

Report of the Deputy Chief Executive/Corporate Director for Resources

STRATEGIC RISK REGISTER (SRR) Q1 2011/12 UPDATE & 2010/11 ANNUAL
REVIEW

1. **REPORT PURPOSE**

- 1.1 This is the Q1 2011/12 (as at July) update of the Council's SRR and Annual Review of 2010/11 presenting the progress made in reducing the threat level for each strategic risk from their original position.
- 1.2 At its 29 July meeting the Audit Committee selected two risks for more detailed scrutiny, *SR16a – Failure of partners including the City Council to work effectively together* and *SR6 - Failure to safeguard vulnerable children*. Risk owners attend meetings to provide more information and respond to questions, however, due to the change in the date of the meeting, the risk owners for SR6 are unable to attend the meeting. With the agreement of Audit Committee Chair, the presentation of SR6 RMAP has been deferred to the SRR Q2 Update.

2. **RECOMMENDATIONS**

Audit Committee is recommended to:

- 2.1 Consider and critically appraise the progress made on reducing the seriousness of the Council's strategic risks as reflected by their threat levels and Direction of Travel (DoT) for Q1 2011/12 (Table 1 and Appendix 1) and for the year 2010/11 (Appendices 1 & 2);
- 2.2 Note the results of the review of the SRR by Corporate Leadership Team (CLT) and the delegation of three risks, but in particular consider the newly escalated Strategic Risk *SR27 - Failure of Workplace Parking Levy to raise sufficient income to meet NET Phase Two funding requirements*, included as Appendix 3 page 13);
- 2.3 Consider the strategic risk *SR16a – Failure of partners including the City Council to work effectively together* previously selected by Audit Committee for more detailed review. The corresponding Risk Management Action Plan (RMAP) is presented as Appendix 4 page 21;
- 2.4 In addition to *SR6 - Failure to safeguard vulnerable children*, select a further strategic risk from Appendix 1 (page 9) for specific scrutiny as part of the SRR Q2 2011/12 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 several risks in the SRR assessed by risk owners as improving, stable or at target. However, a number of risks are red rated and showing a deteriorating position reflecting range of delivery pressures and challenges the Council has to respond to.

4.3 For the 19 strategic risks within the SRR:

- Three strategic risks are now at target;
- A further five show an improved DoT;
- However, *SR8a – Information management* has a deteriorating DoT.

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 at Q1 2011/12			
SR No.	Strategic Risk Description	Threat Level	DoT (Q4–Q1)
Red rated strategic risks			
26	Failure to support Nottingham citizens and communities to cope with welfare reforms resulting in increased economic hardship	16	↔
6	Failure to safeguard vulnerable children	15	↓
19	Failure to deliver Council Plan priorities	16	↓
8a	Failure to implement and embed effective information management structures, policies (re-entered SRR Q4 2010/11)	12	↑
16a	Failure of partners including the City Council to work effectively together to achieve vision and outcomes in The Nottingham Plan to 2020	12	↔

TABLE 1: Risk Threat Level & DoT in rank order at Q1 2011/12 (continued)			
SR No.	Strategic Risk Description	Threat Level	DoT (Q4–Q1)
Red rated strategic risks			
1	Failure to implement harmonised pay, grade & terms & conditions, fair to all colleagues & Equal Pay legislation compliant	12	↔
3	Failure to mitigate the impact of the economic climate on the Nottingham City and its citizens	12	↔
10	Failure to maintain good standards of governance	12	↔
12a	Failure to provide the best educational outcome for children & opportunities for young people to access further education & skills training to contribute to the economic wellbeing of the City	12	↔
14	Failure to deliver culture change	12	↔
27	Failure of Workplace Parking Levy to raise sufficient income to meet NET Phase Two funding requirements (entered SRR Q1 2011/12)	12	N/A
11	Failure to address medium term financial pressures in a sustainable way	12	↓
22	Failure to achieve national policy requirements and targets for 'Putting People First'	12	↓
25	Failure to deliver improved outcomes through the implementation and embedding of the Commissioning Framework within the directorate, the council and with partners (revised risk for Q4)	12	↓
Amber rated strategic risks			
2	Of the reputation of the City	9	↔
4	Inadequate arrangements in place to respond to civil emergencies and / or catastrophic service delivery	9 At target	↔
24	Failure to ensure effective systems are in place to manage health and safety risks (revised description for Q4 2010/11)	9	↔
5a	Failure to safeguard vulnerable adults	8 At target	↔
7	Failure of NCC's contribution to reduce crime and the fear of crime	8 At target	↔
Green rated strategic risks – There are no green rated risks at Q4.			

Key: ↓ - Reducing threat level; ↔ - Stable threat level; ↑ - Increasing threat level.

Appendix 1 shows the detailed risk threat level assessments between July 2010 (Q1 2010/11) and July 2011 (Q1 2011/12), each risk owner's assessment of the dates when target threat levels will be achieved and the ownership of each risk.

4.5 Review of new / emerging and existing SRR risks

SR9 - Failure of major programmes and projects was scoped in December 2008 around the Council's project management capacity, capability and corporate governance arrangements e.g. gateway reviews, corporate tracking, project appraisal etc. The opening risk threat level was red 12. Extensive work has been undertaken to address the risks and the threat level has reduced and been stable at amber 8 for four consecutive quarters. While there will be risks around our project management arrangements in the future, these will be specific to the project/programme and will be reflected in project/programme risk registers. CLT agreed as part of the SRR Q1 2011/12 Update that this risk should be delegated to the Development Corporate Directorate Risk Register (CDRR) for ongoing monitoring.

SR13 Failure to secure additional funding for Decent Homes programme was originally scoped around delivery of the decent homes programme. The formal settlement by the Homes & Communities Agency (HCA) published on 17 February, resulted in a smaller shortfall than anticipated. Consequently the risk has been reassessed as 8 for the last two quarters. CLT agreed as part of the SRR Q1 2011/12 Update that this risk should be delegated to the Development CDRR for ongoing monitoring.

SR23 - Failure to deliver the 'Local Development Core Strategy' was scoped at Q3 2009/10 around the failure to deliver a Local Development Core Strategy, in support of the Regional Spatial Strategy. The present Government's Localism Bill removed the requirement for a Regional Spatial Strategy, and with it centrally imposed housing targets. Despite this, NCC has continued to work with neighbouring authorities and has now agreed the local approach for Greater Nottingham, with all but one of the relevant local authorities, and developed a work plan for completion of the Local Development Core Strategy. Consequently the level of risk at has reduced significantly (6 for 4 consecutive quarters). CLT agreed as part of the SRR Q1 2011/12 Update that this risk should be delegated to the Development CDRR for ongoing monitoring.

SR27 - Failure of Workplace Parking Levy to raise sufficient income to meet NET Phase Two funding requirements: The purpose of WPL is to raise revenue (on average £12.5m p.a. over the 25 year life span of the PFI) as part of the Council's contribution to the NET Phase Two, HUB and Link Buses projects with the purpose of encouraging commuters to more sustainable transport modes and developing and supporting improved public transport infrastructure. The success or failure of WPL to raise the expected revenue impacts on:

- The scope and continuation of the public transport projects - NET Phase Two, Hub and Link Buses;
- NCC's medium to long term finances which may be called upon to fulfil any shortfall;
- Reputation of NCC in terms of delivering significant infrastructure projects ;
- NCC's ability to realise its long term and wider economic, environmental and transport objectives.

Actions to mitigate the risk include a media campaign (leaflets, radio, workshops) communicating the benefits of the scheme and employer's licensing requirements, questionnaires emailed to employers to identify areas of improvement for the registration process, consultation with residents and evaluation of alternative financing options.

The likelihood and scale of any funding gap is difficult to assess, but license registration should have been completed by the end of September and the scheme will go live in April 2012 when the position in terms of the risks will be known. CLT agreed as part of the SRR Q1 2011/12 Update that this risk should be escalated to the SRR.

5. REVIEW OF PROGRESS MADE DURING 2010/11 IN MANAGING THE COUNCIL'S STRATEGIC RISKS

5.1 Significant progress was made during 2010/11 to manage and reduce the threat levels of the Council's strategic risks despite the financial and economic pressures. During 2010/11 work to manage the Council's strategic risks resulted in:

- The addition of two new strategic risks (SR25 and SR26);
- Five strategic risks being re-scoped (two of which merged SR15 & SR16);
- Three strategic risks having threat levels reduced to such an extent that they were delegated to their respective Corporate Directorate Risk Registers (SR17, SR18 and SR20);
- Nine strategic risks having reduced threat levels or being at target by Q4 (SR11, SR25, SR4, SR24, SR7, SR9, SR5a, SR13, SR23);
- Five strategic risks showing no change in terms of threat level (SR26, SR6, SR1, SR10, SR14);
- Seven strategic risks having increased threat levels by Q4 (SR19, SR3, SR8a, SR16a, SR12a, SR22, SR2).

Appendix 2 details changes made to the composition of the Strategic Risk Register during 2010/11.

5.2 The Comprehensive Spending Review and its impact on the Council's strategic risks was a key feature of 2010/11. In anticipation of the outcome of the review, a number of risks showed increased threat levels. At one point *SR13 - Decent homes* was the highest risk (25) reflecting concern of a significant funding gaps. Despite this, by Q4 improvements had been made such that *SR17 - Failure to protect the Council's investments* was delegated to the Resources Risk Register, *SR13 – Decent Homes* was at target (8) and *SR11 - Failure to address medium term financial pressures in a sustainable way* had a reduced threat level (16 to 12).

5.3 As part of the SRR Quarterly Updates, Audit Committee reviewed seven Risk Management Action Plans covering the Council's most important strategic risks:

- SR3 - Failure to mitigate the impact of the economic climate on the Nottingham City and its citizens (Q2);
- SR8a - Failure to implement and embed effective information management structures, policies, procedures, processes (Q4);
- SR12a - Failure to provide the best educational outcome for children and opportunities for young people to access further education and skills training to contribute to the economic wellbeing of the City (Q3);
- SR16a - Failure of partners including the City Council to work effectively together to achieve vision and outcomes in the Nottingham Plan to 2020 (Q1);
- SR22 - Failure to achieve national policy requirement and targets for Putting People First (Q4);
- SR25 - Failure to deliver improved outcomes through the implementation and embedding of the Commissioning Framework within the directorate, the council and with partners (Q1 and Q4);
- 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 (Q2).

In addition, Audit Committee reviewed and approved the updated Risk Management Framework (Q2) and received an assessment of the impact of the Comprehensive Spending Review on the Council's strategic risks (Q1 & Q2).

6. EXTERNAL AND INTERNAL RISKS FACING THE COUNCIL IN 2011/12

6.1 Looking ahead to 2011/12 there are continuing external risks which result in consequential internal areas of risk for the Council. Typically we have more limited scope to control external risks unlike internal risks over which we have more choice and control and may indeed represent opportunity risks taken in response to external risks.

6.2 **Table 2** identifies these areas of risk to the achievement of the Council's business priorities/objectives:

TABLE 2: Areas of external and internal risks facing the Council	
External	Internal
<ul style="list-style-type: none"> • Continuing reduction of investment in the public sector impacting on partners and the Council; • Weak/fragile recovery of national economy and implications for the local economy; • Ongoing challenge by Government to the role of Councils as service provider e.g. Localism Bill, Big Society; • Welfare reforms. 	<ul style="list-style-type: none"> • Delivering strategic choices savings; • Workforce reductions; • Areas of transformation; • Financial pressure on capital programme; • Delivering business as usual against the back drop of financial constraints, reductions and transformational activity; • Areas of increasing service demand; • Fall in income generation.

7. FOCUS OF RISK AND OPPORTUNITY MANAGEMENT ACTIVITY/IMPROVEMENT FOR 2011/12

7.1 The following areas will be the focus of activity/improvement for 2011/12:

- Supporting managers with targeted training (high risk, change, transformation) and implementation of ROM e-learning module;
- Integration of performance and risk for corporate and dept reporting;
- Ongoing integration of ROM to Service Planning;
- Alignment of strategic risks to new Council Plan priorities;
- Developing approaches to departmental reporting focussed on adding value;
- Continued embedding of ROM below the level of CDRRs.

8. FUTURE AUDIT COMMITTEE RISK REVIEWS

8.1 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 a strategic risk from Appendix 1 in addition to *SR6 - Failure to safeguard vulnerable children* for more detailed examination in the SRR Q2 2011/12 Update.

9. FINANCIAL IMPLICATIONS

9.1 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.

10. RISK MANAGEMENT ISSUES

10.1 These are dealt with throughout the report.

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

11.1 Quarter 1 2010/11 strategic Risk Management Action Plans.

12. PUBLISHED DOCUMENTS REFERED TO IN COMPILING THIS REPORT

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

- SRR Q4 Update reported to Audit Committee 29 July 2011;
- SRR Q3 Update reported to Audit Committee 25 February 2011;
- SRR Q2 Update reported to Audit Committee 17 December 2010;
- SRR Q1 Update reported to Audit Committee 24 September 2010.

APPENDICES

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Nottingham City Council Risk Register - Report Summary

Ref.	Risk description	SR criteria							Estimated Threat Level / Seriousness / DoT					DoT	Target Threat Level	Managing Accountability		
		Highest Pri	Corp Mit	Legal	Reputation	H & S	Citizen well-being	Financial	Date threat level & DoT	2010/11						2011/12	Corp. Director (Risk Owner)	Lead Director or Senior Colleague
										Q1	Q2	Q3	Q4			Q1		
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		✓				✓	Date	New risk	Oct-10	Jan-11	May-11	Jul-11	↔	Apr-14	J. Todd Chief Exec.	P. Wakefield Director Strategic Partnerships	
								Threat Level		16 (4X4)	16 (4X4)	16 (4X4)	16 (4X4)		9 (3x3)			
								DoT		N/A	Stable	Stable	Stable					
SR19	Failure to deliver Council Plan priorities				✓			Date	Jul-10	Oct-10	Jan-11	May-11	Jul-11	↓	Sep-11	C. Mills-Evans DCEX/CDR	A. Probert Director HR & Transformation	
								Threat Level	12 (3x4)	16 (4X4)	16 (4X4)	16 (4X4)	16 (4X4)		9 (3x3)			
								DoT	Stable	Deteriorating	Stable	Stable	Improving					
SR6	Failure to safeguard vulnerable children		✓	✓	✓		✓	Date	Jul-10	Oct-10	Jan-11	Apr-11	Jul-11	↓	Oct-11	I. Curryer CD-Ch & Fam	S. Gautam Director Specialist Services	
								Threat Level	15 (3x5)	15 (3x5)	10 (2x5)	15 (3x5)	15 (3x5)		10 (2x5)			
								DoT	Stable	Stable	Improving AT TARGET	Deteriorating	Improving					
SR8a	Failure to implement and embed effective information management structures, policies, procedures, processes (Previously SR8 re-escalated to SRR June 2011)		✓	✓	✓		✓	Date	Updated risk	Jun-11	Jul-11		↑	Jun-14	C. Mills-Evans DCEX/CDR	M. Gannon Director IT		
								Threat Level		12 (3x4)	12 (3x4)	9 (3x3)						
								DoT		N/A	Deteriorating							
SR16a	Failure of partners including the City Council to work effectively together to achieve vision and outcomes in the Nottingham Plan to 2020		✓	✓		✓		Date	Jul-10	Oct-10	Jan-11	Apr-11	Aug-11	↔	2014	J. Todd Chief Exec.	P. Wakefield Director Strategic Partnerships	
								Threat Level	9 (3x3)	12 (3x4)	12 (3x4)	12 (3x4)	12 (3x4)		8 (2x4)			
								DoT	Stable	Deteriorating	Deteriorating	Deteriorating	Stable					
SR1	Failure to implement harmonised pay, grade & terms & conditions, that are fair to all colleagues & Equal Pay legislation compliant		✓	✓	✓		✓	Date	Jul-10	Oct-10	Jan-11	May-11	Jul-11	↔	Sep-11	C. Mills-Evans DCEX/CDR	A. Probert Director HR & Transformation	
								Threat Level	12 (3x4)	12 (3x4)	12 (3x4)	12 (3x4)	12 (3x4)		6 (2x3)			
								DoT	Improving	Improving	Stable	Stable	Stable					
SR3	Failure to mitigate the impact of the economic climate on the Nottingham City and its citizens				✓		✓	Date	Jul-10	Oct-10	Jan-11	May-11	Jul-11	↔	Apr-11	D. Bishop CD-Dev	J. Yarham Dir Economic Innovation & Employment	
								Threat Level	9 (3x3)	12 (4x3)	12 (4x3)	12 (4x3)	12 (4x3)		9 (3x3)			
								DoT	Stable	Deteriorating	Stable	Stable	Stable					
SR10	Failure to maintain good standards of governance		✓	✓			✓	Date	Jul-10	Oct-10	Jan-11	Mar-11	Mar-11	↔	Jul-11	C. Mills-Evans DCEX/CDR	T. Kirkham Strat Fin Director	
								Threat Level	12 (4x3)	12 (4x3)	12 (4x3)	12 (4x3)	12 (4x3)		6 (2x3)			
								DoT	Stable	Stable	Stable	Stable	Stable					
SR12a	Failure to provide the best educational outcome for children and opportunities for young people to access further education and skills training to contribute to the economic wellbeing of the City	✓	✓	✓				Date	Updated risk	Jan-11	Apr-11	Jul-11	↔	Nov-11	I. Curryer CD-Ch & Fam	G. Ellis Director Schools & Learning		
								Threat Level		12 (3x4)	12 (3x4)	12 (3x4)		8 (2x4)				
								DoT			Stable	Stable						
SR14	Failure to deliver culture change		✓					Date	Jul-10	Oct-10	Jan-11	May-11	May-11	↔	Apr-11	C. Mills-Evans DCEX/CDR	A. Probert Director HR & Transformation	
								Threat Level	12 (3x4)	12 (3x4)	12 (3x4)	12 (3x4)	12 (3x4)		8 (2x4)			
								DoT	Stable	Stable	Stable	Stable	Stable					

Ref.	Risk description	SR criteria							Estimated Threat Level / Seriousness / DoT					DoT	Target Threat Level	Managing Accountability		
		Highest Pri	Corp Mit	Legal	Reputation	H & S	Citizen well-being	Financial	Date threat level & DoT	2010/11						2011/12	Corp. Director (Risk Owner)	Lead Director or Senior Colleague
										Q1	Q2	Q3	Q4			Q1		
SR27	Failure of Workplace Parking Levy to raise sufficient income to meet NET Phase Two funding requirements (entered SRR August 2011/12)				✓		✓		Date				New risk	May-11	↔	Apr-12	D. Bishop CD-Dev	P. Armstrong Director NET
								Threat Level					12 (3x4)		6 (2x3)			
								DoT					New					
SR11	Failure to address medium term financial pressures in a sustainable way		✓		✓		✓	Date	Jul-10	Oct-10	Jan-11	May-11	May-11	↓	Mar-11	C. Mills-Evans DCEX/CDR	T. Kirkham Strategic Finance	
								Threat Level	16 (4x4)	16 (4x4)	16 (4x4)	12 (3x4)	12 (3x4)		6 (3x2)			
								DoT	Stable	Deteriorating	Deteriorating	Improving	Improving					
SR22	Failure to achieve national policy requirement and targets for Putting People First			✓	✓		✓	Date	Jul-10	Oct-10	Jan-11	Apr-11	Apr-11	↓	Mar-11	I. Curryer CD-Ch & Fam	H. Jones Director Comm Inclusion	
								Threat Level	9 (3x3)	12 (3x4)	12 (3x4)	12 (3x4)	12 (3x4)		9 (3x3)			
								DoT	Improving	Deteriorating	Deteriorating	Improving	Improving					
SR25	Failure to deliver improved outcomes through the implementation and embedding of the Commissioning Framework within the directorate, the council and with partners				✓		✓	Date	Jul-10	Oct-10	Jan-11	Apr-11	Jul-11	↓	Apr-12	I. Curryer CD-Ch & Fam	C. Brudenell Director Quality & Commissioning	
								Threat Level	16 (4x4)	12 (3x4)	12 (3x4)	12 (3x4)	12 (3x4)		6 (2x3)			
								DoT	N/A	Improving	Improving	Improving	Improving					
SR2	Of the reputation of the City		✓		✓		✓	Date	Jul-10	Oct-10	Jan-11	Apr-11	Jul-11	↔	Mar-11	J. Todd Chief Exec.	S. Barker Director Comms & Mktng	
								Threat Level	8 (2x4)	9 (3x3)	9 (3x3)	9 (3x3)	9 (3x3)		8 (2x4)			
								DoT	Stable AT TARGET	Deteriorating	Stable	Stable	Stable					
SR4	Inadequate arrangements in place to respond to civil emergencies and / or catastrophic service delivery failure			✓	✓	✓	✓	Date	Jul-10	Oct-10	Jan-11	May-11	Jul-11	↔	Jan-12	C. Mills-Evans DCEX/CDR	P. Millward Head of Service Emergency Planning	
								Threat Level	12 (3x4)	9 (3x3)	9 (3x3)	9 (3x3)	9 (3x3)		9 (3x3)			
								DoT	Improving	Improving AT TARGET	Stable AT TARGET	Stable AT TARGET	Stable AT TARGET					
SR24	Failure to ensure effective systems are in place to manage health and safety risks (entered to the register May 2010)			✓	✓	✓	✓	Date	Jul-10	Oct-10	Jan-11	May-11	Jul-12	↔	Jul-12	C. Mills-Evans DCEX/CDR	P. Millward Head of Service Emergency Planning	
								Threat Level	12 (3x4)	9 (3x3)	9 (3x3)	9 (3x3)	9 (3x3)		6 (2x3)			
								DoT	Stable	Improving	Stable	Stable	Stable					
SR5a	Failure to safeguard vulnerable adults		✓	✓	✓		✓	Date	Jul-10	Oct-10	Jan-11	Apr-11	Jul-11	↔	Apr-11	J. Kelly CD-Comm	E. Yardley Dir Access & Reablement	
								Threat Level	12 (3x4)	12 (3x4)	12 (3x4)	8 (2x4)	8 (2x4)		8 (2x4)			
								DoT	Stable	Stable	Stable	Improving AT TARGET	Improving AT TARGET					
SR7	Failure of NCC's contribution to reduce crime and the fear of crime	✓	✓		✓		✓	Date	Jul-10	Oct-10	Jan-11	Apr-11	Apr-11	↔	Apr-11	J. Kelly CD-Comm	E. Orrock Comm Safety Exec. Coordinator	
								Threat Level	8 (2x4)	8 (2x4)	8 (2x4)	8 (2x4)	8 (2x4)		8 (2x4)			
								DoT	Improving AT TARGET	Improving AT TARGET	Stable AT TARGET	Stable AT TARGET	Stable AT TARGET					

DIRECTION OF TRAVEL (DoT):

Reducing threat level



Stable threat level



Increasing threat level



Changes to the composition of the Strategic Risk Register 2010/11		
Strategic Risk	Change	Rationale
SR8 - Loss or misuse of data	<p>Delegated at Q1 2010/11 to the Resources Corporate Directorate Risk Register.</p> <p>Re-entered the SRR at Q4 as a re-scoped risk looking more broadly at information management.</p>	<p>At the time when this risk was delegated, it was amber rated and had showed improvement for 3 consecutive quarters.</p> <p>As part of ongoing monitoring as part of the Resources RR the risk was reassessed in light of penetration testing and difficulties experienced by similar authorities. This resulted in a re-scoping and escalation of the risk as <i>SR8a - Failure to implement and embed effective information management structures, policies, procedures, processes</i>. The risk entered the SRR at Q4 and at Q1 2011/12 is assessed at 12.</p>
SR12 - Educational attainment	<p>Delegated at Q1 to the Children's & Families CDRR.</p> <p>Re-entered the SRR at Q3 as a re-scoped risk looking more broadly at educational outcomes.</p>	<p>At the time this risk was delegated, it was amber and had been at target for 4 consecutive quarters. The risk was originally scoped around making consistent improvement in GCSE results. Following comments by Audit Committee, the risk was re-scoped as <i>SR12a - Failure to provide the best educational outcome for children and opportunities for young people to access further education and skills training to contribute to the economic wellbeing of the City</i>. Since its re-entry to the SRR, this risk as remained at 12 for 3 consecutive quarters.</p>
SR15 - Deliver LAA	<p>SR15 and SR16 merged at Q1 and re-scoped as SR16a - Failure of partners including the City Council to work effectively together to achieve vision and outcomes in the <i>Nottingham Plan to 2020</i></p>	<p>The LAA was the delivery mechanism for Nottingham Plan which was essentially the focus for SR16. Subsequently the LAA was discontinued by Government and the constituent risk removed from the SR16 RMAP. When originally re-scoped the risk was assessed as having a threat level of 9, this has increased to 12 reflecting the severe financial pressures facing the Council and its partners.</p>
SR16 - Deliver outcomes for local people		
xSR17 - Failure to protect Council's investments	<p>Delegated to the Resources Corporate Directorate Risk Register at Q2.</p>	<p>This risk entered the SRR in response to the loss of investments resulting from the collapse of Icelandic Banks. Originally assessed as 12, when delegated the risk had been amber (8) for 4 consecutive quarters. The reduction resulted from changes in investment strategy and the positive response from financial markets to Government changes leaving Council's investments less vulnerable to those looking to exploit instability in the financial markets. The risk has continued to be monitored through the Resources Risk Register and as at January 2011 was assessed as 6 (2x3) showing further improvement.</p>

Strategic Risk	Change	Rationale
xSR18 - Workplace strategy	Delegated to the Development CDRR at Q1 and managed through the DLT and Transformation Board.	When this risk was delegated it was assessed as amber having been at 8 for 4 consecutive quarters. The risk was originally scoped around the objective of moving colleagues from seven dispersed buildings into a single main site, Loxley House. In October 2010, this first phase was completed and the project transferred to business as usual.
xSR20 - Teenage pregnancy	Delegated at Q1 to the Children's & Families CDRR.	SR20 was scoped around the failure to reduce the level of teenage pregnancies in line with Government expectations. Although the risk threat level was still high, levels of teenage pregnancy had at the time reduced for 8 consecutive quarters. In addition, LAA targets were subsequently discontinued. Although the target for reducing the level of teenage pregnancies remains in the Nottingham Plan, the date for achievement has been extended to 2020.
SR25 – Failure to develop a strong and well resourced commissioning programme to improve the delivery of services in pursuit of improved outcomes.	<p>CLT agreed to the addition of this risk to the SRR at Q1.</p> <p>For Q4 the risk was updated and re-scoped around the failure to deliver improved outcomes through the implementation and embedding of the Commissioning Framework within the directorate, the council and with partners</p>	<p>CLT identified the risks at Q1 2010/11 around whether the Council was achieving value for money from its commission arrangements and a lack of compliance with financial regulations etc.</p> <p>For Q4 2010/11 SR25 was updated to provide a more direct link to the embedding of the Commissioning Framework and the delivery of improved outcomes. Governance arrangements were also updated with the risk and actions to mitigate coming under the auspices of the Commissioning Change Board, made-up of senior representatives from the recently formed integrated Quality and Commissioning Directorate. Originally assessed at Q1 2010/11 as 16, the risk has shown consistent improvement and is now assessed as 12 and improving at Q1 2011/12.</p>
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	CLT agreed to the addition of this risk to the SRR at Q1.	The risk was identified in response to the Governments Welfare Reform Agenda. The reform has the potential for 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. Since its introduction at Q2 2010/11, the risk has remained stable at 16 for 4 consecutive quarters.

SR-27 - Failure of Workplace Parking Levy to raise sufficient income to meet NET Phase Two funding requirements.

The Workplace Parking Levy (WPL) is being introduced from October 2011 with charging commencing in April 2012. All workplaces are required to have a licence, with those that provide 10 or more employee parking spaces paying the levy. Customer parking is not included in the levy. The purpose of WPL is to raise revenue as part of NCC's contribution to the NET Phase Two, HUB and Link Buses projects with the purpose of encouraging commuters to more sustainable transport modes and developing and supporting improved public transport infrastructure.

The success or failure of WPL to raise the expected revenue will have an impact on:

- the scope and continuation of the public transport projects - NET Phase Two, Hub and Link Buses.
- NCC's medium to long term finances which may be called upon to fulfill any shortfall.
- the reputation of NCC in terms of its delivery of significant infrastructure projects and its relations with residents, employers and employees.
- NCC's ability to realise its long term and wider economic, environmental and transport objectives.

Links with the Strategic Risks: SR-2 "Poor reputation of the city" and SR-11 "Failure to address medium term financial pressures in a sustainable way".

		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:	P. Armstrong			Completed by:	J. Gooding			Date completed:	Jul 2011		Review date:	Oct 2011		
RISK SUMMARY														
Opening (Q1 11/12)			Previous (N/A)			Current (Q1 2011/12)			Target (xx 1x)			Overall risk mitigation effectiveness (Adequate, Yet to secure improvement, Inadequate)		
Threat level (Lxl=??)			Threat level (Lxl=??)			Threat level (Lxl=??)			Threat level (Lxl=??)					
			DoT ↓ Improving ↔ Stable ↑ Deteriorating						DoT ↓ Improving ↔ Stable ↑ Deteriorating					
3	4	12	L	I	N/A	3	4	12	2	3	6	Adequate		

CONSTITUENT RISKS TO BE MANAGED														
Risk Ref.	Constituent Risk Description	Opening Threat Level e.g. 2x4=8			Previous Threat Level e.g. 2x4=8			Latest Threat Level e.g. 2x4=8			DoT ↓ Improving ↔ Stable ↑ Deteriorating	Target Threat Level e.g. 2x4=8		
1	Employers do not understand their obligations to comply with the WPL scheme resulting in significant levels of non-compliance, increased enforcement activities and reduced WPL revenue (QOb2R2)	3	4	12	L	I		3	4	12	↔	2	3	6
2	Widespread and persistent displaced parking resulting in a negative perception of the WPL scheme, increased cost in traffic management resources and reduced WPL revenue (QOb5R1).	3	4	12	L	I		3	4	12	↔	2	3	6
3	Administration burden for employers is too high resulting in significant levels of non-compliance, increased enforcement activities, negative perception of the WPL scheme and reduced WPL revenue (BOb2R3 and see QOb2R6)	3	4	12	L	I		3	4	12	↔	2	3	6
4	Fail to recruit all resources resulting in the need to reduce the scope of compliance and enforcement activities (QOb6R1)	3	4	12	L	I		2	4	8	↓	2	2	4
5	Less liable workplace parking places than originally estimated resulting in reduced WPL revenue and reduction of business support and planned public transport improvements (BOb1R1)	3	3	9	L	I		3	3	9	↔	2	2	4
6	Failure of businesses to understand benefits of WPL results in premise relocation outside of the city.	3	3	9	L	I		3	3	9	↔	3	3	9
7	Failure of IT or administrative processes results in reduced WPL revenue collection.	2	2	4	L	I		2	2	4	↔	2	2	4

EXISTING MANAGEMENT ACTIONS				ADDITIONAL MANAGEMENT ACTIONS			ALL
Risk Ref.	Description of actions already in place to mitigate the identified risks	Person accountable	Adequacy of those actions (Adequate, Yet to secure improvement, Inadequate)	Description of additional actions to put in place (mandatory where current risk mitigation effectiveness is "Inadequate")	Person accountable	Date action due to be completed	Review date
1&6	The WPL communications campaign commenced on the 16th May and all employers have been mailed either the employer handbook or small employers leaflet and the WPL team will continue to disseminate the positive messages of the business benefits of reduced congestion and improved accessibility of the WPL package of investments.	JG	Adequate				
1&6	Media activity is ongoing and a radio campaign and further mailshots are planned in July to advise employers that they can start to apply for their WPL licences.	JG	Adequate				
1&6	Employer workshops to communicate the benefits of the WPL scheme and guide them through the licensing process have been held with the top 6 employers pre the communications campaign and further workshops have been held with over 60 head teachers, 40 school governors and 140 of the larger employers. A further 4 workshops are planned up till the end of Sept to assist the medium/large employers to understand the benefits of the scheme and apply for their licence.	JG	Adequate				

EXISTING MANAGEMENT ACTIONS				ADDITIONAL MANAGEMENT ACTIONS			ALL
Risk Ref.	Description of actions already in place to mitigate the identified risks	Person accountable	Adequacy of those actions (Adequate, Yet to secure improvement, Inadequate)	Description of additional actions to put in place (mandatory where current risk mitigation effectiveness is "Inadequate")	Person accountable	Date action due to be completed	Review date
1	The telephone hotline have been in constant use with over 400 enquiries since the start of the campaign and the WPL website has been revamped to focus on licensing and this is maintaining a steady number of hits and 250 licence applications have been recieved online by the 19/07/11.	JG	Adequate				
1&6	The WPL project team is continuing to meet with employers on a one to one basis to discuss site specific issues related to licensing and disseminate the positive messages of the business benefits of reduced congestion and improved accessibility of the WPL package of investments. Meetings have been held with a number of the larger employers including Boots, Nottingham University, Trent University, NCN, EoN, Experian, Imperial Tobacco, NHS.	JG	Adequate				
2	Scoping studies have been produced for 6 of the 9 wards and tightening up works and consultation has commenced within some of these wards as part of the preparation for the implementation of the scheme.	SH	Yet to secure improvement				
2	A £200k budget is available for the first 3 years of the scheme to fund traffic management initiatives. Staff resources has been identified in June 2010 to provide technical resource.	SH	Yet to secure improvement				

EXISTING MANAGEMENT ACTIONS				ADDITIONAL MANAGEMENT ACTIONS			ALL
Risk Ref.	Description of actions already in place to mitigate the identified risks	Person accountable	Adequacy of those actions (Adequate, Yet to secure improvement, Inadequate)	Description of additional actions to put in place (mandatory where current risk mitigation effectiveness is "Inadequate")	Person accountable	Date action due to be completed	Review date
3	The registration system has undergone extensive field testing with a range of stakeholders and the top 6 employers. Employers who have 10 or less liable places (approx 85% liable employers) will take approx 10min to complete for an average employer. In future years the administrative burden for employers will be reduced due to a renewal only requiring confirmation that the licence details are still valid and will only have to amend the licence if their parking requirements have changed. 250 employers have successfully applied for their licences online by 19/07/11	JG	Adequate				
3	Feedback questionnaires are being emailed to those employers who have received licenses to identify any areas for improving the registration process.	JG	Adequate				
4	Two senior officers have been recruited and are undergoing a training programme to enable them to engage with employers.	JG	Adequate				

EXISTING MANAGEMENT ACTIONS				ADDITIONAL MANAGEMENT ACTIONS			ALL
Risk Ref.	Description of actions already in place to mitigate the identified risks	Person accountable	Adequacy of those actions (Adequate, Yet to secure improvement, Inadequate)	Description of additional actions to put in place (mandatory where current risk mitigation effectiveness is "Inadequate")	Person accountable	Date action due to be completed	Review date
4	Interviews for a further four officers are planned in July and expected to start in post by 1st September. The amount of time it has taken to progress these vacancies through the recruitment process has impacted on when these new resources will be suitably trained to enable them to engage with employers as part of the communications campaign.	JG	Yet to secure improvement				
4	A vacancy approval report is being submitted for approval to recruit an administrative officer to support the WPL team, planned to be in post by September.	JG	Yet to secure improvement				

EXISTING MANAGEMENT ACTIONS				ADDITIONAL MANAGEMENT ACTIONS			ALL
Risk Ref.	Description of actions already in place to mitigate the identified risks	Person accountable	Adequacy of those actions (Adequate, Yet to secure improvement, Inadequate)	Description of additional actions to put in place (mandatory where current risk mitigation effectiveness is "Inadequate")	Person accountable	Date action due to be completed	Review date
5	The Off Street Parking Audit 6 (OSPA6) results showed a small increase in the number of WPL liable spaces (1528) since the previous survey OSPA5 (2005). Several of the larger employers had reduced their parking during this period but this was offset by the number of new employers being added to the results (NG2 etc). This brings confidence that the number of liable spaces is remaining fairly stable and therefore the risk of there being a significantly less liable spaces than forecast is reduced. However, active parking management by larger employers could result in a reduction in eligible spaces against the anticipated model (16% contingency included in the financial model).	JG	Adequate				
5	Analysis of employers registration data against OSPA will be undertaken to assess the variation between the surveyed and licensed WPL places. Any significant variations will be used to inform and prioritise compliance and enforcement activities from the 1st October once employers are legally obliged to hold a licence.	JG	Yet to secure improvement				
6	Ensure that robust communications strategies are in place for both WPL and NET	IR	Yet to secure improvement				

EXISTING MANAGEMENT ACTIONS				ADDITIONAL MANAGEMENT ACTIONS			ALL
Risk Ref.	Description of actions already in place to mitigate the identified risks	Person accountable	Adequacy of those actions (Adequate, Yet to secure improvement, Inadequate)	Description of additional actions to put in place (mandatory where current risk mitigation effectiveness is "Inadequate")	Person accountable	Date action due to be completed	Review date
7	The WPL IT system and processes have undergone extensive scenario testing with both internal and external stakeholders to ensure they are robust and fit for purpose.	JG	Adequate				
7	The WPL system is planned to be backed up on the disaster recovery system at Woodthorpe Grange so failure of the IT suite at Loxley would enable services to be switched to the alternative site to ensure continued provision of the WPL IT system.	JG	Yet to secure improvement			Q3 2011/12	Q3 2011/12
7	The IT infrastructure hosting the WPL system is deployed on virtual servers, meaning should the need arise to increase capacity, then additional resources can be granted to the virtual servers in a matter of minutes whilst the servers are still operating.	JG	Adequate				

SR16a – Failure of partners including the City Council to work effectively together to achieve vision and outcomes in The Nottingham Plan to 2020

This risk focuses on the potential failure of key partners (public and private and voluntary sector) to work effectively together to achieve the vision and outcomes in the Nottingham Plan. It relates to the provision of support to partners including the City Council so that they are able to align their activity and resources with the delivery of the Nottingham Plan.

		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:	J. Todd	Completed by:	P. Wakefield	Date Completed:	Aug 2011	Next Review Date:	Oct 2011
Risk Summary							
Opening Jul 10	Previous (Q4 2010/11)		Latest (Q1 2011/12)		Target 2014	Overall Risk Mitigation Effectiveness (Adequate, Yet to secure improvement, Inadequate)	
Threat level Lxl e.g. 1x4=4	Threat level Lxl e.g. 1x4=4	DoT ⇔↓↑	Threat level Lxl e.g. Lxl 1x4=4	DoT ↓↑	Threat level Lxl e.g. 1x4=4		
3x3=9	3x4=12	↑	3x4=12	↔	2x4=8		
						Yet to secure	

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 align Council and partners' resources to the objectives and targets in the Nottingham Plan	2x4=8	2x4=8	2x4=8	↔	2x4=8
2	Failure to effectively performance manage the Nottingham Plan	2x4=8	2x4=8	1x4=4	↔	1x4=4

3	Changes in government policy and public sector funding cuts	4x3=12	4x3=12	5x4 =20	↔	5x4=20
4	Partners disengagement from ON partnership	1x4=4	1x4=4	1x4=4	↑	1x4=4

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	Ensure that the Council Plan, Medium Term Financial Plan and Partner Implementation Plans and are aligned with the objectives and targets in the Nottingham Plan.	Adequate	JT	PW/LJ	Ongoing
1, 2, 4	<ul style="list-style-type: none"> Review the Nottingham Plan in light of the Council's Manifesto, adopted as Council policy, public expenditure cuts and Government policy changes Six monthly and annual performance reports to the corporate Delivery and One Nottingham Boards and One Nottingham Executive Group. 	Yet to secure improvement	JT	PW/LJ LJ	Sept 2011 Ongoing
3	Provide policy analysis for Council and partners, including: <ul style="list-style-type: none"> Horizon scanning. Analysis of policy implications. Working with partners to identify opportunities and mitigations to public expenditure cuts and Government policy changes. 	Adequate	JT	CR/ LJ	Ongoing
Additional management actions					
1	<ul style="list-style-type: none"> Individual Council Directors to work with One Nottingham partners, where and when appropriate, to mitigate the impact of public expenditure cuts and Government policy changes on our most vulnerable citizens and neighbourhoods. Co-sponsor with Nottingham University, pilot action learning research into the impact of public expenditure cuts and Government policy changes in one neighbourhood. 	Yet to secure improvement	JT	Directors CR	Ongoing Mar 2011