic Partnerships
									Threat Level			New risk	16 (4X4)			9 (3x3)		
									DoT				N/A					
SR6	Failure to safeguard vulnerable children		✓	✓	✓		✓	✓	Date	Dec-09	Apr-10	Jul-10	Oct-10		⇔	Jun-11	I. Curryer CD-Ch & Fam	S. Gautam Director Specialist Services
									Threat Level	15(3x5)	15 (3x5)	15 (3x5)	15 (3x5)			10 (2x5)		
									DoT	Improving	Improving	Stable	Stable					
SR3	Failure to mitigate the impact of the economic climate on the Nottingham City and its citizens				✓		✓		Date	Dec-09	Apr-10	Jul-10	Oct-10		⇑	Dec-10	J. Todd Chief Exec.	P. Wakefield Director Strategic Partnerships
									Threat Level	12 (3x4)	9 (3x3)	9 (3x3)	4x3=12			9 (3x3)		
									DoT	Improving	Improving AT TARGET	Stable	Deteriorating					
SR16a	Failure of partners including the City Council to work effectively together to achieve vision and outcomes in the Nottingham Plan to 2020 (including SR15 - Failure of the LAA)		✓		✓		✓		Date			Jul-10	Oct-10		⇑	Mar-11	J. Todd Chief Exec.	P. Wakefield Director Strategic Partnerships
									Threat Level		New risk	9 (3x3)	12 (3x4)			8 (2x4)		
									DoT			Stable	Deteriorating					
SR22	Failure to achieve national policy requirement and targets for Putting People First			✓	✓		✓	✓	Date	Dec-09	Apr-10	Jul-10	Oct-10		⇑	Mar-11	K. Foote CD-Comm	H. Jones Director Comm Inclusion
									Threat Level	12 (3x4)	12 (3x4)	9 (3x3)	12 (3x4)			9 (3x3)		
									DoT	Stable	Stable	Improving	Deteriorating					
SR5a	Failure to safeguard vulnerable adults (new risk derived from original SR5 - see report)		✓	✓	✓		✓	✓	Date	Dec-09	Apr-10	Jul-10	Oct-10		⇔	Q1 2011/12	K. Foote CD-Comm	H. Jones Dir Comm Inclusion E. Yardley Dir Access & Reablement
									Threat Level	12 (3x4)	12 (3x4)	12 (3x4)	12 (3x4)			8 (2x4)		
									DoT	N/A	Stable	Stable	Stable					
SR10	Failure to maintain good standards of governance		✓		✓			✓	Date	Dec-09	Apr-10	Jul-10	Oct-10		⇔	Jun-10	C. Mills-Evans DCEX/CDR	T. Kirkham Strategic Finance Director
									Threat Level	12 (4x3)	12 (4x3)	12 (4x3)	12 (4x3)			6 (2x3)		
									DoT	Deteriorating	Improving	Stable	Stable					
SR14	Failure to deliver culture change		✓						Date	Dec-09	Apr-10	Jul-10	Oct-10		⇔	Apr-11	C. Mills-Evans DCEX/CDR	A. Probert Director HR & Org Transformation
									Threat Level	12(3x4)	12 (3x4)	12 (3x4)	12 (3x4)			8 (2x4)		
									DoT	Stable	Improving	Stable	Stable					
SR1	Failure to implement harmonised pay, grade & terms & conditions, that are fair to all colleagues & Equal Pay legislation compliant		✓	✓	✓			✓	Date	Dec-09	Apr-10	Jul-10	Oct-10		⇓	Nov-10	C. Mills-Evans DCEX/CDR	A. Probert Director HR & Org Transformation
									Threat Level	12 (3x4)	12 (3x4)	12 (3x4)	12 (3x4)			6 (2x3)		
									DoT	Improving	Stable	Improving	Improving					

Ref.	Risk	Highest Pri	Corp Mit	Legal	Reputation	H & S	Citizen well-being	Financial		Dec-09	Apr-10	Jul-10	Oct-10	DoT	Target Threat Level	Corp. Director (Risk Owner)	Lead Director or Senior Colleague
SR25	Failure to develop a strong and well resourced commissioning programme **(added to SRR Q1 2010/11)**				✓		✓	✓	Date			Jul-10	Oct-10	⇩	May-12 / 6 (2x3)	I. Curryer CD-Ch & Fam	Candida Brudenell Director Quality &
									Threat Level		New risk	16 (4x4)	12 (3x4)				
									DoT			N/A	Improving				
SR2	Reputation of the city		✓		✓			✓	Date	Dec-09	Apr-10	Jul-10	Oct-10	⇧	Mar-10 / 8 (2x4)	J. Todd Chief Exec.	S.Barker Director Comms & Mktng
									Threat Level	12 (3x4)	8 (2x4)	8 (2x4)	9 (3x3)				
									DoT	Improving	Improving AT TARGET	Stable AT TARGET	Deteriorating				
SR24	Failure to prevent death, injury and/or ill health in the workplace, on site or visiting a client/service user (entered to the register May 2010)			✓	✓	✓		✓	Date	Dec-09	Apr-10	Jul-10	Oct-10	⇩	?? / 6 (2x3)	C. Mills-Evans DCEX/CDR	P. Millward Head of Service Emergency Planning
									Threat Level	New risk	12 (3x4)	12 (3x4)	9 (3x3)				
									DoT		N/A	Stable	Improving				
SR4	Inadequate arrangements in place to respond to civil emergencies and / or catastrophic service delivery failure			✓	✓	✓	✓	✓	Date	Dec-09	Apr-10	Jul-10	Oct-10	⇩	Oct-10 / 9 (3x3)	C. Mills-Evans DCEX/CDR	P. Millward Head of Service Emergency Planning
									Threat Level	12 (3x4)	12 (3x4)	12 (3x4)	9 (3x3)				
									DoT	Improving	Improving	Improving	Improving AT TARGET				
SR17	Failure to protect the Council's investments				✓			✓	Date	Dec-09	Apr-10	Jul-10	Oct-10	⇔	Dec-09 / 4 (2x2)	C. Mills-Evans DCEX/CDR	T. Kirkham Strategic Finance Director
									Threat Level	8 (2x4)	8 (2x4)	8 (2x4)	8 (2x4)				
									DoT	Improving	Improving	Stable	Stable				
SR7	Failure of NCC's contribution to reduce crime and the fear of crime	✓	✓		✓			✓	Date	Dec-09	Apr-10	Jul-10	Oct-10	⇩	Apr-11 / 8 (2x4)	K. Foote CD-Comm	E. Orrock Comm Safety Exec. Coordinator
									Threat Level	12(3x4)	8 (2x4)	8 (2x4)	8 (2x4)				
									DoT	Improving	Improving AT TARGET	Improving AT TARGET	Improving AT TARGET				
SR9	Failure of major programmes and projects	✓	✓		✓			✓	Date	Dec-09	Apr-10	Jul-10	Oct-10	⇩	Sep-10 / 6 (2x3)	J. Dearing CD-Dev	J. Whyld Corporate Projects
									Threat Level	12 (3x4)	12 (3x4)	12 (3x4)	8 (2x4)				
									DoT	Improving	Improving	Stable	Improving				
SR23	Failure to deliver the 'Local Development Core Strategy'.							✓	Date	Dec-09	Apr-10	Jul-10	Oct-10	⇩	Mar-10 / 6 (2x3)	J. Dearing CD-Dev	S. Smales Director Planning
									Threat Level	12 (3x4)	12 (3x4)	12 (3x4)	6 (2x3)				
									DoT	Stable	Stable	Stable	Improving AT TARGET				

DIRECTION OF TRAVEL	
Reducing threat level	⇩
Stable threat level	⇔
Increasing threat level	⇧

Summary of assessment of impact of change of government on Strategic Risks

SR No.	Strategic Risk Description	level of impact	Details
1	Failure to implement harmonised pay, grade & terms & conditions, fair to all colleagues & Equal Pay legislation compliant.	Low	Impact assessed as low.
2	Reputation of the city.	High	See report TABLE 3.
3	Failure to mitigate the impact of the economic climate on the Nottingham City and its citizens.	High	See report TABLE 3.
4	Inadequate arrangements to respond to civil emergencies and/or catastrophic service delivery failure.	Moderate	A proposed reduction in Local Authority resources over the next 4-5 years will diminish preparedness, planning, training and response capability. The Health Emergency Planning function will transfer to NCC, but locally funding for this activity negligible but with the work still being statutorily required. The Government's review of the Civil Contingencies Act 2004 is underway with additional burdens on Local Authorities expected.
5a	Failure to safeguard vulnerable adults.	Moderate/ unclear	Changes to welfare benefits (particularly housing benefit), and removal of mobility allowance will increase likelihood that citizens are unable to remain independent and self supporting, with operational and financial implications for the Council. The need for Local Authorities to make savings means that 80% of LAs have already raised their eligibility threshold (removing the high moderate band). This is an option that may be considered in response to the CSR and Strategic Choices. As High/Moderate tends to be preventative/ early intervention interventions, the risk is that whilst savings can be made in the short term, people may return in a worse state at a later date. This risk can be mitigated by re-investing a percentage of savings into a preventative service.
6	Failure to safeguard vulnerable children.	Unclear	An independent review of child protection and social work in England has been ordered by the government to examine ways of cutting bureaucracy to give social workers more time with children. The final recommendations will be released in April next year and as yet the impact is not known. Information will be provided in future SRR Updates.

SR No.	Strategic Risk Description	level of impact	Details
7	Failure of NCC's contribution to the reduction of crime and the fear of crime.	Unclear	Government cuts will undoubtedly affect council services/ partners that contribute to reducing crime and the fear of crime. However, it is difficult at this time to accurately assess the extent of this impact. Project Aurora was accepted as a strategic choice in February 2010 which provides the council with a single, integrated, uniform approach to public realm enforcement and protection which may partly mitigate the impact of the spending cuts. A particular area of uncertainty is the extent to which economic pressures could lead to community tensions which could then be exploited by specific groups such as the English Defence League. Potential community tensions are continually monitored through embedded processes.
9	Failure of major programmes and projects.	High	See report TABLE 3.
10	Failure to maintain good standards of governance	Low	Impact assessed as low.
11	Failure to address medium term financial pressures in a sustainable way.	High/ unclear	See report TABLE 3.
13	Failure to secure additional funding for Decent Homes.	High	See report TABLE 3.
14	Failure to deliver culture change.	Moderate/ unclear	There is a risk that the financial challenges resulting from the cuts in public spending will mean that the transformational change agenda is overtaken by the immediate need to restructure to deliver savings and that consequently the organisation lacks capacity and is less receptive to cultural change or even regresses. The extent/scale of this risk however, is difficult to determine at this time.
16a	Failure of partners including the City Council to work effectively together to achieve vision and outcomes in The Nottingham Plan to 2020	High	See report TABLE 3.
17	Failure to protect the Council's investments.	Low	Impact assessed as low.
19	Failure to deliver the Council Plan.	High	See report TABLE 3.
22	Failure to achieve national policy requirement and targets for 'Putting People First.'	Low	The Putting People First programme was implemented in response to existing and anticipated financial pressures. Consequently the direct impact of the CSR is limited, but places a greater emphasis on effectively delivering the PPF aims of ongoing financial sustainability and independence and choice for vulnerable adults as this forms a key response to the challenges of the CSR.

SR No.	Strategic Risk Description	level of impact	Details
23	Failure to deliver the Local Development Framework Core Strategy.	Low	Impact assessed as low.
24	Failure to prevent death, injury and/or ill health in the workplace, on site or visiting a client/service user.	Moderate	The impact of the CSR is indirect in the form of the pressure to reduce costs in response to cuts in public spending. Currently, the professional Safety Advisors capacity is 50% of its strength 3 years ago and further Strategic Choices are required in 2011/12. A review of health and safety legislation announced by the Government with the aim of reducing 'burdens.' However, this is not expected to reduce the 'burden' on the Corporate Safety Advice Team. The team are focussed on creating a supportive structure for other managers to manage their own health and safety responsibilities, but this requires managers to actively prioritise this work
25	Failure to develop a strong and well resourced commissioning programme to improve the delivery of services in pursuit of improved outcomes.	High	See report TABLE 3.

SR26 – Failure to support Nottingham citizens and communities to cope with welfare reforms results in increased economic hardship and long term risks to the economy.

The Coalition Government has announced a series of reforms to the benefit system with the objective of saving £18 billion over the spending review period. Nottingham has a high level of exposure to the welfare reforms because of the large numbers of citizens who claim benefits but also because of concentrations in particular areas of the city. There were 41,810 working age people in Nottingham claiming one or more DWP benefit in February 2010 (nearly one in five of the City's working age population). One Nottingham has commissioned work to understand the likely impacts on citizens, communities and services, as claimants will have to navigate complex, cumulative changes to the benefits system which over time will reduce the value of benefits and erode disposal household income.

			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:	Jane Todd	Completed by:	Penny Wakefield	Date Completed:	Oct 2010	Next Review Date:	January 2011

Risk Summary						
Opening (October 2010)	**Previous**		**Latest** (Q2 2010/11)		**Target** (Q3 2010/11)	Overall Risk Mitigation Effectiveness (Effective, Yet to secure improvement, May not be enough)
Threat level e.g. 2x4=8	Threat level e.g. 2x4=8 (LxI)	DoT (⇔⇩⇧)	Threat level e.g. 2x4=8 (LxI)	DoT (⇔⇩⇧)	Threat level 2x4=8 (LxI)	
4x4=16	New	N/A	4x4=16	N/A	3x3=9	Effective

Constituent risks to be risk 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	Direction of Travel (DoT) (Stable ⇔ Improving ⇩ Deteriorating ⇧)	Target Threat Level e.g. 2x4=8
1	Failure to minimise the impact of economic hardship for citizens	4X4=16	-	4X4=16	N/A	3X3=9
2	Direct increase in demand for services, particularly welfare advice, hardship funds and homelessness	5X4=20	-	5X4=20	N/A	3X3=9
3	Indirect increase in demand for services through family breakdown, stress.	3X4=12	-	3X4=12	N/A	3X3=9

| Risk Ref. | Management actions to mitigate identified risks | Adequacy of action risk (Effective, Yet to secure improvement, May not be enough) | Responsibility for action | | Completion date/cycle |
			Owner	Support	
Existing management actions					
1,2	**Advice in the Community** • Provision of accessible and comprehensive advice within community settings. Establishment of One Nottingham Money Advice Project (ONMAP) advisors to increase capacity. To deliver additional benefit gains of £1million and increase debt managed by £500k and expand outreach activity across the City, where commissioned service are limited or don't exist.	Effective	Lisa Black	Alex Knowles	Project ends March 2011
1,2	**Volunteer Advisor Training Programme (VATP)** • To develop a V.A.T.P. that increases the number of volunteers with a primary focus on benefit and debt advice. 120 advisors to be trained resulting in increased advice provision in the City and residents undertake training and develop transferable skills to strengthen employment opportunities. Initial phases to introduce 4 volunteers in area 4 & 6 with an expected £500,000 in year 1 and £1millon additional benefit secured in year 2 and £600,000 in year 1 and £1.2million in year 2 managed debt.	Effective	Lisa Black	Alex Knowles	Project ends March 2011
1,2,3	**Child Poverty Pilot** • "Steps to Success" – This plan details a three year pilot to deliver a joined up approach to employment, benefit, and debt advice in local Children's Centres. Annual target 264 new cases. To actively engage parents in employment market related activity and move them closer to employment, with robust financial and employment advice.	Effective	Lisa Black	Alex Knowles	Project ends March 2011
1,2,3	**Housing Aid** • To provide services to prevent homelessness or/and to relieve homelessness either where someone is owed a statutory duty under legislation or where not owed a duty. • Working with private landlords to ensure continued provision of private rented accommodation as housing solutions for low income and vulnerable people and manage impact of housing benefit reform on private housing market.	Effective	Daksha Patel	Gary Harvey	Ongoing
1,2,3	**Improve access to financial services in Nottingham including bank accounts, insurance and responsible credit.**	Yet to secure improvement	Lisa Black		Ongoing

	• Reduce dependence on door step credit and loan sharks. Develop financial inclusion strategy with partners. Expand role for credit unions.				
1,2,3	**Preparing for impact of welfare reforms** • Horizon scanning • Policy alerts and briefings • Impact assessment of benefits changes and welfare reforms	Effective	Liz Jones	Kerry Ferguson	Ongoing – due to go to ON Board again in January 2011
Additional management actions					
1,2,3	• Maintain capacity to respond, particularly welfare advice support post Working Neighbourhood Fund.	Yet to secure improvement	Lisa Black		Ongoing

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 and One Nottingham 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. Although the economy is now officially growing, 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.

		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:	Penny Wakefield	Completed by:	Kerry Ferguson	Date Completed:	October 2010	Next Review Date:	January 2011

Risk Summary							
Opening (date?)	**Previous** (Q1 2010/11)		**Latest** (Q2 2010/11)		**Target** (Q3 2010/11)	Overall Risk Mitigation Effectiveness (Effective, Yet to secure improvement, May not be enough)	
Threat level e.g. 2x4=8	Threat level e.g. 2x4=8 (LxI)	DoT (⇔⇩⇧)	Threat level e.g. 2x4=8 (LxI)	DoT (⇔⇩⇧)	Threat level 2x4=8 (LxI)		
4=3=12	3x3=9	⇔	4x3=12	⇧	3x3=9	May not be enough	

Constituent risks to be risk 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	Direction of Travel (DoT) (Stable ⇔ Improving ⇩ Deteriorating ⇧)	Target Threat Level e.g. 2x4=8
1	Failure with our partners to retain or have influence over critical business support. Failure to ensure with our partners that business support is fit for purpose now and in the future to take advantage of growth opportunities.		N/A	4x4=16	N/A	2x3=6
2	Failure to influence our partners adequately to support Nottingham citizens in finding work.		N/A	4x4=16	N/A	3x3=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.	2x3=6	3x3=9	⇧	2x3=6
4	Failure with our partners to create conditions to facilitate private sector growth.	N/A	2x3=6	N/A	2x2=4
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.	4x4=16	4x4=16	⇔	3x3=9

Risk Ref.	Management actions to mitigate identified risks	Adequacy of action risk (Effective, Yet to secure improvement, May not be enough)	Responsibility for action		Completion date/cycle
			Owner	Support	
Existing management actions					
1/4/5	**Economic Resilience Forum** (Strategic Priority 1 - World Class Nottingham p38) Medium and long term economic priorities are sound and put Nottingham in a strong position when recovery comes. Provides the city leadership and ensures efforts are joined-up and focused on key areas – tackling Nottingham as a place.	Effective	Jane Todd	Claire Richmond	Ongoing
1/2/3	**Communications** • "We're on your side" message to be embedded into communications across departments. • Keep Nottingham Working campaign.	Effective	Stephen Barker	Cheryl Connolly	Ongoing
2	**Redundancy Support** (Strategic Priority 1 - World Class Nottingham p38) • This includes intelligence gathering; immediate intervention providing tailored package of support for employees at risk; planning for further public sector redundancies.	Effective (may not be enough in future)	Sukhy Johal	Alison Simpson	Ongoing

2/3	**Nottingham Jobs Plan:** (Strategic Priority 4 – Working Nottingham) • Deliver 1,000 work placements over 2 years in public, private and third sector. Future Jobs Fund scheme operating in Nottingham has now successfully placed 1000 people into new employment/training opportunities across the City. • Deliver 90 work placements through Nottingham Jobs Plan. • Deliver 900 volunteer placements over 2 years working with third sector partners on a Community Programme • Develop 200 City Council apprenticeships over 2 years. • Develop scheme to support enterprise (including building on enterprise ecologies, business ideas and development programme, enterprise coaching)	Effective	Sukhy Johal	Alison Simpson	FJF completed. Comm Prog ends March 2011. Apprentice-ships programme ends Jan 2012
4	**Property Marketing Campaigns** (Strategic Priority 1 - World Class Nottingham No 3 p40) • Continue to run positive and targeted marketing campaigns to promote investment opportunities in the City's regeneration zones and attract new jobs to the City.	Yet to Secure Improvements	Sukhy Johal	Lorraine Baggs	Ongoing
4	**Realign sector support, inward investment and account management functions to reflect new growth sectors (review and recovery).** (Strategic Priority 1 - World Class Nottingham No 2 p40) • Carry out a review of priority sectors (science, bio-technology, environmental sustainability, high tech, creative, energy technologies, health care). Consider recovery prospects for retail and finance sector.	Yet to secure improvements	Sukhy Johal	Alison Simpson	Ongoing
4	**Creation of high profile business innovation hub.** (Strategic Priority 1 - World Class Nottingham No. 4 p40)	Yet to Secure Improvements	Sukhy Johal	Alison Simpson	Ongoing
1/4	**Identify opportunities for manufacturing and tourism afforded by the weak pound.** (Strategic Priority 1 - World Class Nottingham No. 2 p40) • Develop export strategy • Explore New Links Abroad • Joint presence with the University of Nottingham at Shanghai Expo • Explore potential export links in India for Bioscience sector	Yet to Secure Improvements	Sukhy Johal	Lorraine Baggs and John Connelly	Ongoing

4	**Maintain a vibrant city centre and thriving retail sector, including amongst independents.** (Strategic Priority 1 - World Class Nottingham No. 2 p40) • Windows of Opportunity • Retail Business Improvement District • Training and skills targeting retail sector through Futureshop	Effective	Sukhy Johal	Jane Dykes	Windows - finished, Bid ends Dec 2011, Future shop ongoing
1	**Provide targeted strategic business support** (Strategic Priority 1 - World Class Nottingham No. 2 p40) • Work with Experian and Business Link to identify small businesses of strategic importance to Nottingham and develop support package	Yet to Secure Improvements	Sukhy Johal	Claire Richmond/ Richard Kent	Engagement activity October – December 2010
1/2/4	**Ongoing tailored support to large businesses and priority Small and Medium Enterprises (SMEs).** (Strategic Priority 1 - World Class Nottingham No. 2 p40) • Provide information about funding and contract opportunities as well as other information/support	Effective	Sukhy Johal	Alison SImpson	Ongoing
4	**As a Science City, develop a specific programme for the growth of the environmental technology sector.** (Strategic Priority 1 - World Class Nottingham No. 1 p40 and p38) • Establishment of energy park • With Nottingham Development enterprise (NDE) develop a Green Tech action plan	Yet to Secure Improvement	Sukhy Johal	Andy Vaughan	Ongoing
2/4	**Improve skill levels for local businesses** (Strategic Priority 4 – Working Nottingham p58) • Develop approaches with Universities	Yet to Secure Improvement	Nicki Jenkins	Alison Simpson	Ongoing

5	**Retaining investment in physical infrastructure.** (Strategic Priority 1 - World Class Nottingham No. 4 p40) • Build on existing conurbation, 4C's (Nottingham, Nottignhamshire, Derby & Derby Shire Councils) and 6'Cs (as 4 C's + Leicester and Leicestershire Councils) Partnerships, alliances and relationships to establish common priorities (as per Greater Nottingham Transport Partnership (GNTP) Let's Agree on A453 campaign) to feed into infrastructure discussions in emerging Local Enterprise Partnership (LEP) negotiations • Sustained efforts to maximise resource via all new funding routes as they emerge • 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- Lincoln and Nottingham to Birmingham/Sheffield) • Sustain City membership of Greengauge 21 High Speed rail Network • NCC Property Disposal Strategy, including launch at MIPIM 2010 (International Property Show). • Preparation of Regeneration Prospectus for the City to promote City's priority sites. Potential launch at MIPIM 2011. • Establishment of the Nottingham Investment Club – working with private sector to promote Nottingham to Inward Investors. • Creation of a developers forum 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	May Not Be Enough	Jim Mason/ Pat Armstrong/	Grant Butterworth	Ongoing
4	**Lobby/influence programme to replace Future Jobs Fund (FJF).** • Issue addressed in local enterprise partnership proposals.	Yet to Secure Improvement	Nicki Jenkins	Claire Richmond	Ongoing
2/3/4/5	**Minimising economic impact of financial decisions made by NCC.** • Ensure financial decisions within NCC are informed by an understanding of the economic climate and impact.	Effective	Carole Mills Evans/Tony Kirkham	Claire Richmond	March 2011
4/5	**Secure Regional Growth Fund (RGF) funding for Nottingham** • Round 1 deadline 21st January • Round 2 is expected in Spring 2011	Yet to Secure Improvement	Penny Wakefield	Sukhy Johal	Spring 2011
1/4/5	**Establish a Local Enterprise Partnership (LEP)** • LEP proposal developed with Derby City, Derbyshire and Nottinghamshire County Councils. Government go-ahead received 28th October 2010.	Yet to Secure Improvement	Penny Wakefield	Sukhy Johal	Ongoing

Risk Management Framework

Version 1.2
September 2010

Safer, cleaner, ambitious
Nottingham
A city we're all proud of

Risk Management

Section 1 – Introduction to Risk Management

What is Risk Management?

Risk Management is a system that helps us to understand what risks are associated with doing our work with Nottingham City Council. It makes us think about the decisions we take, how we manage our everyday service delivery, our projects and our work with partners.

Risk Management has primarily been concerned with the adverse potential of risk. However, it should be borne in mind that not all risk is bad. Some opportunities can only be unlocked by taking risks. The key to success in these situations is to take risks knowingly and manage them. The following statement best sums up the purpose of Risk Management:

"To ensure that the Council is not risk averse and takes or faces risks knowingly and manages them appropriately."

Why is Risk Management important?

Intelligent Risk Management improves our performance and our service to citizens. To manage services effectively we need to identify, understand and manage risks which threaten our ability to deliver our **business priorities**. To assist in managing risks the authority has implemented Risk Management.

Who is responsible for Risk Management?

We are all responsible for risk managing out work. Risk Management takes place across the length and breadth of the organisation. Managers having ownership of specific risks related to the business priorities they are tasked to deliver. Nominated colleagues have specific responsibilities in relation to supporting/implementing risk management in the Council.

What should we apply Risk Management to?

There are three main areas of work to which we apply Risk Management: service delivery, projects and partnership working.

When should we undertake Risk Management work?

In service delivery, Risk Management work is carried out alongside planning, be it corporate, strategic or operational. Risk Management in relation to projects takes place over the life span of the project. Similarly Risk Management work around partnerships continues throughout the length of the partnership.

Risk Management

## Section 2 – Our Approach to Risk Management

Effective Risk Management

Effective implementation of Risk Management will:

- Ensure colleagues, councillors and partners can face risks knowingly and manage them for the benefit of service users, citizens, tax payers and other stakeholders;
- Ensure risk management plays a central role in the management of its business activities, projects and partnerships;
- Ensure risk management practices are executed within a common framework that provides a consistent approach and channel for escalation of serious risks;
- <u>Avoid risk aversion</u> and ensure that risks and <u>opportunities</u> are taken with understanding and managed to achieve business priorities;
- Ensure partners undertake effective risk management in the interest of the Council's service users, citizens, tax payers and other stakeholders.

Risk appetite

Local authorities have typically been described as "risk averse" meaning that they are reluctant to take risks regardless of likelihood and severity of impact. Risk averse organisations display a number of common characteristics which leave them poorly placed to respond to changes or challenges in their external environment e.g. financial, political, structural, economic, service user demand etc.
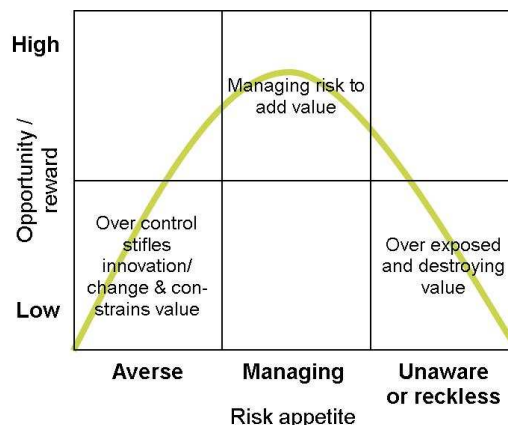
We have chosen to describe the Council's risk appetite as "conservatively ambitious." This is the optimum point of risk taking/acceptance that maximises reward against appropriate, balanced and sustainable levels of risk.

The varied scope and scale of services for which we are responsible, means that this optimum will not always be the same in absolute terms. For example our approach to childrens social care risk will be more conservative than our approach to our financial investments. We have identified a number of boundaries to help identify acceptable risk taking.

As a Council we will not:

- Operate beyond legal, regulatory and internal policy requirements;
- Knowingly place citizens or colleagues at risk of harm;
- Take financial risks which cannot be met by those accepting the risk;
- Take risks which could significantly jeopardise our ability to deliver our highest priorities;
- Take risks which are disproportionate to their potential benefits/rewards;
- Take risks which could result in long term and significant damage to the reputation of the City or Council.

Risk Management in planning and decision making

The Risk Management process, practices and the hierarchy of risk registers helps us to manage the risks that the Council and City faces. The Council is committed to using risk information to inform decision making and planning:

- Strategic and operational service planning guidelines require that all service plans include relevant risk information (e.g. from risk registers) within their action plans;
- Departments are required to use information on significant risks, contained in risk registers to inform decisions on budget re-alignments and investments;
- All proposed budget reductions must include a detailed analysis of the risk surrounding the delivery of such reductions as well as the additional risks presented by their successful implementation;
- All efficiency improvements must be accompanied by a detailed analysis, including proposed mitigations, of the risks that threaten the delivery of the savings, whether they are cashable or non-cashable;
- All projects and partnerships must be planned in recognition of the risks that threaten their effective operation and the delivery of their outcomes.

Risk Management in projects

Project delivery risk is concerned with managing the risks threatening the cost, schedule and quality objectives of the project. Project outcome risk management is concerned with ensuring that the outcomes expected to arise from a project's deliverables are realised. Such outcomes could be external such as a quality of life improvement from an infrastructure project or cashable savings from a technology dependant new way of working.

Controlling risks in projects is critical to delivering a successful project and outcome. All projects valued at more that **£250,000** should follow the Project Risk Management policy set out below.

- Project Leaders are responsible for ensuring that "Risk Management in Projects" guidance is followed. Project governance bodies should ensure that projects are risk management according to the Council policy and guidance;
- Whether the Council is leading or participating in a project with partners, project managers/managers should encourage and ensure that effective risk management is part of the project management methodology;
- Risk management must be applied throughout the life cycle of a project, up to and including the post completion phase;
- Project leaders/managers should use the corporate project risk register templates;
- Project reports should include a risk commentary (with the first used as the baseline for subsequent 'exception' reports) which provide information to decision makers that supports their decision making;
- Risk appetites/tolerance for individual projects may vary but must be agreed with the principal project sponsor or governance group. Risk appetites will determine which risks are reported and the frequency of the reports;
- Reporting frequency must be based upon the significance of the project and the nature of the risk(s) and agreed with the project sponsor or governance group;
- Financial risks should be quantified.

It is important that project risk management is applied in a manner proportionate to the project's value, operational/strategic significance and the nature of the identified risk. The policy should also be applied to projects below £250,000 but in a manor proportionate to the project value and which adds value to project delivery. More detail is included in the Risk Management in Projects Policy and Guidance document available on the intranet.

Risk Management in partnerships

The Council's approach to partnership risk management identifies and prioritises the priorities of the partnership so that that the most critical are managed proportionately.

Partnership governance bodies should ensure that partnerships (including their constituent projects and/or partnerships) are risk managed according to the Council policy and guidance and ensure that the risk management is proportionate to the complexity and significance of the partnership.

Where the Council is not the 'leading partner' that 'sets' the management culture, it is the responsibility of Council colleagues in the partnership to ensure that the potentially different risk management approaches work together harmoniously to the benefit of all partners.

The Council's partnership leaders or managers should use the corporate partnership risk register template that is available from the Risk Management intranet site.

Good governance is the foundation of effective partnership risk management. The Council has adopted a corporate governance approach to its 'significant' partnerships.   The full details, which include the contribution of risk management, can be found in the Council's Partnership Governance Framework.

Risk Management and performance management

The Council acknowledges the crucial links between risk and performance management. Risk management is an integral part of the business performance management framework. Performance cannot be reviewed or reported on without an accompanying review and report on the risks in play, whether they are a direct threat to progress or arise from an initiative to achieve new and critical benefits.

Further information is available from the Risk Management intranet site including:

- Risk management How To Guides
- Business Priority Summary Template
- Risk Register Templates

Alternatively contact:

Simon Burton, ext. 63432
simon.burton@nottinghamcity.gov.uk

Risk Management

Section 3 – The Council Risk Register

The Council maintains a comprehensive risk register that reflects the totality of the Council's risk exposure and is structured to reflect management accountability for planning, delivery and performance management.

The following diagram illustrates the levels of management accountabilities and the corresponding hierarchy of plans/priorities and risk registers.

Council Risk Register

Management/ accountability	Hierarchy of risk registers	Hierarchy of plans/ priorities
CLT Audit Comm. Executive Board	Strategic Risk Register	Nottingham Plan
One Nottingham CLT Audit Comm.	LAA/LEP Risk Register	Council Plan, MTFP & Capital Strategy
Departmental Leadership Teams	Corporate Dir Risk Register CEG/Res/Dev/Com/Ch & Fam	Corporate Directorate Plans
	Strategic Service Risk Registers	Strategic Service Plans
Operational Management Teams	Operational Risk Registers	Operational Plans
Project Boards and Teams	Project Risk Registers	Project Plans

The level at which risks are managed is generally based on the level of the business priority which it threatens. However, a risk may be judged to be so serious that it warrants escalation from a lower level register to a higher risk register.

Managerial responsibility for a risk register means being responsible for ensuring that the content is up to date, the seriousness of risks is determined and appropriate risk responses actioned. Content and implications of each risk register should be reviewed on a frequency consistent with seriousness and life cycle of the risks being managed. In most cases the review frequency should be synchronised with the prevailing performance management cycle.

Strategic and departmental risk registers must be reviewed each quarter. Departments may select their own review frequencies for other risk registers but this should be informed by the nature and likelihood of the risks and how that evolves.

To ensure ease of accessibility and the efficient transfer of priorities and risks between registers, all risk registers should follow the corporate format. Templates for all registers can be downloaded from the Risk Management intranet site.

The Strategic Risk Register (SRR)

The Strategic Risk Register (SRR) is the highest level of register in the Council's risk register. It is focussed on the risks threatening the Council's strategic priorities and opportunities. The Council's strategic priorities are defined by the Council Plan. It is managed by the Corporate Leadership Team (CLT) with priorities and attendant risks 'owned' by individual Corporate Directors.

The SRR and more detailed Risk Management Action Plans are reported quarterly on an exception basis to Audit Committee and Executive Board to enable Councillors to gain assurance of the effectiveness of the Risk Management Framework and the actions taken by CLT to manage Council risks.

Project Risk Registers

Project Risk Management Policy and Guidance and risk register templates have been developed to support Risk Management in projects. Project risk management has more commonly been applied to capital projects. In reality the discipline of project risk management can be usefully applied to any type of change management so long as this is done proportionately. Further information is included with the Project Risk Management Policy and guidance document available from the intranet.

Further information is available from the Risk Management intranet site including:

- Risk management How To Guides
- Business Priority Summary Template
- Risk Register Templates

Alternatively contact:

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Risk Management

Section 4 – Six Stages in Risk Management

The following diagram highlights the key stages in Risk Management. These key stages are consistently applied irrespective of what level of planning, business objective/priority we are considering.

| Define outcomes/ objectives | Identify & assign risks | Analyse, evaluate & prioritise risks | Design & manage risk responses | Monitor & update | Record & report |

Note: The process of monitoring risk behaviour and response implementation is ongoing throughout the life span of the business activity or project.

Define business outcomes/objectives - The first step is identifying the business priorities that are to be risk managed. This ensures that it plays a central role in improving Council performance. It is often helpful to draw on key plans relevant to the service for example, the Council Plan, Operational Service Plan etc. We prioritise the business outcomes/objectives to target our risk management efforts most effectively.

Identify and assign risks threatening priorities - Good risk descriptions are helpful because they assist with the identification of effective risk responses and ensure that resources are correctly targeted.

- The description of the risk should have two parts;
    - What is the risk;
    - Its potential "impact" on the achievement of the associated business priority;
- A risk should be described at the level to which it is going to be managed;
- Finally, each risk should be described at a level of detail where it can be assigned to a *single owner*, with clear responsibility and accountability for addressing the risk.

Analyse, evaluate and prioritise risks – To develop and plan an effective risk management response, a thorough understanding of the risk is needed. Risk characteristics are assessed in terms of likelihood and impact. The resultant score helps us establish the seriousness of the risks and prioritise them.

Threat Assessment Matrix

Likelihood	Impact				
	Neglig-ible	Minor	Moderate	Major	Catast-rophic
Remote	1	2	3	4	5
Unlikely	2	4	6	8	10
Possible	3	6	9	12	15
Likely	4	8	12	16	20
Almost certain	5	10	15	20	25

(see Appendix A for a more detailed Threat Assessment Matrix)

With some areas of work it is likely that counter measures and contingency plans have already been identified. These should be reviewed to ensure they reduce the seriousness of identified risks to an acceptable level.

Design & manage risk responses - If existing counter measures and contingency plans are considered insufficient, then new risk responses are required targeting the most serious risks first. However, we need to be careful that the cost of implementing risk responses is proportionate to the risk.
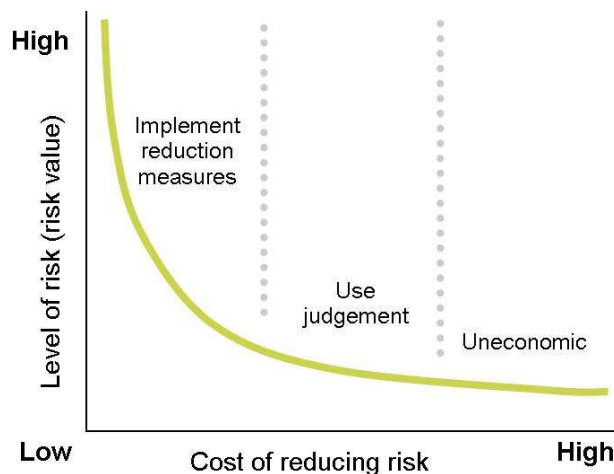
Our response to the risk is largely determined by the seriousness of the risk and our risk appetite or tolerance but can be broadly categorised into four options:

- **Terminate -** Terminate the potential risk in the business as the probability of occurrence is too high and if it occurs, the severity/financial impact will be catastrophic;
- **Transfer -** Transfer the risk or the consequences of the risk to a third party for example using insurance;
- **Treat –** Implement mitigations to reduce the likelihood of the risk or alternatively reduce the impact so the business is not adversely affected;
- **Tolerate -** Accept the risks as the probability and severity of the impacts do not adversely affect the business.

Arguably there is a fifth option which is to **take**, where we apply Risk Management proactively to inform decision making considering the balance of risks and opportunities.

Monitor and update – It is important to monitor risk behaviour and response to ensure that steps taken to reduce risk are implemented and effective. Also there may be new previously unidentified risks which require a response. When undertaking this monitoring effort should be focussed on the most serious risks.

Record and report – It is important that there is a formal record of the status of risks informing the wider understanding of risks across the organisation. Risks and mitigations are recorded in risk registers and supporting Risk Management Action Plans (RMAPs) which are formally reported to Departmental and Corporate Leadership Teams, Audit Committee and Executive Board.

At the heart of the communication is the **risk register** that contains a record of the risk exposure (the risks and their characteristics) of the project and the decisions taken as a result of that knowledge (e.g. implement new mitigations), however, on their own they are not risk management.

To ensure accessibility to Councillors, colleagues, partners and project stakeholders, project managers are required to use a corporate template. The template identifies time, cost quality and outcome risks and includes such information as description of risk and impact, project objective, prevailing risk assessments, risk owner etc. The templates can be downloaded from the intranet site.

Further information is available from the Risk Management intranet site including:

- Risk management How To Guides
- Business Priority Summary Template
- Risk Register Templates

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simon.burton@nottinghamcity.gov.uk

Risk Management

Section 5 – Guidance on Escalating Risks

Risk threats should be known to the level of management best placed to decide if, and to what degree, mitigations should be initiated. However, we need to ensure there isn't an excessive flow of information to the higher levels of management which could increase the risk of delayed mitigation.

To assist in identifying business priorities/risks which might warrant escalation to the Strategic Risk Register a number of criteria have been identified. A business priority and its associated risks should be escalated to the Strategic Risk Register (SRR) if:

- The achievement of one of the Council's highest priorities is significantly jeopardised;
- There is significant risk of reputational damage to the City or the Council;
- There is significant risk of adverse financial impact;
- A critical statutory or legal compliance responsibility of the Council is threatened;
- There are serious Citizen wellbeing implications;
- There is the potential for corporate/council wide impact or impact which requires corporate mitigation.

These criteria help test the appropriateness of escalating risks. However, there may be other factors which warrant consideration. CLT has responsibility and ownership of the SRR and adoption or demotion of strategic risks is at their discretion.

Beyond these criteria for the SRR, we generally determine which risks should be escalated by reference to the seriousness of the risk and the importance of the business priority it threatens. Normally risks are escalated to the next level of risk register when the threat level has reached red. However, a significant change in a risk's seriousness might warrant its escalation giving management teams and organisations the opportunity to act early.

Risk Escalation Matrix

	High	Medium	Low
Critical	Yes	Maybe	Unlikely
Important	Maybe	Unlikely	No
Not so important	Unlikely	No	No

Risks can also be delegated to a lower risk register although this should only happen if:

- The threat level on a business priority under risk management has fallen significantly and is now of considerable less concern at the higher level in the Council Risk Register. This might happen after a period of sustained risk management at the higher level.
- The higher (management) level does not have the primary delivery responsibility for the business priority being risk managed.

The final decision to escalate is a local management decision that depends upon the nature of the risk and the local and corporate operating/political environments.

A factor which can influence risk escalation is <u>risk appetite</u>. Risk appetite in areas such as child protection is understandably lower than say, economic development where 'only' money is at risk rather than potentially someone's life or well being.

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Threat assessment matrix (Likelihood x Impact)

	IMPACT					
	Negligible (1)	**Minor (2)**	**Moderate (3)**	**Major (4)**	**Catastrophic (5)**	
Remote (1)	**1** Tolerate	**2** Tolerate	**3** Tolerate	**4** Tolerate	**5** Tolerate	Never heard of occurring. We can't imagine it occurring.
Unlikely (2)	**2** Tolerate	**4** Tolerate	**6** Prioritise for treatment Tolerate	**8** Prioritise for treatment Tolerate	**10** Prioritise for treatment Tolerate	May occur within the sector. We can imagine it happening.
Possible (3)	**3** Tolerate	**6** Prioritise for treatment Tolerate	**9** Prioritise for treatment Tolerate	**12** Transfer Treat Tolerate	**15** Terminate Transfer Treat	May occur within the Council. It would be unusual.
Likely (4)	**4** Tolerate	**8** Prioritise for treatment Tolerate	**12** Transfer Treat Tolerate	**16** Transfer Treat Tolerate	**20** Terminate Transfer Treat	Occurs in 10 to 100 years. It may happen.
Almost certain (5)	**5** Tolerate	**10** Prioritise for treatment Tolerate	**15** Terminate Transfer Treat	**20** Terminate Transfer Treat	**25** Terminate Transfer Treat	Occurs several time per year. It will happen.

LIKELIHOOD (vertical axis label)

Description of occurrence (vertical axis label)

Financial

A financial loss or loss of opportunity of less than £50k.	A financial loss or loss of opportunity of between £50k & £250k.	A financial loss or loss of opportunity of between £250k & £1 million	A financial loss or loss of opportunity of between £1 million & £10 million.	A financial loss or loss of opportunity of greater than £10 million.

Customer / citizen

Rise in complaints regarding service delivery under 5%.	Rise in complaints regarding service delivery of 5-10%.	Rise in complaints regarding service delivery of 10-20%.	Rise in complaints regarding service delivery of 20% - 30%.	Rise in complaints regarding service delivery of 30% or more.

Health & Safety

No injury.	First aid case or slight short term health problem.	Violence or threat or short term health problem.	Serious medium term health problem.	Fatality, disability or serious long term health problem.

Environmental

Localised short term reversible damage to the environment.	Localised medium term reversible damage to environment.	Widespread medium term reversible damage to environment.	Widespread long term damage to the environment.	Widespread irreversible damage to the environment.

Legal / legislation

Sued or fined less than £50k.	Sued or fined between £50k & £250k.	Sued or fined between £250k & £1 million.	Sued or fined between £ 1 million & £10 million.	Sued or fined for £10 million or greater.

Personnel

Permanent staff turnover exceeds 5% p.a. above norm.	Permanent staff turnover exceeds 5% - 10% p.a. above norm.	Permanent staff turnover exceeds 10% - 20% p.a. above norm.	Permanent staff turnover exceeds 20% - 30% p.a. above norm.	Permanent staff turnover exceeds 30% p.a. above norm.

Buildings/assets

Slight damage to building with no impact on service.	Slight damage to building with minor impact on services.	Damage to building rendering it temporarily unusable.	Damage to building rendering it unusable, but repairable.	Damage to building rendering it unusable & dangerous requiring demolition.

Achievement of highest priorities

No impact on achieving one of the Council's highest priorities.	Little impact on achieving one of the Council's highest priorities.	Noticeable impact on achieving one of the Council's highest priorities.	Partial failure to achieve one of the Council's highest priorities.	Failure to achieve one of the Council's highest priorities.

Partnership engagement

Lack of resource provided from the partner side of a project leads to minor staffing issues.	Lack of resource provided from the partner side of a project leads to project delays.	Lack of resource provided from the partner side of a key project leads to project delays.	Lack of resource provided from the partner side of a major project leads to project delays.	Lack of resource provided from the partner side of a major project leads to termination.

Reputation

No significant comment or media coverage.	Adverse local media coverage for 1 to 7 days.	Adverse local media coverage with moderate change in stakeholder confidence lasting 1 - 3 months.	Adverse national media coverage with significant change in stakeholder confidence lasting more than 3 months.	Adverse national media coverage with dramatic change in stakeholder confidence lasting more than 12 months.

Service delivery

Key front line service unavailable for no more than 1 hour.	Key front line service unavailable for less than 6 hours.	Key front line service unavailable for more than 2 days.	Key front line service unavailable for 1 week.	Key front line service unavailable for more than 1 week.

Risk Management

Roles & responsibilities

Risk Management roles and responsibilities of colleagues, Councillors, committees and management teams:

The Chief Executive
- Ensure there is an agreed Risk Management Framework;
- Ensure that the Risk Management Framework is implemented consistently across the Council via leadership of the Corporate Leadership Team (CLT);
- Ensure that there is sufficient management capacity and expertise across all Council departments;
- Ensure that risks to key objectives at strategic, project, partnership and operational levels are reported regularly to the CLT and appropriate actions taken in response;
- Ensure that risk issues are reported to Councillors with actions being taken.

The Deputy Chief Executive (S151 Officer):
- Ensure the design, production and operation of an effect risk management environment.
- Champion the concept of risk and opportunity management and ensure its proper consideration at CLT, Executive Board and Audit Committee.
- Ensure there is a sound system of financial control;
- Ensure there is an up to date set of Financial Regulations;
- Ensure that budget holders are trained to comply with Financial Regulations;
- Ensure there are adequate insurance arrangements in place and that these are reviewed at least annually;
- Ensure appropriate resources are made available to explore opportunities and manage risk.

Corporate Directors:
- Take ownership of strategic risks and the actions to mitigate them;
- Proactively engage in risk management in their corporate leadership role, including engagement in the quarterly reports to CLT;
- Ensure the Risk Management Framework is implemented consistently within their directorates and within corporate cross-cutting themes;
- Take an active and visible role in the management of risks within their department for their corporate lead responsibilities;
- Ensure that their department has an up to date Risk Register that is regularly reviewed by the departmental management team at least once a quarter;
- Demonstrate how significant risks are being managed.
- Identify a Risk Management lead who is a senior manager at directorate level;
- Provide assurance for the Annual Governance Statement;
- Ensure that health and safety is integrated into the Risk Management activities of the department;
- Incorporate risk in all departmental decision making processes;

Directors:
- Ensure that the Risk Management Framework is implemented across their service;
- Ensure the establishment and maintenance of a Risk Register for their services that is regularly reviewed and updated;
- Provide assurance for the Annual Governance Statement;
- Ensure managers are accountable for their risks;
- Include risk in decision making;
- Ensure the Council's risk management policy is visible, understood and implemented within their directorates;
- Ensure that their Strategic Service Plan (SSP) is effectively risk managed;
- Ensure their colleagues and managers receive the relevant risk management training for their roles;
- Ensure that the management of serious risk is an explicit part of the coverage of PDR processes.

Heads of Service / Managers:
- Ensure that the Risk Management Framework is implemented in their service area;
- Contribute to the identification and management of risks to operational objectives;
- Ensure that the service area has an up to date Risk Register that is regularly reviewed and updated;
- Demonstrate how significant service level risks are being managed;
- Include risk in decision making.
- Ensure the Council's risk management policy is visible, understood and implemented within their service area(s);
- Ensure their teams receive the appropriate risk management training;
- Ensure risk management is considered in team meetings and PDRs.

Service Team Leader:
- Ensure that the Risk Management Framework is embedded within their team
- Ensure that colleagues receive a briefing on the risk management and health and safety policies at local induction
- Ensure that colleagues attend relevant training
- Ensure that all colleagues are aware of strategic, operational, team and personal objectives and their contributions to achieving those objectives
- Ensure that controls are operating effectively for the risks that they manage
- Ensure that any new risks identified within the team are fed through to the line manager
- Ensure that they contribute to a sound system of internal control by following policy and procedures designed to reduce business risk such as fraud prevention.

Individual colleagues:
- Be familiar with the Risk Management Policy;
- Take general steps in their every day working to reduce risk;
- Inform their line manager / supervisor of issues in their work activities that they consider are material risks or raise these issues at team meetings;
- Immediately report any incidents or near misses or any other incident they feel is relevant to their line manager / supervisor;
- To participate in risk management training.

Head of Internal Audit:
- Develop the Council's annual audit programme in conjunction with the Chief Finance Officer, Chair of the Audit Committee, Corporate Directors and Council managers;
- Co-ordinate the production of the Annual Governance Statement;
- Support risk assessments conducted on the Council Plan and key partnerships and projects;
- Act as a source of advice and good practice to Directorates;
- Actively participate in the work of the Audit Committee.

The Head of Resilience:
- Ensure that the Council complies with the requirements of the Civil Contingencies Act 2004;
- Oversee the work of the Corporate Resilience Planning Group through its 'Emergency Response and Recovery' and 'Continuity' work-streams;
- Co-ordinate the development of appropriate Continuity Plans at Corporate, Directorate, Division and Service levels;
- Co-ordinate the provision of appropriate Continuity Planning training and validation;
- Have regard to the need for appropriate Continuity Plan implementation during the response to internal and external emergencies;

- Contribute, where appropriate, to the procurement process in respect of the Continuity arrangements required to enable the Council to deliver services.

Director Human Resources and Organisational Transformation:
- Ensure that the Council's approach to risk management is up to date and effectively meets its business needs and those of the citizens' it serves;
- Embed the City Council's risk management strategy and framework;
- Ensure that risk management and performance management are integrated.

Corporate Risk Manager:
- Be responsible for the robustness and application of the RMF across the Council;
- Provide quarterly strategic risk reports CLT, the Audit Committee and Executive Board;
- Provide an annual report on risk management to CLT, Audit Committee and Full Council
- Provide an annual update of the Council's RMF and Risk Strategy to CLT and Audit Committee
- Ensure that quarterly reports on departmental risk registers are considered at corporate directorate management teams
- Chair the Corporate Risk Management Group;
- Work with the departmental Risk Champions to ensure a consistent approach to service, project and partnership priority risk management across the Council's departments;
- Recommend and implement improvements to the Council's risk management processes;
- Co-ordinate and facilitate the management of the strategic risk register
- Commission and / or deliver the Council's on-going risk management training programme;
- Participate in CPD to ensure that his/her advice reflects emerging good practice and new developments.
- Meet with the Chief Finance Officer each quarter to consider the governance and allied arrangements in respect of risk management.
- Liaise with other Councils on risk management practice, particularly the identification of new and emerging risks to local authority priorities.

The Executive Board:
- Receive and review a quarterly report on risks in the strategic risk register and how they are being managed;
- Obtain assurance that the Corporate Leadership Team are taking appropriate action on significant risks to strategic objectives;
- Consider the draft Annual Governance Statement prior to Council.

The Audit Committee:
- To evaluate the effectiveness of the Council's risk management strategy and arrangements for managing risks;
- To ensure the effectiveness of the Council's Risk Management Framework and associated control environment;
- Approve the Council's Risk Management Framework.

Corporate Leadership Team:
- Manage the Strategic Risk Register using the principles of the Council's Business Priority Risk Management;
- Ensure consistent implementation of the Risk Management Framework across Council directorates, partnerships and projects;
- Assess that suitable actions are taken to mitigate different levels of risk;
- Ensure that controls are prioritised and that risk responses are proportionate;
- Review quarterly the Council's Strategic Risk register
- Include risk in decision making process;
- Approve the RMF prior to consideration by the Audit Committee.

Directorate Leadership/Management Teams:
- Receive and review the departmental Risk Register on a regular basis;
- Obtain assurance that the Directors are taking appropriate action on significant risks to strategic objectives;
- Provide the Corporate Director assurance evidence for the Annual Governance Statement;
- Promote risk management practice in line with the approved Risk Management Framework in the directorates.

Internal Audit:
- Provide an independent and objective opinion to the City Council on its governance, *risk management*, and internal control by evaluating their effectiveness in achieving the Council's objectives;
- Examine, evaluate and report on the Council's risk management arrangements;
- Develop and agree an annual programme of audit focussed on the significant risks to the Council's objectives in conjunction with the Chief Finance Officer;
- Provide an independent opinion on the Annual Governance Statement;

Insurance Services:
- Identify insurable risks;
- Process claims for insurance;
- Provide advice and support to directorates on insurable risk issues;
- Arrange appropriate cover.

The Corporate Risk Management Group:
- Share learning, intelligence, experience and good practice across the organisation;
- Analyse and prioritise risks requiring corporate action;
- Advise the Corporate Directors and Directorate Management Teams on significant risk issues and their mitigation;
- Contribute to the quarterly risk report to CLT and Audit Committee and the Annual reports to Audit Committee, Council and Executive Board;
- Championing risk management within the authority.

Further information is available from the Risk Management intranet site including:

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- Business Priority Summary Template
- Risk Register Templates

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simon.burton@nottinghamcity.gov.uk

Risk Management

Related Risk Management Activities

Other related Risk Management activities and their scope and approach.

Insurable Risks:
The Council recognises that the use of insurance to reduce the financial impact of risk is a critical part of its overall approach to reducing its financial risk exposure. This part of its strategy is implemented by its Insurance Team through a range of internal and external functions:

- Advising on the management of insurable risk, for example in identifying actual and potential sources of loss and working with managers to devise solutions;
- Advising on risk financing options;
- Arranging and maintaining the Council's insurance;
- Providing a professional claims handling service in relation to claims which arise out of the council's activities;
- Monitoring the performance and service standards of insurers, claims handlers, solicitors and brokers;
- Producing high quality risk management information;
- Advising on the insurance implications of partnership agreements, contracts,
- indemnities etc;
- Ensuring value for money.

Corporate Approaches to Risk Financing

The Council seeks to mitigate the financial impact of extreme events by implementing risk transfer structures involving insurance, reinsurance and capital markets.

Risk Financing through Insurance:

In relation to insurable risk, the Council wishes to:

- Ensure that wherever possible external protection exists in respect of catastrophic exposures;
- Maximise the use of the Insurance Fund (self insure) without exposing the Council to unnecessary risk;
- Protect the insurance fund by transferring smaller risks externally where competitive quotes allow;
- Presenting an improving risk to insurance markets thereby stimulating competition and thereby driving down external premiums;
- Encourage departments to manage risk more effectively by developing a more sophisticated premium apportionment methodology;
- Ensure high quality loss data is captured and used by departments to reduce the cost of insurable risk;
- Ensure the adequacy and integrity of the Insurance fund by employing the following mechanisms;
  - Robust auditing of reserves and payments for claims handled in-house or by external service providers;
  - Realistic reserving philosophy;
  - Monthly fund status reports
  - Annual funding review
  - Annual actuarial assessment of the Insurance Fund

Funding of Retained Non-insurable Risk:

The Council will continue to fund these costs through the relevant corporate or service budgets. In the event of a major incident corporate contingency funds will be called upon. The level of contingencies is subject to annual review by the Chief Finance Officer.

Business Continuity Planning:

The Council's approach to Continuity Planning relies on the development of plans at four levels:

- Corporate: provide strategic guidance to CLT and should enable delivery of required response during emergencies;
- Departmental: provide strategic guidance to departments and their nominated Continuity Champions and should enable delivery of required response during emergencies;
- Directorate: provide operational and strategic guidance to Directors and their Continuity Champions to enable restoration of normal operating regime following disruption and to minimise the impact of unplanned interruptions;
- Service Unit: provide operational guidance to Service Team managers to enable restoration of normal operating regimes following disruption.

The development of effective business continuity plans (BCPs) is coordinated by the Council's Resilience Team. Each department has a BCP Champion that works with this team. The Council has formed a formal BCP group which meets regularly to share good practice and co-ordinate inter-dependant BCPs.

Health and Safety Service:
The Council's Health and Safety Team is located within its Resources department and acts as a corporate resource providing a range of technical, advisory, training and other support services to departments and their managers. Departments have their own nominated Health and Safety roles which work in partnership with the corporate team.

The team has a key role in advising and supporting managers on the development of safety management systems, which are required in law. These systems are necessary in large organisations, to manage key risk areas, such as asbestos in buildings, legionella, violence, stress, fire, construction activities and others.

The Team is formally appointed under Regulation 7 of the Management of Health and Safety at Work Regulations 1999 as the 'competent person' operating on behalf of the City council and its departments. The purpose of this role is to assist the Council and its managers to minimise risks to employees and services users arising from their employment and / or service use. As a minimum it assists the Council and managers to fulfil their obligations under British and EU Health and Safety Law.

Some of the main services provided by the team:

- Professional advice on both Criminal and civil health and safety law and its cost effective implementation in service delivery;
- Carry out employee group and specific risk assessments in conjunction with relevant managers;
- Advise and assist managers in carrying out supplementary risk assessments;
- Carry our premises fire risk assessments;
- Provide occupational hygiene services, e.g. noise surveys, lighting surveys, asbestos sampling;
- Provide general health and safety advice on a wide range of topics;
- Provide specialist or technical advice and services on issues such as management of legionella in water systems, management of asbestos handling and control in buildings and fire precautions in buildings;
- Monitor, assess and, if necessary, investigate accident and incident reports;
- Report to and liaise with the enforcing authority (the Health and Safety Executive);
- Carry out inspections and audits (of premises, equipment, system etc.);
- Compile and analyse accident data and prepare statistical information;
- Develop Corporate and codes of practice and guidance;

- Provide training services – identify needs / assess providers / direct raining provision;
- Assist in consultation with Trade Unions through both formal and informal channels;
- Vet contractor' health and safety submissions;
- Provide support to various projects, programmes and policy initiatives.

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