



**Nottingham City Council
Executive Board**

Date: Thursday, 28 April 2022

Time: 3.15 pm

Place: Tea Room - at the Council House

Councillors are requested to attend the above meeting to transact the following business

Director for Legal and Governance

Governance Officer: Adrian Mann, Governance Officer **Direct Dial:** 0115 8764468

Agenda	Pages
1 Apologies for Absence	
2 Declarations of Interests	
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4 Key Decision - Household Support Fund April - September 2022 Report of the Portfolio Holder for Leisure, Culture and Schools	9 - 14
5 Levelling Up and Devolution Report of the Leader of the Council and Portfolio Holder for Strategic Regeneration and Communications	15 - 24
6 Corporate Risk and Assurance Update Report of the Portfolio Holder for Finance and Resources	25 - 94
7 Exclusion of the Public To consider excluding the public from the meeting during consideration of the remaining items in accordance with Section 100A of the Local Government Act 1972, under Schedule 12A, Part 1, Paragraph 3, on the basis that, having regard to all the circumstances, the public interest in maintaining an exemption outweighs the public interest in disclosing the information	

8	Corporate Risk and Assurance Update - Exempt Appendices	95 - 104
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All items listed 'under exclusion of the public' will be heard in private for the reasons listed in the agenda papers. They have been included on the agenda as no representations against hearing the items in private were received

If you need any advice on declaring an interest in any item on the agenda, please contact the governance officer shown above, if possible before the day of the meeting

Citizens attending meetings are asked to arrive at least 15 minutes before the start of the meeting to be issued with visitor badges

Citizens are advised that this meeting may be recorded by members of the public. Any recording or reporting on this meeting should take place in accordance with the council's policy on recording and reporting on public meetings, which is available at www.nottinghamcity.gov.uk. Individuals intending to record the meeting are asked to notify the governance officer shown above in advance.

Nottingham City Council

Executive Board

Minutes of the meeting held at Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 22 March 2022 from 2.00 pm - 2.25 pm

Membership

Present

Councillor David Mellen (Chair)
Councillor Sally Longford (Vice Chair)
Councillor Cheryl Barnard
Councillor Eunice Campbell-Clark
Councillor Rosemary Healy
Councillor Neghat Khan
Councillor Adele Williams
Councillor Sam Webster
Councillor Linda Woodings
Councillor Andrew Rule

Absent

Councillor Kevin Clarke

Colleagues, partners and others in attendance:

Frank Jordan - Corporate Director for Resident Services
Sajeeda Rose - Corporate Director for Growth and City Development
Malcolm Townroe - Director of Legal and Governance
Catherine Underwood - Corporate Director for People
Mel Barrett - Chief Executive
Nancy Barnard - Governance and Electoral Services Manager

Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 31 March 2022. Decisions cannot be implemented until the working day after this date.

117 Apologies for Absence

Councillor Rebecca Langton – Maternity Leave
Councillor Kevin Clarke – Work Commitments

Clive Heaphy, Corporate Director for Finance and Resources – Leave

The Committee took the opportunity to record their congratulations to Councillor Rebecca Langton on the recent birth of her baby.

118 Declarations of Interests

Councillor Adele Williams declared an interest in agenda item 10 as a member of the Thomas Bow board and left the meeting at that point.

119 Minutes

The Committee confirmed the minutes of the meeting held on 22 February 2022 as a correct record and they were signed by the Chair.

120 Ofsted and Care Quality Commission Special Educational and/or Disabilities (SEND) Inspection

The Portfolio Holder for Children and Young People presented a report on the findings of the joint Ofsted and Care Quality Commission (CQC) local area inspection of Nottingham City's implementation of the Special Educational Needs and/or Disabilities (SEND) Reforms which took place between Monday 8th – Friday 12th November 2021. The following points were discussed:

- a) During the inspection inspectors met with carers, parents, young people and staff from a range of agencies. The inspectors visited a number of settings of their choice including educational and health settings.
- b) The inspection does not produce a graded judgement but, if any areas of significant concern were identified, a written statement of action would be issued. No statement was issued and feedback from the inspection team was positive about partnership working and the commitment to inclusion. 80% of local authorities inspected in the last year were issued with a statement.
- c) The Committee's thanks to the staff involved in the inspected services were recorded.

Resolved to note

- (1) the main findings of the report including the strengths and areas of development**
- (2) the review and continued development of SEND strategic priorities and action plan.**

- **Reasons for the Decisions**

To inform the Executive Board of the findings of and response to the review of SEND provision in the City following the Ofsted and Care Quality Commission Special Educational and/or Disabilities (SEND) Joint Inspection.

- **Other Options Considered**

The report was for information and therefore other options did not apply.

121 Area Capital Fund Allocation for Highways and Transport - Key Decision

The Portfolio Holder for Highways, Transport and Cleansing Services presented the report on the allocation and proposed spend of the Area Capital Fund (ACF) for Highways and Traffic Schemes, which is funded from the capital programme from the Local Transport Plan allocation. The following points were discussed:

- a) ACF funding is used to make environmental improvements at a ward level.
- b) Arrangements are in place to ensure that engagement with ward councillors on ACF spend is robust.

Resolved to

- (1) approve the allocation and spend of the 2021/22 Area Capital Fund for the highway and transport projects as outlined in Appendix 1 to the report.**
- (2) delegate authority to the Director of Neighbourhood Services to undertake appropriate procurement processes and enter into contracts as necessary to carry out the projects set out in Appendix 1.**
- (3) delegate authority to the Corporate Director Resident Services in consultation with the Corporate Director Growth and City Development and the Portfolio Holder for Highways, Transport and Cleansing, to undertake the required engagement and prioritisation process for future years allocations and to approve the final allocation of the Area Capital Fund for Highways.**

- **Reasons for the Decisions**

To enable improvements to the highway in local areas including works to footways, roads, traffic & safety and parking schemes. The proposed prioritisation is based on technical assessment, local knowledge and engagement through the Neighbourhood Management team and Ward Councillors. The schemes as outlined in Appendix 1 have been through this process and officers can confirm that the items recommended are supported by the highway's asset management plan. These schemes are not the entire ACF Programme and comprise of agreed LTP scheme priorities for approval under this decision.

To enable procurement activity to be undertaken should the need arise. The proposed delivery route for the delivery of the schemes will be through a combination of the Council's own in-house teams and existing framework agreements which the Council has established for highways related works, however there may be occasion where additional works and services may be required. For such arrangements compliant procurement processes in line with the Council's Contract Procedure Rules at Article 18 of the Constitution will need to be followed, and contracts entered into.

To support the expedient delivery of schemes via delegation to the Corporate Director while maintaining engagement with ward members. All decisions regarding the allocation of the ACF will be published and shared with all councillors. Consultation will be undertaken with the Portfolio Holder before a decision is made and a mechanism will be put in place to enable the Portfolio Holder to be assured about the member engagement process used to support the proposed prioritisation.

- **Other Options Considered**

Do nothing: this option was rejected as it would result in no approval of spend and therefore no Schemes being delivered. Further, it would cause delay on any dual-funded schemes and adversely impact the overall delivery of the Local Transport Plan Capital Programme through non-delivery of schemes.

122 Nottingham Business Improvement District (BID) Payment - Key Decision

In the absence of the Portfolio Holder for Skills, Growth and Economic Development the Leader of the Council presented the report on the arrangements for the collection and payment of the Nottingham Business Improvement District levy for 2022 to 2025. The following points were discussed:

- a) The Nottingham BID plays an important role in supporting the City Centre and supports areas including promoting the city centre, supporting city centre businesses, supporting the council's event programme, and supporting public realm, cleansing and tackling anti-social behaviour.
- b) The BID is enthusiastically supporting the Council's Carbon Neutral 2028 work.

Resolved to

(1) approve collection on behalf of the Nottingham BID via Business rates, the BID levy for period 2022 to 2025

(2) approve payment of levy income collected to the Nottingham BID quarterly, based upon invoices submitted

(3) authorise the Director of Economic Development and Property to authorise payments.

- **Reasons for the decisions**

Nottingham BID is the legally constituted business improvement district for Nottingham City Centre. Nottingham City Council are required to collect the BID levy via the business rates and pay on to Nottingham BID. This decision is to enable this payment for 2022 to 2025 (the remaining period of the Nottingham BID).

- **Other options considered**

Not making the collection and payment. This option was rejected as the Council have a duty, as the Business Rates billing authority, to collect approved BID levies and pay them on. The impact of not collecting and paying on the levy would be a legal breach of a statutory duty.

123 Sale of Premises known as Stonebridge Court Industrial Estate, Alfred Street South, Nottingham, NG3 2GY - Key Decision

The Portfolio Holder for Strategic Regeneration and Communications presented a report on the disposal of the premises known as Stonebridge Industrial Estate. The following points were discussed:

- a) The property consists of tenanted units and has been recommended for sale following a review by the Disposal Team within Property Services. The review considered all aspects of the property including income/expenditure, state of repair and maintenance, management intensity and the disposal market for the asset type.

- b) The capital receipt generated will assist in meeting the current commitments within the capital programme and provide additional cash flow into the council to mitigate budget pressures and contribute towards funding a transformation programme.

Resolved to

- a) **declare the premises known as Stonebridge Court Industrial Estate, Alfred Street South, Nottingham, NG3 2GY surplus to the Property Trading Account and make the freehold available for disposal**
- b) **grant delegated authority to the Director of Economic Development and Property to agree the method, disposal price and terms for the sale of the freehold interest in this property as set out in the exempt appendix.**
- c) **grant delegated authority to the Director of Economic Development and Property to enter into any licence, deed or agreement necessary to facilitate the disposal.**

- **Reasons for the decisions**

In response to the Council's Recovery and Improvement Plan 2021-24, this asset has been reviewed under the, "Asset Rationalisation Programme", and informally approved for disposal by the Asset Review board. The disposal will generate a capital receipt for the Council.

- **Other options considered**

Not to dispose of the premises. This option is not viable as it presents a business risk to the Council as the asset requires capital investment to maximise its potential.

Active asset management approach. This option is not considered an effective and efficient use of resources, because of the condition of the premises. In the absence of capital expenditure, the full potential of this asset cannot be maximised

124 Exclusion of the Public

The Board decided to exclude the public from the meeting during consideration of the remaining agenda items in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighed the public interest in disclosing the information, as defined in Paragraph(s) 3 and 5 of Part 1 of Schedule 12A to the Act.

125 Sale of Premises at Stonebridge Court Industrial Estate, Alfred Street South, Nottingham - Exempt Appendix

Resolved to note the exempt appendix to item 7.

126 Highways Delivery Options - Exempt Report

This decision is not subject to call in because the Chair of Overview and Scrutiny has agreed that the decision is reasonable in all circumstances and should be treated as a matter of urgency.

Having declared an interest, Councillor Adele Williams left the meeting at this stage.

The Leader of the Council presented an exempt report on Highways Delivery Options.

Resolved to approve the recommendations as set out in the exempt report.

- **Reasons for the decision**
As set out in the exempt report.
- **Other options considered**
As set out in the exempt report.

Subject:	Household Support Fund, April – September 2022
Corporate Director(s)/Director(s):	Catherine Underwood, Corporate Director for People
Portfolio Holder(s):	Cllr Eunice Campbell-Clark, Portfolio Holder for Leisure, Culture and Schools
Report author and contact details:	Jennifer Hardy Jennifer.hardy@nottinghamcity.gov.uk
Other colleagues who have provided input:	
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Criteria for Key Decision:	
(a) <input checked="" type="checkbox"/> Expenditure <input checked="" type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision	
and/or	
(b) Significant impact on communities living or working in two or more wards in the City <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Type of expenditure: <input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date:	
Total value of the decision: £3,566,933	
Wards affected: All	
Date of consultation with Portfolio Holder(s): 5 April 2022	
Relevant Council Plan Key Outcome:	
Clean and Connected Communities	<input type="checkbox"/>
Keeping Nottingham Working	<input type="checkbox"/>
Carbon Neutral by 2028	<input type="checkbox"/>
Safer Nottingham	<input type="checkbox"/>
Child-Friendly Nottingham	<input checked="" type="checkbox"/>
Healthy and Inclusive	<input type="checkbox"/>
Keeping Nottingham Moving	<input type="checkbox"/>
Improve the City Centre	<input type="checkbox"/>
Better Housing	<input type="checkbox"/>
Financial Stability	<input checked="" type="checkbox"/>
Serving People Well	<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
Nottingham City Council has been allocated £3,556,933 in the latest Household Support Fund (HSF), which aims to support citizens with rising household costs. The Council, governed by guidance from the Department for Work and Pensions, can choose how to allocate this funding to residents.	
Does this report contain any information that is exempt from publication?	
No	

Recommendation(s):	
1	To accept the £3,556,933 grant from the Government for HSF grant allocation and enter into any associated grant agreement with the Government.
2	To approve the existing working group make recommendations about how the grant should be allocated and to take these recommendations to Leadership Group for consideration and agreement
3	To delegate authority to the Corporate Director for People to allocate the grant, in accordance with recommendation 2, which will be subject to the Council's Contract Procedure Rules and in accordance with the grant conditions from government
4	To approve the purchase of supermarket vouchers via the Crown Commercial framework.

1. Reasons for recommendations

- 1.1 The HSF replaced the Covid Household Support Grant in 2021, and aims to provide those in need with financial support. The Department for Work and Pensions devolve this funding to Local Authorities as we are best placed to understand the needs of our citizens.
- 1.2 A working group was established in 2020 to look at how these grants could be allocated with representatives from Finance, Catering, Customer Services, Education, People's, Communities and Marketing and Communications. This will be expanded for the latest fund to ensure more groups are represented and that the interaction with other grants are known and considered.
- 1.3 It is proposed to continue with this working group model and again delegate approvals relating to this grant to the Corporate Director for People.
- 1.4 Throughout the lifetime of these grants we have administered vouchers which can be redeemed in supermarkets and it is proposed to continue with this arrangement again, using the framework RM6255, to procure any supermarket vouchers in time to support this scheme.

2. Background (including outcomes of consultation)

- 2.1 In the Spring Statement, the Chancellor announced the continuation of the Household Support Fund and Nottingham City has been allocated £3.556m to support households between April and September 2022.
- 2.2 Stipulations for this funding are that a third must be spent on supporting households with children and a third must be spent supporting pensioners, with a greater emphasis on support with energy bills than with previous grants.
- 2.3 Nottingham was allocated £3.556m through the HSF for the period October 2021 – March 2022. This was spent on providing supermarket vouchers to families in receipt of free school meals and residents in receipt of Council Tax relief, supporting young people who live alone and providing energy vouchers to those who need them. Nottingham City Council also allocated funding to food banks to support them with increased demand.

3. **Other options considered in making recommendations**

3.1 Nottingham City Council does not have to accept this funding, but this is not an option we would consider because this support is needed by Nottingham residents.

4. **Consideration of Risk**

Risk	Mitigation
Funding does not reach those in need	The working group has been established to mitigate against this. Those involved have a great understanding of Nottingham's residents and the challenges they face
The funding is not enough to support everyone adequately	Signposting to other areas of support is a key part of allocating this grant and will be part of our marketing and communications.

5. **Finance colleague comments (including implications and value for money/VAT)**

5.1 Nottingham's allocation of £3.556m for the period April – September 2022 is the same value as that allocated October 2021 – March 2022.

5.2 The allocation of this grant is still be determined in accordance with cross organisational input and will be presented through the appropriate channels for agreement. The allocation recommendations will:

- Align to the grant conditions;
- Where appropriate, will follow procurement procedures;
- Ensure alignment with other inter linking grants, providing a coordinated approach in the use of additional funding to support the citizens of Nottingham.
- Minimise any risk associated to the organisation.
- Enable an Equality Impact Assessment to be undertaken.

Ceri Walters
Head of Commercial & Transformation Finance
12 April 2022.

6. **Legal colleague comments**

This report seeks approval to accept and allocate additional household support grant funding received from the Government.

The City Council must ensure that it complies with any terms and conditions specified by the Government in its funding agreement, otherwise it will be at risk of clawback.

It is understood that the funding will be used to purchase supermarket vouchers using a CCS framework, which will enable an efficient and swift method of

obtaining the vouchers. The award of the contract with the chosen provider for these vouchers must be in accordance with the provisions and requirements of that framework to ensure compliance.

Should part of the money be used other than to procure vouchers as detailed in the report, a clear process must be established for future allocations in terms of recipients and value of award. This must also be within the parameters of the Council's Contract Procedure Rules and in accordance with any conditions imposed upon the Council from the Government. Further advice from legal and procurement colleagues may need to be sought.

Dionne Screaton, Senior Solicitor, Commercial, Employment and Education, 8th April 2022

7. **Other relevant comments**

7.1 **Procurement**

The proposal involves using a framework to purchase the vouchers. The framework has specific call-off terms for awarding contracts. Provided the framework process is followed, the award of contract would be compliant with procurement law and therefore there would be no significant Procurement concerns. Advice provided by Paul Ritchie (Procurement Manager) on 08/04/2022.

8. **Crime and Disorder Implications (If Applicable)**

8.1 None

9. **Social value considerations (If Applicable)**

9.1 None

10. **Regard to the NHS Constitution (If Applicable)**

10.1 None

11. **Equality Impact Assessment (EIA)**

11.1 Has the equality impact of the proposals in this report been assessed?

No



An EIA is not required because:

This decision does not relate to a new service.

12. **Data Protection Impact Assessment (DPIA)**

12.1 Has the data protection impact of the proposals in this report been assessed?

No



A DPIA is not required because:

The Council will not be entering in to any data sharing arrangements with third parties.

13. Carbon Impact Assessment (CIA)

13.1 Has the carbon impact of the proposals in this report been assessed?

No

A CIA is not required because:
It is not relevant to this decision.

Yes

Attached as Appendix x, and due regard will be given to any implications identified in it.

14. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

14.1 None

15. Published documents referred to in this report

15.1 None

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Subject:	Levelling Up and Devolution
Corporate Director(s)/Director(s):	Sajeeda Rose, Corporate Director for Growth and City Development
Portfolio Holder(s):	Councillor David Mellen, Leader of the Council and Portfolio Holder for Strategic Regeneration and Communications
Report author and contact details:	Sajeeda Rose, Corporate Director for Growth and City Development
Other colleagues who have provided input:	James Schrodell, Policy and Performance Team Manager
Subject to call-in:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Key Decision:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Criteria for Key Decision:	
(a)	<input type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision
and/or	
(b)	Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input type="checkbox"/> No
Type of expenditure:	<input type="checkbox"/> Revenue <input type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date:
Total value of the decision:	Nil
Wards affected:	All wards
Date of consultation with Portfolio Holder(s):	24/03/22
Relevant Council Plan Key Outcome:	
Clean and Connected Communities	<input type="checkbox"/>
Keeping Nottingham Working	<input type="checkbox"/>
Carbon Neutral by 2028	<input type="checkbox"/>
Safer Nottingham	<input type="checkbox"/>
Child-Friendly Nottingham	<input type="checkbox"/>
Healthy and Inclusive	<input type="checkbox"/>
Keeping Nottingham Moving	<input type="checkbox"/>
Improve the City Centre	<input type="checkbox"/>
Better Housing	<input type="checkbox"/>
Financial Stability	<input checked="" type="checkbox"/>
Serving People Well	<input type="checkbox"/>
Summary of Issues	
<p>In February 2022, the Government published its long-awaited White Paper on Levelling Up, a significant set of proposals which look to take a step forward in addressing geographical disparities in funding, productivity and growth across England. As officers continue to assess the broader implications for Nottingham this report presents some emerging opportunities for the Council to consider.</p> <p>Further to initial discussions held with Government in Autumn 2021, Nottingham and Nottinghamshire were recognised in the White Paper as pathfinders for a devolution deal.</p> <p>In light of the new devolution framework published in the White Paper, the Council alongside Nottinghamshire is now exploring options with Derby and Derbyshire ('D2N2 authorities') to more fully exploit the opportunities provided by the Levelling Up White Paper. An initial expression of interest has been submitted to Government to explore the opportunities for devolution. This could involve the formation of a combined authority subject to agreement by all respective councils, along with new governance arrangements, which are also being explored.</p>	

The Council aims to work with regional and local partners to ensure that Nottingham secures greater resources and flexibilities through Levelling Up, thereby maximising the opportunities to improve outcomes for citizens in the city. Devolution would entail powers being devolved down central government to the local area and not change any of the existing powers and roles of individual local authorities.

Any devolution deal would be subject to further consultation before a decision is taken.

Does this report contain any information that is exempt from publication?

No

Recommendations

1. To note the opportunities arising from the Levelling Up White Paper through the devolution framework, which could benefit local communities through greater investment and flexibilities for our area.
2. Approve continued negotiations with Government about a potential devolution deal.
3. Subject to successful discussions with Government and the other D2N2 authorities, to note a further report will be brought to Executive Board in due course seeking a final decision on any proposed devolution deal and associated governance model.

1. Reasons for recommendations

- 1.1 The context in which the city operates has never been more challenging. The impact of COVID-19 will be serious and long lasting in terms of our economic resilience and financial sustainability. The Council needs to explore opportunities created by Government to secure funding, freedoms and flexibilities to achieve the best possible outcomes for its citizens.
- 1.2 We have seen regions such as London, the North West and the West Midlands benefit from the introduction of directly elected mayors and combined authorities, with increased influence at Government level, opportunities to leverage funding and greater flexibility in terms of decision making at a local level. The East Midlands has undoubtedly 'missed out' as a result of not having access to the same level of funding and freedoms, and whilst joint strategic working has been explored informally within recent years, it has not come to fruition. This is being revisited in light of the new devolution framework.
- 1.3 Where our goals as a Council align with the Government's Levelling Up missions, devolution provides the prospect of access to greater funding and the opportunity to collectively tackle deep seated inequalities across the region.

2. Background (including outcomes of consultation)

- 2.1 The Government published its Levelling Up White Paper in February 2022. The paper is based around five pillars:
 - Pillar One: The Government is setting 12 medium term missions to achieve by 2030 – as set out in **Appendix 1**
 - Pillar Two: Decision making - Central government decision making will be fundamentally reoriented to align policies with the levelling up agenda and hardwire spatial considerations across Whitehall.

- **Pillar Three:** Empower local decision makers - A new framework will extend, deepen, and simplify local devolution in England.
- **Pillar Four:** Government will transform its approach to data and evaluation - The Office for National Statistics' Subnational Data Strategy aims to improve the UK's subnational data, mapping local economic geographies and helping improve transparency and accountability to the public. The Government is making available interactive tools and maps to facilitate this process.
- **Pillar Five:** Government will create a new regime to oversee its levelling up missions. There will be a statutory duty to publish an annual report analysing progress and a new external Levelling Up Advisory Council. The Council will support Ministers by advising on the design, delivery, and impact of levelling up policy

2.2 The devolution framework, as shown in **Appendix 2**, is based on four principles:

Effective leadership – to secure devolution the government says that there needs to be defined structures and leadership for clear and strong local decision making i.e. with a leader and cabinet where there is a large local authority. When there are a group of authorities, and they establish a combined authority, there needs to be an appropriate institution. Where a group of authorities are seeking a non-mayoral combined authority, there needs to be clarity on how decisions will be made – for instance, by majority vote.

Sensible geography – new devolution deals are based on geographies that are locally recognisable in terms of identity, place and community, as well as being sensible economic areas that join up where people live and work. On that basis, to access more powers, any future devolution deals should be agreed over a sensible FEA (functional economic area) and/or a whole county geography, with a single institution in place across that geographic footprint. The involvement of district authorities will be encouraged, but deals will only be agreed with county and unitary local authorities. No authority will have a veto over the progress of neighbours who are prepared to move quickly and adopt strong governance models.

Flexibility – the framework sets out three tiers to define a clear and consistent set of devolution pathways. Devolution deals will be tailored to each area, with not every area necessarily having the same powers.

- Level 3 – A single institution or County Council with a directly elected mayor (DEM), across a FEA or whole county area.
- Level 2 – A single institution or County Council without a DEM, across a FEA or whole county area.
- Level 1 – Local authorities working together across a FEA or whole county area e.g., through a joint committee.

Appropriate accountability – devolution will give areas more powers and funding flexibility, but these need to be used appropriately to support local and national priorities. Local leaders and institutions will need to be transparent

and accountable, working closely with local businesses, seeking the best value for taxpayer's money and maintaining strong ethical standards

2.3 The benefits of securing some form of devolution include:

- Being able to respond to the real and systemic challenges and opportunities resulting from the impacts of COVID-19 and Britain's exit from the EU;
- Address years of under-investment in the East Midlands, particularly on transport infrastructure;
- Improve the lives and prospects of our people, our places and our economy: truly delivering levelling-up in action and addressing long standing inequalities;
- Improve the efficiency and effectiveness of local government and our ability to work with partners

2.4 In anticipation of the Government's proposals around devolution, the Council, alongside Nottinghamshire County Council, entered into initial conversations with Government in Autumn 2021 regarding a County Deal (which now aligns with Level 1 and 2 of the devolution framework). It is positive that the White Paper confirmed that Nottingham and Nottinghamshire is one of 9 local areas identified as pathfinders for a potential County Deal, however it is now apparent that a county deal may not deliver the full benefits that devolution can offer.

2.5 The proposed County Deal discussed with Government includes provision for the transfer of powers from government to the area for employment and skills, transport, housing, business support and investment. It was based on considerable joint work already underway including shared plans on HS2 growth, waste and transport and could enable the creation of a multi-year, 'single pot' investment fund to support economic development and regeneration. It was also proposed that collective decision making at a local level would be discharged through an Economic Prosperity Committee constituted for this purpose.

2.6 Since the publication of the White Paper, the Council alongside Nottinghamshire is also exploring options with Derby and Derbyshire to fully exploit the opportunities provided by Levelling up through the devolution framework (i.e. Level 3). It is worth noting that there has been previous exploration of a combined authority for the East Midlands with a directly elected mayor, as well as a 'strategic alliance' across upper tier authorities to achieve common goals. These discussions did not come to fruition but there is now substantial appetite from D2N2 authorities in light of the potential scale of the 'prize' on offer through the devolution framework. Regions such as West Midlands and North West have secured significant gains through agreed devolvement of powers with Government, with greater investment and improved voice and influence

2.7 Negotiations are continuing with the D2N2 authorities at pace with an initial expression of interest submitted to Government, and it is expected that the D2N2 proposals may be amongst the first to be discussed with Government. It is likely that workstreams will be formed around the key outcome areas to develop business cases. Consideration will also be given to developing appropriate governance arrangements across the four authorities, including the option of an elected mayor. Officer resource is being secured to support the process. An allocation from Nottingham City Council of circa £100,000 to contribute towards shared D2N2 costs and potentially cover a post within the joint D2N2 directorate is being considered.

2.8 Ultimately any set of devolution proposals will be presented to Executive Board for approval before a devolution deal is secured. At this stage timescales are unclear

3. **Consultation Process**

3.1 Group leaders and Executive members have been updated regarding the early discussions around devolution. Councillors and partners will be briefed regularly on progress in securing a potential devolution deal.

3.2 If negotiations with Government are successful and as a part of the next stages, it is proposed that a wider consultation with citizens and partner organisations would take place in due course which will detail the implications of any subsequent devolution deal.

4. **Other options considered in making recommendations**

4.1 The Council could choose not to pursue any aspect of devolution however this would fail to maximise the opportunities in terms of investment and flexibilities that would benefit local communities, hence it is not considered a viable option.

5. **Finance colleague comments (including implications and value for money/VAT)**

5.1 A number of funding streams have been identified in the White paper although specific allocations are not yet known. Monitoring arrangements will be put in place to ensure that any commitments can be met within the funding that is made available.

5.2. Initially, the Council will be required to contribute towards officer resource to develop the devolution proposals. The Council in conjunction with the D2N2 upper tier authorities will also be jointly commissioning independent support to lead on the development of a joint business case and negotiation with government on a 'deal'. A contribution of £100,000 funded from the financial resilience reserve will be required to support this.

Lisa Kitto – Deputy s151 and Finance Strategic Lead – 24/03/22

6. **Legal colleague comments**

6.1. Any form of devolution would require a clear constitutional framework which sets out the extent to which devolved powers are transferred from central government to either a county deal or combined authority, and how those functions are exercised and monitored at a local level. This will be developed with Government in due course and brought to Executive Board for approval.

Malcolm Townroe - Director of Legal and Governance and Monitoring Officer – 24/03/22

7. **Equality Impact Assessment (EIA)**

7.1 Has the equality impact of the proposals in this report been assessed?

No

An EIA is not required because:

(Please explain why an EIA is not necessary)

The business case for any form of devolved government would include an equality impact assessment as part of its evidence base, to ensure that the needs of all sections of our communities are fully reflected.

Yes

Attached as Appendix x, and due regard will be given to any implications identified in it.

8. **Data Protection Impact Assessment (DPIA)**

8.1 Has the data protection impact of the proposals in this report been assessed?

No

A DPIA is not required because:

No data is being processed at this point.

9. **Carbon Impact Assessment (CIA)**

9.1 Has the carbon impact of the proposals in this report been assessed?

No

A CIA is not required because:

No new policies are being proposed at this stage.

10. **List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)**

10.1 N/A

11. **Published documents referred to in this report**

11.1 Levelling Up the United Kingdom

Possible Alignment	
Levelling Up 12 Missions	NCC Strategic Council Plan
Mission	SCP Outcomes
1 Raising pay, employment and productivity in every area, each containing a globally competitive city	<ul style="list-style-type: none"> • Outcome Two: Keeping Nottingham Working
2 Increasing investment in research and development outside the south-east by at least 40%	<ul style="list-style-type: none"> • Outcome Two: Keeping Nottingham Working
3 Raising transport connectivity across the country to the standard of London	<ul style="list-style-type: none"> • Outcome Seven: Keeping Nottingham Moving
4 Creating nationwide gigabit-capable broadband and 4G coverage, with 5G for the majority of the population	<ul style="list-style-type: none"> • Outcome One: Clean and Connected Communities • Outcome Two: Keeping Nottingham Working • Outcome Eight: Improve the City Centre
5 Increasing reading, writing and maths standards of primary school children	<ul style="list-style-type: none"> • Outcome Five: Child-Friendly Nottingham
6 Significantly increasing skills training in every part of the UK	<ul style="list-style-type: none"> • Outcome Two: Keeping Nottingham Working
7 Lowering the gap in healthy life expectancy between local areas	<ul style="list-style-type: none"> • Outcome Six: Healthy and Inclusive
8 Improving wellbeing in every area of the UK	<ul style="list-style-type: none"> • Outcome Six: Healthy and Inclusive • Outcome Nine: Better Housing
9 Increasing pride in place, including satisfaction with town centres and community engagement	<ul style="list-style-type: none"> • Outcome Eight: Improve the City Centre
10 Increasing first-time home buyers and cutting non-decent rented homes by 50%	<ul style="list-style-type: none"> • Outcome Nine: Better Housing
11 Cutting homicide, serious violence and neighbourhood crime	<ul style="list-style-type: none"> • Outcome Four: Safer Nottingham
12 Giving every area that wants one a devolution deal, with powers approaching the highest level and a simplified, long-term funding settlement	<ul style="list-style-type: none"> • Outcome One: Clean and Connected Communities • Outcome Two: Keeping Nottingham Working • Outcome Three: Carbon Neutral by 2028 • Outcome Seven: Keeping Nottingham Moving • Outcome Eight: Improve the City Centre • Outcome Nine: Better Housing • Outcome Ten: Financial Stability

Possible Alignment	
Levelling Up 12 Missions	NCC Strategic Council Plan
Mission	SCP Outcomes
	<ul style="list-style-type: none"> • Outcome Eleven: Serving People Well

Table 2.3 Devolution Framework

Level 3 – A single institution or County Council with a directly elected mayor (DEM), across a FEA or whole county area

Level 2 – A single institution or County Council without a DEM, across a FEA or whole county area

Level 1 – Local authorities working together across a FEA or whole county area e.g. through a joint committee

Function	Detail	L1	L2	L3
Strategic role in delivering services	Host for Government functions best delivered at a strategic level involving more than one local authority e.g. Local Nature Recovery Strategies	✓	✓	✓
	Opportunity to pool services at a strategic level	✓	✓	✓
	Opportunity to adopt innovative local proposals to deliver action on climate change and the UK's Net Zero targets	✓	✓	✓
Supporting local businesses	LEP functions including hosting strategic business voice		✓	✓
Local control of sustainable transport	Control of appropriate local transport functions e.g. local transport plans*		✓	✓
	Defined key route network*			✓
	Priority for new rail partnerships with Great British Railways – influencing local rail offer, e.g. services and stations			✓
	Ability to introduce bus franchising		✓	✓
	Consolidation of existing core local transport funding for local road maintenance and smaller upgrades into a multi-year integrated settlement			✓
Investment spending	UKSPF planning and delivery at a strategic level		✓	✓
	Long-term investment fund, with an agreed annual allocation			✓
Giving adults the skills for the labour market	Devolution of Adult Education functions and the core Adult Education Budget		✓	✓
	Providing input into Local Skills Improvement Plans		✓	✓
	Role in designing and delivering future contracted employment programmes			✓
Local control of infrastructure decisions	Ability to establish Mayoral Development Corporations (with consent of host local planning authority)			✓
	Devolution of locally-led brownfield funding			✓
	Strategic partnerships with Homes England across the Affordable Housing Programme and brownfield funding			✓
	Homes England compulsory purchase powers (held concurrently)		✓	✓
Keeping the public safe and healthy	Mayoral control of Police and Crime Commissioner (PCC) functions where boundaries align^			✓
	Clear defined role in local resilience*		✓	✓
	Where desired offer MCAs a duty for improving the public's health (concurrently with local authorities)			✓
Financing local initiatives for residents and business	Ability to introduce mayoral precepting on council tax*			✓
	Ability to introduce supplement on business rates (increases subject to ballot)			✓

* refers to functions which are only applicable to combined authorities

^ refers to functions which are currently only applicable to mayoral combined authorities

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Executive Board – 19 April 2022

Subject:	Corporate Risk and Assurance Update
Corporate Director(s)/Director(s):	Clive Heaphy, Corporate Director, Finance & Resources
Portfolio Holder(s):	Councillor Sam Webster, Portfolio Holder for Finance and Resources
Report author and contact details:	Shail Shah, Head of Audit and Risk Email: Shail.Shah@nottinghamcity.gov.uk Caroline Stevens, Principal Risk Specialist Email: Caroline.Stevens@nottinghamcity.gov.uk
Other colleagues who have provided input:	John Slater, Group Auditor Corporate Leadership Team Departmental Leadership Teams
Subject to call-in:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Key Decision:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Criteria for Key Decision:	
(a)	<input type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision
and/or	
(b)	Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input type="checkbox"/> No
Type of expenditure:	<input type="checkbox"/> Revenue <input type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date:
Total value of the decision:	Nil
Wards affected:	All
Date of consultation with Portfolio Holder(s):	21 March 2022
Relevant Council Plan Key Outcome:	
Clean and Connected Communities	<input checked="" type="checkbox"/>
Keeping Nottingham Working	<input checked="" type="checkbox"/>
Carbon Neutral by 2028	<input checked="" type="checkbox"/>
Safer Nottingham	<input checked="" type="checkbox"/>
Child-Friendly Nottingham	<input checked="" type="checkbox"/>
Healthy and Inclusive	<input checked="" type="checkbox"/>
Keeping Nottingham Moving	<input checked="" type="checkbox"/>
Improve the City Centre	<input checked="" type="checkbox"/>
Better Housing	<input checked="" type="checkbox"/>
Financial Stability	<input checked="" type="checkbox"/>
Serving People Well	<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
Highlight to Executive Board the refreshed Risk Management Policy and Framework and the top corporate risks to the Council, based on discussions at CLT, Leadership Group and with Corporate Directors, including cross cutting risks and risks escalated from directorates.	
Does this report contain any information that is exempt from publication?	
Appendix 2 and 3 to this report are exempt from publication under paragraph number three of Schedule 12A to the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	

It is not in the public interest to disclose this information because this may lead to potential for commercial disadvantage if sensitive commercial, financial or contractual information became available to potential contractors or partners.

Recommendation(s):

1 To note the refreshed Risk Management Policy and Framework.

2 To review the risks and mitigations within the Corporate Risk and Assurance Register and discuss their relevance, their corresponding risk scores and if any risks need to be added or deleted from the register.

1. Reasons for recommendations

1.1 To receive and review a regular report on corporate risks and how they are being managed and obtain assurance that the Corporate Leadership Team (CLT) are taking appropriate action on significant risks to strategic objectives.

2. Background (including outcomes of consultation)

Refreshed Risk Management Policy and Framework

2.1 The refreshed Risk Management Policy and Framework is attached as Appendix 1 for noting. The Framework sets out the Council's approach to risk management and includes a policy, a strategy and a detailed risk management toolkit:

- The policy states that the Council is committed to the proactive management of risks, outlines the Council's active promotion of the principles of effective risk management and includes the risk appetite statements agreed by CLT.
- The strategy sets out the aims, principles and objectives for risk management, how the framework will be communicated, including training, delivery, monitoring and an action plan
- The toolkit provides guidance to managers, to assist them in undertaking any risk management activities.

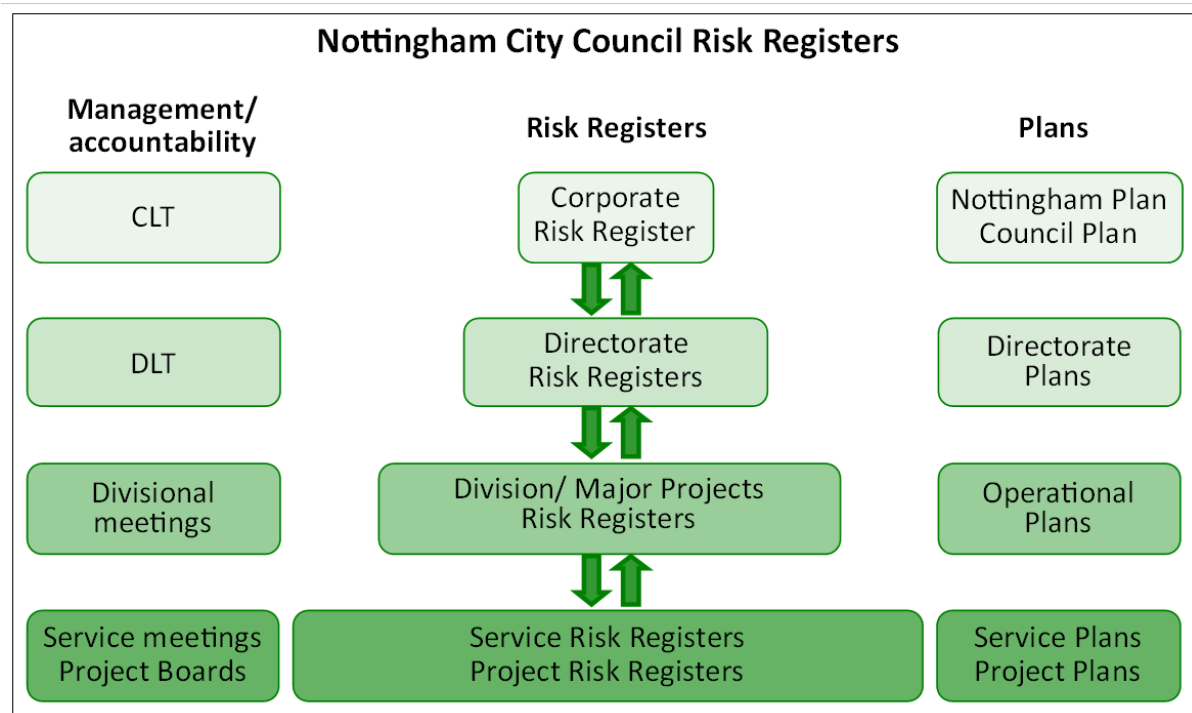
2.2 The previous version approved by CLT in November 2020 has been reviewed and updated to incorporate changes recommended following a self-assessment against best practice. Feedback on the Framework has also been incorporated from Audit Committee members, CLT, PWC and Zurich. Extensive feedback has also been received from Improvement Assurance Board members in writing and through meetings with the overall opinion of the document being positive.

2.3 The framework is supported by risk templates, a quick reference toolkit for managers, online risk management training and a series of live training sessions for Senior Officers. A risk management intranet site is also available and provides access to the Policy and Framework, all supporting documents and contact details for the risk team.

Corporate Risk and Assurance Register Update

2.4 A risk reporting process is in place to support escalation of risk throughout the Council as required. Risks can move between registers based on seriousness

and required oversight and support. The escalation process is shown diagrammatically as follows:



- 2.5 Risks are reviewed by Directorate Leadership Teams, CLT and Leadership Group quarterly. The corporate register is also reviewed by Executive Panel, Executive Board and Audit Committee six monthly.

The Register Update

- 2.6 An overview of the top corporate risks to the Council and changes to the register since the last review is included as Appendix 2 and the summary Corporate Risk and Assurance Register is attached as Appendix 3 for review of the existing mitigations in place and to agree any further actions needed.

3. Other options considered in making recommendations

- 3.1 To do nothing: this risks the potential that not all key corporate risks facing the Council are represented and understood within the register and that Executive Board members are not fully engaged or aware of the Council's risk profile.

4. Consideration of Risk

- 4.1 Risks for consideration are detailed within the register.

5. Finance colleague comments (including implications and value for money/VAT)

- 5.1 Financial implications are highlighted as potential impacts for each risk included within the register alongside an assessment of the impact on finance using the risk matrix. Finance colleagues have inputted to related risks within the register.

6. Legal colleague comments

6.1 Legal implications are highlighted as potential impacts for each risk included within the register alongside an assessment of the impact on legal/ legislation using the risk matrix. Legal colleagues have inputted to related risks within the register.

7. Other relevant comments

7.1 Senior colleagues across all directorates have inputted to related risks within the register.

8. Crime and Disorder Implications (If Applicable)

8.1 N/A

9. Social value considerations (If Applicable)

9.1 Social value implications are highlighted as potential impacts for each risk included within the register alongside an assessment of the impact using the risk matrix.

10. Regard to the NHS Constitution (If Applicable)

10.1 N/A

11. Equality Impact Assessment (EIA)

11.1 Has the equality impact of the proposals in this report been assessed?

No

An EIA is not required because: There is no change proposed within the report.

(Please explain why an EIA is not necessary)

Yes

Attached as Appendix x, and due regard will be given to any implications identified in it.

12. Data Protection Impact Assessment (DPIA)

12.1 Has the data protection impact of the proposals in this report been assessed?

No

A DPIA is not required because: There is no change proposed within the report.

(Please explain why a DPIA is not necessary)

Yes

Attached as Appendix x, and due regard will be given to any implications identified in it.

13. Carbon Impact Assessment (CIA)

13.1 Has the carbon impact of the proposals in this report been assessed?

No



A CIA is not required because: There is no change proposed within the report.

(Please explain why a DPIA is not necessary)

Yes



Attached as Appendix x, and due regard will be given to any implications identified in it.

14. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

14.1 None

15. Published documents referred to in this report

15.1 None

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Risk Management Policy & Framework

Document Control:	Risk Management Framework
Version: 4.4	24 March 2022
Date Approved by CLT:	8 March 2022
Date Originally Approved by CLT:	15 November 2016
Date First Issued:	15 November 2016
Next Review Date:	1 March 2023
Document Owner:	Corporate Director for Finance and Resources

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Risk Management Policy

Policy Statement

It is the Council's policy to proactively identify, understand and manage the risks inherent in our services and associated within our plans and strategies, so as to encourage responsible, informed risk taking reflecting our appetite for risk.

Risk management is all about understanding, assessing and managing the Council's threats and opportunities. We recognise that it is not always possible to eliminate risk entirely and the Council accepts the need to take proportionate and well-managed risks to achieve its strategic obligations.

It is important that both our day to day business and our large and complex projects are delivered in a controlled environment with costs and risks clearly understood. Through managing risks and opportunities in a structured manner, and through embedding risk management in our culture, the Council will be in a stronger position to ensure that we are able to deliver our objectives safely.

To do so, visibility of these areas is essential, and with a robust and strong framework we can place ourselves in the best position to achieve our strategic objectives and ambitions.

Cllr David Mellen
Leader of the Council



Melbourne Barrett
Chief Executive



1. Introduction

Risk management is needed to understand the threats and opportunities associated with delivering Nottingham City Council's services. It makes us think about the decisions we take and how we manage everyday service delivery, projects and our work with partners.

Risk management is often concerned with the adverse potential of risk but 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 by properly assessing them and managing them appropriately.

The following statement sums up the purpose of risk management:

Risk management is a process that allows individual risk events and overall risk to be understood and managed proactively, **optimising success** by **minimising threats** and **maximising opportunities** and outcomes (*Definition from APM Body of Knowledge 7th edition*).

Benefits of Risk Management

To manage services effectively we need to identify, understand and manage risks which threaten our ability to deliver our critical or most important business priorities.

The application of risk management supports us in:

- Achieving our priorities and planned financial targets;
- Achieving a high level of citizen satisfaction in our service delivery;
- Maintaining a safe and supportive working environment for colleagues;
- Optimising management and leadership competence;
- Enhancing our reputation;
- Maintaining compliance with legal and regulatory frameworks.

Effective Risk Management

Effective implementation of risk management will ensure that:

- The Council, colleagues, councillors and partners, can face risks knowingly and manage them for the benefit of service users, citizens, tax payers and other stakeholders;
- Risk management plays a central role and is embedded into the management of its business activities, projects and partnerships, improving the quality of decision making and management;
- Risk management practices are executed within a common framework that provides a consistent approach and channel for escalation of serious risks;

- Risks and opportunities are considered and taken in line with the Council's risk appetite, with understanding and managed to achieve business priorities;
- Our partners undertake effective risk management in the interest of the Council's service users, citizens, tax payers and other stakeholders.

Risk management principles and culture

Our approach to Risk management is supported by a number of principles:

- Risk management activity is aligned to business priorities (including those priorities supported by partnerships and projects). It encompasses all strategic, operational and insured risks that may prevent Nottingham City Council achieving its objectives;
 - Risk management is integrated into our planning process;
 - The Council risk register framework comprises separate risk registers and risk strategies corresponding to levels of management accountability and plans;
 - Criteria exist for the escalation and delegation of risks between registers;
- Risk management engages our stakeholders and deals with differing perceptions of risk. This entails engaging with individuals and groups who have a stake in the organisational activity being undertaken, to understand their requirements and perceptions of risk;
- Risk management is a process to improve our understanding of risks and our decision-making, helping the Council anticipate and where possible/ appropriate take preventative action rather than dealing with consequences, record and disseminate learning to limit similar risks occurring in the future. However, the purpose is not to remove risk entirely, but to manage risks most effectively (risk aware not risk averse);
 - Risk is considered in all formal council reports;
 - Risks are regularly reviewed at Directorate Leadership Teams (DLTs) and Corporate Leadership Team (CLT) to facilitate the updating and communication of risks and inform decision making;
 - Risks are also reported to Leadership Group, Executive Panel, Executive Board and Audit Committee.
- A consistent approach to the identification, assessment, management and escalation of risks throughout the Council;
 - Use of an assessment matrix to assist in making an assessment of likelihood and impact of risks materialising;
 - The Risk Management Framework, including Policy, Strategy and Process Guide, additional guidance, templates and training support a consistent approach to risk management;

- Risk control and mitigation measures are effective, proportionate, affordable and flexible;
 - Risk mitigations are captured in Risk Registers. An assessment of their effectiveness is made by the risk owner and assurances recorded within the register;
 - Mitigations are reflected in corresponding Service Plans with a regular review of the risks that are a threat/ opportunity to the achievement of key performance indicators (KPIs);
 - Risks are subject to assurance work proportionate to the importance of the associated business objective and the impact of the risk.

Partnerships

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

Partnership governance bodies should ensure that partnerships (including their constituent projects and/ or partnerships) are risk managed in a manner which is proportionate to the complexity and significance of the partnership. Where possible, efforts should be made to be consistent with the Council's policies. Risk management for partnerships must be designed to work across the appropriate organisational boundaries and accommodate and engage the different stakeholders involved. Large and or complex stakeholder communities can introduce their own risk and need to be explicitly managed.

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.

Stakeholder engagement

Stakeholders may include a wide range of individuals with an interest in the delivery of a priority or the management of its risks for example councillors, managers, employees, trade unions, suppliers, partners, citizens and members of the wider community affected by the Council's existence.

The objectives of differing stakeholders may not be aligned and perceptions of risk may vary significantly. This will influence their contribution in identifying and managing the Council's risks. By facilitating discussions about risk and providing challenge, effective risk management practices will reduce subjectivity and bias caused by different stakeholder perceptions.

In order to engage stakeholders effectively the appropriate level and style of communication must be undertaken in order to identify who the various stakeholders

are, understand their requirements and build common understanding. Proactive and timely involvement of stakeholders helps to ensure that the risk identification process is thorough and differences are understood and resolved early on, helping the Council to achieve its objectives.

Risk Appetite

A risk appetite statement clarifies an organisation's approach to striking the balance between innovation, upside, and higher risk on the one hand and lower risk, stability, but lack of forward momentum on the other. Risk appetite should follow an organisation's values and strategy and is related to achievement of strategic objectives. A risk statement for the Council ensures that the behaviour and attitude to risk is consistent with the Council's values and those of public service, establishing boundaries for risk taking and ensuring that risks accepted are proportionate to the range of potential rewards of costs.

The Council's risk appetite is set against the backdrop of the current position the Council and is reflective of these internal and external influences. The Council recognises the seriousness of the financial, governance and operational challenges faced as highlighted in the Public Interest Report published in August 2020 and the findings of the subsequent Non-Statutory Review in November 2020 and this is reflected in the current risk appetite levels. All risks should be considered in this context as the Council implements the Together for Nottingham Plan and works with the Department for Levelling Up, Housing and Communities (DLUHC) via the Improvement and Assurance Board to address the changes required to reach a sustainable position.

The Council's risk appetite and individual statements for each risk category can be useful in two ways:

- When considering the best response to strategic risks to the Corporate Plan, as set out in the Corporate Risk and Assurance Register;
- When making specific key decisions and the risk implications of accepting or rejecting a course of action.

Defining an organisation's risk appetite can help:

- Ensure the organisation is only taking a level of risk – and the type of risks – it is comfortable with to achieve its goals;
- Ensure the risks are commensurate to the opportunity or reward to be gained;
- Provide a framework for decision making with consideration to how it will affect the type and levels of risk the organisation is exposed to, and if this is acceptable or not;
- Enable members and staff to make judgements about which risks are acceptable in pursuing goals and which are not;

- Ensure the response to specific risks is proportionate.

The Council's risk appetite and detailed statements for each risk category are owned by the Leadership of the Council (through Executive and CLT) and are reviewed quarterly to ensure they remain appropriate for the current climate in which the Council operates.

Compliance with the risk appetite statements, is required for all risk management practices and is to be regulated through existing risk reporting channels at DLTs, CLT and via the Risk Management Team. The risk appetite statements, and their application, is incorporated into risk and assurance register templates, the supporting guidance for the Council's risk matrix and training available to all staff.

Observations and recommendations

In the development of the risk appetite, input was sought from DLT and CLT members within the organisation. Senior officers were asked to give their view on what they felt the risk appetite should be for each risk category within the Risk Management Framework. The gradings are on a five-point scale with corresponding risk scores included to aid comparison to the current risk matrix. With this information the responses were analysed and reviewed in each category and corresponding statements of appetite were agreed by CLT. The statements are intended to provide guidelines in dealing with uncertainty that follows new initiatives and signposts colleagues to the types of business-as-usual risks they should be considering. The scores included with each category's statements provide a threshold for risk owners to consider risk treatment and escalation.

In the graph below, terms used can be defined as follow:

- Averse – The council's appetite towards risk is low and there is minimal desire to take risks to achieve objectives, risks need to be carefully managed within a tightly controlled process, consequences are considered to be intolerable.
- Cautious – The council is prepared to accept more risk assuming risk management processes remain in place and outcomes monitored, innovation is avoided.
- Open – Refers to the council being willing to take on more risk within areas where positive outcomes are considered to be more than likely, consequences are ones which can be absorbed and tolerated
- Optimistic – Recognises that consequences are likely in pursuit of changes and advances of the council. Some of these consequences may be above acceptable boundaries, but success of delivery remains broadly confident
- Hungry – this appetite refers to risks which we are actively embracing in pursuit of innovative changes whilst recognising that failure remains a possibility

The risk appetite of the organisation can be represented visually by the graph below which shows an overall cautious/open attitude towards risk.

Notable exceptions are for Legislative, Environmental, Reputational, Health and Safety and Financial risks, where the appetite is averse/cautious.

Category	Averse (1-5)	Cautious (6-10)	Open (11-15)	Optimistic (16-20)	Hungry (21-25)
Financial					
Customer / Citizen					
Health and Safety					
Environmental					
Legal / Legislation					
Workforce					
Physical Assets					
Partnership Engagement					
Reputation					
Service / Project / Programme Delivery					
Opportunity					

Appendix D provides a detailed risk appetite statement for each category, including context and guidance for application.

Complementary Council functions

Assurances relating to risk management activities are provided via the Risk and Assurance Register process.

Project management

Effective project and commercial management ensures the best possible project outcomes for citizens and a key element of this is to manage and mitigate related risk and issues.

The Major Projects Team provides a range of project and commercial management support to various teams across the Council and the Portfolio Management Office acts as the corporate guardian for consistency and co-ordination of capital projects.

Project management tools and guidance include risk management within the project lifecycle and are available to colleagues via the staff intranet.

For further information on Project management, please contact:

Portfolio.office@nottinghamcity.gov.uk

Performance management

Risk management is an integral part of the 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.

Risk management is also integral to Service and Divisional Plans, ensuring that risks are considered and recorded alongside objectives and delivery by all services and divisions as part of the planning process.

For further information on Performance management, please contact:

nccpolicy@nottinghamcity.gov.uk

Business continuity

Business Continuity Management is a process that helps to manage the risks to the smooth running of an organisation or the delivery of a service, thus ensuring that the organisation can continue in the event of a disruption, or recover to an acceptable level of operation within an acceptable timescale.

It is a legal requirement under the Civil Contingencies Act for all Councils to have a provision for Business Continuity, so that:

- Critical functions can be recovered in priority order in acceptable timescales.
- Response capability can be maintained/recovered to support blue light services in an emergency.
- Mitigating actions can be developed to increase the Council's resilience.

Business Continuity Plans are developed across all services and these are reviewed and tested regularly.

For further information on emergency planning or business continuity please contact your directorate Department Liaison Officer.

Health and safety

Nottingham City Council has a duty under the Health and Safety at Work etc. Act 1974 and is committed to providing and maintaining safe and healthy working conditions and appropriate welfare arrangements for all of its employees and other persons using its buildings and facilities or affected by work carried out by, or on behalf of the organisation.

Nottingham City Council takes all reasonably practicable steps to manage risks to prevent injury or ill health by ensuring:

- safe and healthy workplaces, equipment and procedures

- proper welfare facilities and arrangements
- continuous improvement in health and safety standards
- provision of sufficient resources to meet the requirements of this policy
- consultation with employee and trade union accredited safety representatives on matters that significantly affect the health, safety and welfare of employees and others
- this policy is brought to the attention of all employees
- suitable and sufficient training, information, instruction and supervision.

The 'Safety Policy & Arrangements' section of the Safety Manual contains the specific policies and arrangements on health, safety & welfare issues that may be present within your working environment.

Corporate and directorate safety information including corporate policy, procedures and technical guidance with additional documentation to support colleagues is available on the staff intranet. Training is available via a Learning Zone and the Corporate Safety team.

For further information on corporate safety please see below link to the staff intranet: <http://intranet.nottinghamcity.gov.uk/corporate-safety-advice>

Governance

The Council is committed to using risk information to inform decision making and risk is embedded within the Council's Governance Framework.

The Council renewed its Constitution in 2021 to improve the Council's governance arrangements and helps the Council to take good, well informed decisions for our city. A key principle of decision making as set out in the constitution is that with all decisions taken, the decision maker can demonstrate that the risks associated with the decision have been fully taken into account and mitigated where possible.

Risks are formally considered within the decision making process:

- All reports to committees include a section for risk management issues;
- All reports to informal meetings include a section for risk management considerations;
- Consideration of risk is required for all delegated decisions and is recorded within Delegated Decision Making (DDM) forms.
- Strategic and operational service planning guidelines require that all service plans include a risk register;

- Directorates 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 impact of such reductions as well as the additional risks presented by their successful implementation, informed by consultation with affected stakeholders;
- 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.

Council companies

The company board has responsibility for an organisation's overall approach to risk management and internal control. The board's responsibilities are:

- ensuring the design and implementation of appropriate risk management and internal control systems that identify the risks facing the company and enable the board to make a robust assessment of the principal risks;
- determining the nature and extent of the principal risks faced and those risks which the organisation is willing to take in achieving its strategic objectives (determining its "risk appetite");
- ensuring that appropriate culture and reward systems have been embedded throughout the organisation;
- agreeing how the principal risks should be managed or mitigated to reduce the likelihood of their incidence or their impact;
- monitoring and reviewing the risk management and internal control systems, and the management's process of monitoring and reviewing, and satisfying itself that they are functioning effectively and that corrective action is being taken where necessary; and
- ensuring sound internal and external information and communication processes and taking responsibility for external communication on risk management and internal control.

Company boards are expected to adhere to best practice external standards of risk management, the Councils expected standards of internal audit and at all times the FRC guidance on risk management and internal control.

Where appropriate a risk and audit committee is expected to be established by the Board, with clear terms of reference that are reviewed at least every three years. The

committee is expected to review the effectiveness of internal audit and the control environment on an annual basis.

A Shareholder Unit has been established to operate within the Council to monitor company activity and support the work of Shareholder Representatives. Monthly meetings are held with the Company directors to report on financial and operational performance and to discuss risks facing the company to get a wider picture of the company environment and potential pitfalls.

Shareholder representative attend the company Board meetings and report back issues on any issues that may affect the governance and risks of each company. As and when required but at least annually the Council will seek evidence from the companies that the board is discharging its duties in following the FRC guidance and achieving the standards expected of the risk and internal control environment.

It is the responsibility of the Chair of each board to undertake periodic evaluation of board effectiveness in line with the FRC code of Practice and for the findings of these to be reported to the Council, with assurances of any activities required to improve effectiveness. Effectiveness reviews will include an assessment of the risk and audit committees of the boards. Matters arising from the reviews will be brought to the Companies Governance Executive Committee by Shareholder Representatives.

The Shareholder Unit reviews risk information provided by the companies and maintains a discrete risk register of related company risks where there is a potential impact to the Council. Where appropriate and in line with the Council's risk appetite, risks are escalated to the Corporate Risk and Assurance Register or the Finance and Resources Directorate Risk and Assurance Register.

Commissioning, contracting and procurement

Procurement law regulates the purchasing of goods, works or services and all Local Authorities must adhere to the Public Contract Regulations 2015. The Council also operates within internal Financial Regulations and Contract Procedure Rules that set out the processes which underpin the day to day management of public funds.

Procurement rules and regulations protect the Council from the following risks:

- Financial penalties
- Legal challenge
- Exposure to fraud and corruption
- Reputational damage
- Wasteful spending of public money / failure to achieve best value

- Unmet strategic aims
- Early termination of contracts
- Grant funding being withdrawn

The Council has over 1,200 contracts with suppliers in private, public and voluntary sector organisations supported by robust contract management processes that promote good practice, maximises financial and operational performance whilst minimising risk. The Council is committed to improving the quality of goods and services, improving the outcomes for citizens and securing value for money, through its contractual arrangements with its providers.

The Council's Procurement Strategy sets out for suppliers and other key stakeholders the strategic aims of the Council to be taken forward through our procurement activity over a five year period and procurement guides, categories and thresholds are available on the staff intranet for colleagues.

For further information on procurement please see link below to staff intranet:
<http://intranet.nottinghamcity.gov.uk/procurement>

Insurance

Insurance is a legal requirement for some classes of business and also a risk transfer mechanism which is utilised to reduce the level of financial risk to the Council.

The Council has multiple insurance policies in place, including Property, Public Liability, Employer's Liability and Motor, some of which are in place due to a requirement in law such as Motor insurance and some of which are in place to protect the Council's finances in the event of an incident and any subsequent claim for damages. The Council also self-insures for risks that are not cost effective to manage through the insurance market and it maintains an Insurance Reserve for this purpose.

The Insurance and Risk Team handles in house all insurance claims for damage to operational property arising from an insured peril and also third party property damage and personal injury civil claims pursued against the Council. Claims received are reviewed regularly by the team and Operational Risk Groups are established for Council services receiving regular insurance claims. The groups meet regularly to support identification and management of risk through the review of claims data and agreeing any actions required to prevent further occurrences. Risk support is also provided to Council services through the Insurance and Risk Team, helping to identify and manage operational risks in addition to managing the risk improvement actions for services that are a mandatory requirement imposed by insurers each year.

For further information on Insurance please contact:

insurance@nottinghamcity.gov.uk

Annual Governance Statement

The Annual Governance Statement is a statutory document providing an overview of the governance arrangements in place at the Council and their effectiveness. The statement is signed by the Chief Executive and Leader of the Council and is published with the annual Statement of Accounts.

Risk management processes are detailed within the statement and key risks for the year highlighted.

For further information on the Annual Governance Statement please speak to the Audit Team, contact details available on the staff intranet, please see link below to staff intranet:

<http://intranet.nottinghamcity.gov.uk/finance/audit-and-fraud/>

Risk Management Strategy

Aims and Principles

This Risk Strategy will develop risk management across the Council through:

- Ensuring that Council approach and tools are in line with current risk management best practice;
- Improving corporate risk management including improved assessment and reporting of risks;
- Improving monitoring and reporting of risk at directorate, divisional and service level;
- Improving scrutiny and understanding of risk management by members.

Objectives

The Risk Management Strategy will deliver:

- External assurance of risk management approaches used at the Council;
- The embedding of risk management thinking into the culture of the Council
- Maintenance of a risk register which will include strategic and operational risks, allowing further analysis and understanding of risk to support decision making and map related assurances using the three lines of defence model;
- Established corporate risk appetite statement set by [Members and] CLT to support risk assessment and response;
- Provision of training and support to divisions and services including implementation of best practice tools and techniques;
- Identification and training of risk champions at directorate, division and service levels;
- Consistent quarterly monitoring of risks at service and directorate levels supporting escalation into department and corporate risk and assurance registers;
- Inclusion of risk management within culture work programme;
- Provision of training to members on risk management.

Communication of the Framework and Training

The Risk Management Framework will be shared with colleagues and members via the Council's communication network and made available to all colleagues via the staff intranet. Training will be a mandatory part of the Leadership training framework.

Risk workshops were held at DLTs to introduce the framework previously and develop risk registers. Training for Audit Committee members and quarterly reviews with risk leads, at DLTs and CLT provide continued communication of the messages within the framework.

The Framework is supported by guidance and templates which are available to colleagues via the staff intranet. The Risk Management Team is available to provide support with implementation of the framework.

An online risk management training module is available to colleagues via the learning portal. Facilitated training sessions are also available throughout the year provided by external facilitators and the risk management team is available to provide support through one to one guidance, attendance at team meetings and dedicated risk sessions.

Please see the risk management intranet site for contact details for the risk management team.

<http://intranet.nottinghamcity.gov.uk/finance/risk-management/>

Delivery of the Framework

Current delivery of the strategic risk management function is provided by the Risk Management Team within the Audit and Risk service. The team is also supported by the strategic risk team at its advisors (currently Zurich Insurance) for delivery of training sessions, regular assessment of approach and specific projects.

Transformational funds have been agreed to support implementation of the Risk Strategy. This will include use of an external body to review the existing risk management and assurance arrangements and deliver further training to Audit Committee members and risk colleagues in latest techniques. Funds will also be used to expand capacity within the Audit and Risk team, providing greater support to divisions and services. Funding will also support improved, consistent risk management and exploring the possibility of implementing software solutions covering the costs of the licence fee and roll out across the Council.

Monitoring progress of the Risk Strategy

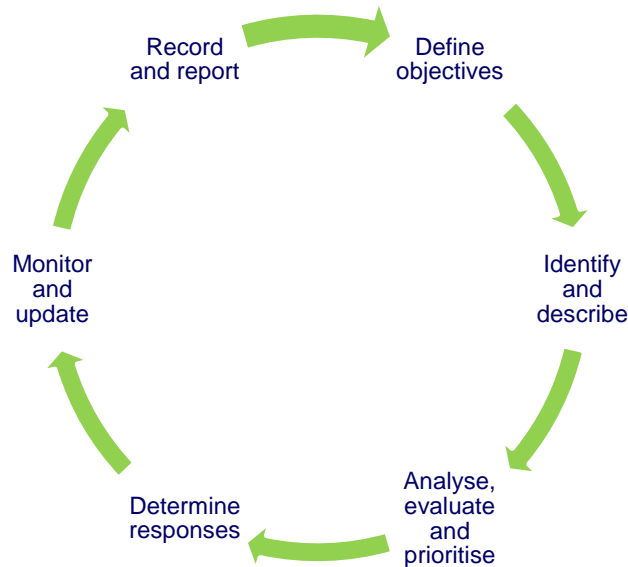
Delivery of the Risk Strategy will be the responsibility of the Audit and Risk Team and reported regularly to CLT, Leadership Group and Audit Committee as part of the existing risk report.

An action plan for the strategy has been developed and is available in Appendix E

Risk Management Toolkit

Risk Management Process

The following diagram highlights the key stages in Risk Management.



1. Define objectives

The first step is to identify the objectives, outcomes or deliverables expected for the area under review, project, partnership, service, division or directorate. A risk is essentially something that could occur which will have an impact (negative or positive) on those objectives.

For example:

- Service plan objectives
- Project deliverables
- Corporate objectives and priorities

It is also important to ensure that major stakeholders who have an impact on or are affected by the objectives are identified.

2. Identify and describe

Risk identification should be done in the context of what could prevent you from delivering your (or the Council's) objectives. Risks should be identified when setting a business plan, in the early stages of project planning, at option appraisals, during service re-design and at regular intervals.

- Consider different types of risk including the Council's risk categories (examples illustrated in the diagram below);
- Examine trends and historical information;

- Consider internal influences on delivery including workforce capacity and capability, Council priorities or impact of Council group companies;
- Consider external influences on delivery including social, economic, environmental and market influences;
- Consider uncertain future events that could impact the day-to-day operations of services, including pandemic or other health care emergency that impacts business continuity and supply chain resilience.

For example (categories of risk to consider):

Financial	•Change of external factors, budget, financial planning, control framework and/ or impact of Council group companies
Citizen/ communities	•Ability to effectively deliver services which meet the changing needs and expectations of customers and citizens
Legislative or Regulatory	•Meeting requirements and/or law changes
Environmental	•Physical environment, e.g. extreme weather events; climate change
Partnerships	•Delivering services in conjunction with potential partners e.g. disagreements; changed priorities; failure of supply chain
Reputational	•How the Council is viewed by both internal and external stakeholders, impact on delivery of Council priorities
Health and Safety	•Possibility of injury to citizen and/ or workforce
Workforce	•Staff engagement, retention, capacity and capability
Physical assets	•Physical condition of assets, e.g. buildings, vehicles, plant and equipment
Delivery	•Disruption and delays to project, programmes and/ or services
Opportunity	•Improvement to project, service or other risk area

Further guidance for identification of risks, including SWOT and PESTLEC analysis is included as Appendix F.

The **description of the risk** should have three elements:

- a) The likely source of the risk (cause);
- b) The possible risk/ uncertain event;
- c) Its potential “impact” on the achievement of the associated business priority;

- Each risk should be described at a level of detail where it can be assigned to an owner, with clear responsibility and accountability for addressing the risk;
- Be careful not to describe the Risk Event as the Effect/Impact.

For example:

Risk Event	Cause	Effect/Impact
There is a risk that	If/As a result of	Which will result in
We cannot recruit/retain skilled staff	Restructures and cuts	Inability to deliver services (e.g. which might result in breach)

3. Analyse, evaluate and prioritise

Risk characteristics are assessed in terms of likelihood (probability of the risk occurring) and impact (consequences if it did occur). The Council has a Risk Assessment Matrix which sets the values to be attributed to each risk for both of these elements. This is a '5x5' matrix and the assessed scores of impact and likelihood are multiplied together to determine the overall risk score, to a maximum of 25.

Risk assessment matrix (Likelihood x Impact)

		Impact				
		Negligible (1)	Minor (2)	Moderate (3)	Major (4)	Extreme (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
	Highly likely (5)	5	10	15	20	25

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 and assurances sought regarding their effectiveness. The resultant score helps us establish the seriousness of risks and prioritise them.

Red	Immediate action, escalate and regular monitoring
Amber	Implement action and monitor
Green	Implement action if relative and tolerate

The risk assessment matrix table below provides guidance to help score the likelihood and impact of a risk occurring. The table is designed as a guide only and all scoring should be at the risk owner's discretion.

Likelihood scoring guidance

Risk assessment matrix (Likelihood x Impact)

		Impact					
		Negligible (1)	Minor (2)	Moderate (3)	Major (4)	Extreme (5)	
Likelihood	Remote (1)	1	2	3	4	5	<0.1% chance of occurring within the next 12 months
	Unlikely (2)	2	4	6	8	10	<1% chance of occurring within the next 12 months
	Possible (3)	3	6	9	12	15	<5% chance of occurring within the next 12 months
	Likely (4)	4	8	12	16	20	<10% chance of occurring within the next 12 months
	Highly likely (5)	5	10	15	20	25	>10% chance of occurring within the next 12 months

Impact scoring guidance

Impact				
Negligible (1)	Minor (2)	Moderate (3)	Major (4)	Extreme (5)
Financial (The Council's risk appetite for this category is a risk score between 1 and 10)				
A financial loss of <0.1% of relevant budget/ revenue	A financial loss of <0.5% of relevant budget/ revenue	A financial loss of <1% of relevant budget/ revenue	A financial loss of <5% of relevant budget/ revenue	A financial loss of >5% of relevant budget/ revenue
Customer/ citizen (The Council's risk appetite for this category is a risk score between 6 and 20)				
No negative impact on citizens	Potential negative impact on small number of citizens	Negative impact on small number of citizens with rise in complaints or potential negative impact on high number of citizens	Negative impact on small number of citizens with rise in complaints and/ or legal challenge or negative impact on high number of citizens with expected rise in complaints	Negative impact on high number of citizens with rise in complaints and/ or legal challenge
Health and Safety (The Council's risk appetite for this category is a risk score between 1 and 10)				
No injury	First aid or short term minor health problem	Violence, short term health problem or multiple short term minor health problems	Serious medium term health problem or multiple short term health problems	Fatality, disability, serious long term health problem or multiple medium term health problems
Environmental (The Council's risk appetite for this category is a risk score between 1 and 10)				
No damage to the environment	Localised short term reversible damage to the environment	Localised long term reversible damage to the environment or widespread short term reversible damage to the environment	Localised irreversible damage to the environment or widespread long term reversible damage to the environment	Widespread irreversible damage to the environment
Legal/ legislation (The Council's risk appetite for this category is a risk score between 1 and 10)				
No breach or potential for small number of claims	Breach of local guidelines or potential for moderate number of claims	Breach of regulation with potential for fine or claim/ Ombudsman investigations	Breach of regulation with potential for significant fine or claim/ litigation	Breach of regulation with potential for multiple litigations or the Council being put into special measures
Workforce (The Council's risk appetite for this category is a risk score between 6 and 15)				
Workforce concerns highlighted to managers	Some levels of low morale and/ or small increases in staff sickness and grievances detected	Low staff morale, increase in staff sickness and/ or grievances reported and/ or short term low staffing levels	Permanent staff turnover <10 % above the norm and/ or long term low staffing levels	Permanent staff turnover >10% above the norm/ and/ or permanent low staffing levels
Physical assets (The Council's risk appetite for this category is a risk score between 6 and 20)				
No damage to asset	Minor damage to asset but still functioning	Moderate damage to key asset rendering it temporarily unusable	Major damage to key asset rendering it unusable but repairable	Major damage to key asset rendering it unusable permanently
Partnership engagement (The Council's risk appetite for this category is a risk score between 6 and 20)				
No impact to partnership relationships	Difficulty in aligning strategies with a partner organisation to support a project	Difficulty in aligning strategies with a partner organisation to support collaborative working	Unable to reach an agreement with a partner organisation leading to termination of a project and/ or deterioration of working relationship	Unable to reach an agreement with a key partner organisation leading to non delivery of a key objective and/ or relationship with key partner severely damaged
Reputation (The Council's risk appetite for this category is a risk score between 1 and 10)				
No media coverage or change to public perception and stakeholder confidence	Local short term media coverage (1 to 3 days) with little change to public perception and stakeholder confidence	Local long term media coverage (3+ days) with moderate change to public perception and stakeholder confidence	National short term media coverage (1 to 3 days) with moderate change to public perception and stakeholder confidence	National long term (3+ days) with significant change to public perception and stakeholder confidence
Service/ project/ programme delivery (The Council's risk appetite for this category is a risk score between 6 and 20)				
No impact to delivery of service, project or programme	Errors made in delivery of service, project or programme	Delays to delivery of service, project or programme	Major disruption to delivery of service, project or programme	Unable to deliver of service, project or programme
Opportunity (The Council's risk appetite for this category is a risk score between 6 and 20)				
Little or no improvement to project, service, relationships, reputation etc. or financial gain of <0.1% of relevant budget/ revenue	Minor improvement to project, service, relationships, reputation etc. or financial gain of <0.5% of relevant budget/ revenue	Moderate improvement to project, service, relationships, reputation etc. or financial gain of <1% of relevant budget/ revenue	Significant improvement to project, service, relationships, reputation etc. or financial gain of <5% of relevant budget/ revenue	Major improvement to project, service, relationships, reputation etc. or financial gain of >5% of relevant budget/ revenue

The guide is designed to apply at all levels of risk register, risks should be scored at the relevant risk register level and if escalated or delegated, rescored to reflect the new risk register level. For example a financial risk captured at divisional level, should be scored based on divisional budget and if escalated to the directorate risk and assurance register, should be rescored again based on departmental budget level.

Where a risk applies to multiple categories, the risk owner should assess the impact levels across the areas and score based on the most significant area of risk.

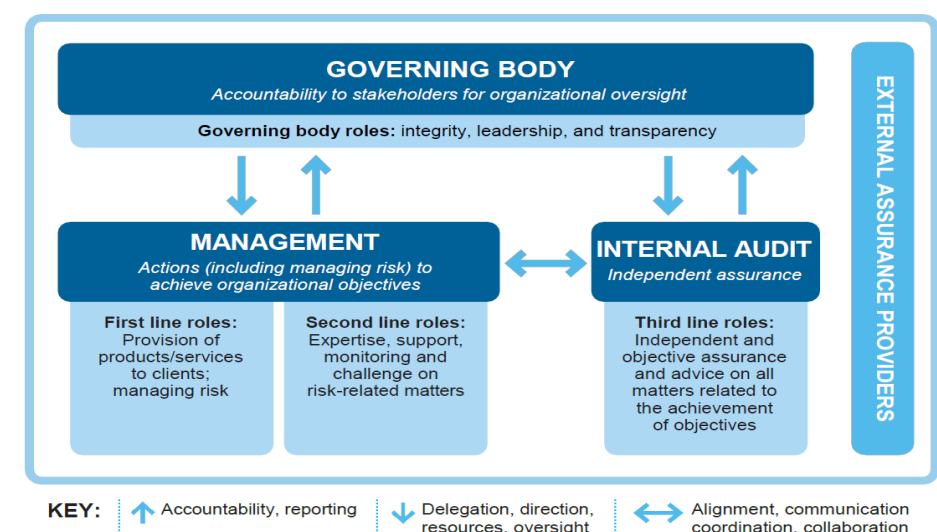
Risk owners should assess their risks against the Council’s risk appetite and if operating outside of the Council’s preferred risk appetite, risks should be prioritised for treatment and escalation.

Risk and Assurance

A Risk and Assurance Register has been developed for directorate and corporate reporting to provide assurance that all key strategic risk areas are being controlled effectively alongside the management of high level operational risks.

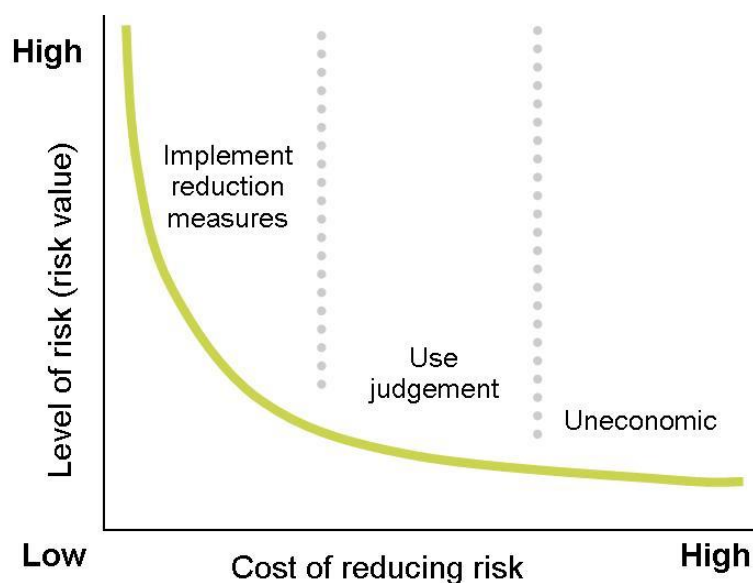
The aim of the Risk and Assurance Register is to demonstrate the state of effectiveness of the arrangements in place to deliver objectives and in particular to highlight issues that need attention. The Register follows the Three Lines of Defence Model (see image below) and provides a summary for each strategic and operational risk of all key controls, how they are managed and internal and external assurances available for these.

The IIA’s Three Lines Model



4. Determine responses

If existing counter measures and contingency plans are considered insufficient, then new risk responses are required. 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 activity which gives rise to the potential risk;
- **Transfer:** Transfer the risk or the consequences of the risk to a third party for example using insurance or outsourcing;
- **Treat:** Implement mitigation actions to reduce the likelihood and/or the impact. (Note: it is not always possible to influence both likelihood and impact);
- **Tolerate** - Accept the current risk level as the likelihood and impact levels are within a comfortable risk appetite.

Risk owners should refer to the Council's risk appetite for guidance and thresholds on when risks should be treated. See Risk Management Policy and Appendix D

All required risk actions should be recorded within the relevant risk register, alongside details of the owner and timeframe for completion. The risk management team are available to provide support with this, please see the risk management intranet site for contact details.

Further guidance on treatment of risks is available in Appendix H.

5. Monitor and update

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

Risks are reviewed quarterly by DLTs and CLT and more frequently where needed. Divisions and services should also implement similar review frequencies for risks within their areas.

6. 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 should be recorded in risk registers and formally reported to Service Team meetings, Divisional meetings, Directorate Leadership Teams or Corporate Leadership Team depending on severity and required oversight.

Risk registers are used to record the risk exposure (the risks and their characteristics) and the decisions taken as a result of that knowledge (e.g. new mitigations).

A simple risk register template is included as Appendix G, the Council also utilises a more complex risk and assurance register for directorate and corporate level recording. All templates are available in excel format on the risk management intranet site or from the Risk Management Team.

Directorate Risk and Assurance Registers are used to inform the Corporate Risk and Assurance Register (owned by CLT) and some directorate risks may be reported on the Corporate Risk and Assurance Register if agreed by the directorate's Corporate Director. The full reporting structure for top level risk registers is illustrated in Appendix C.

Guidance on escalation and delegation of risks

Risk threats and opportunities 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 is not an excessive flow of information to the higher levels of management which could increase the risk of delayed mitigation.

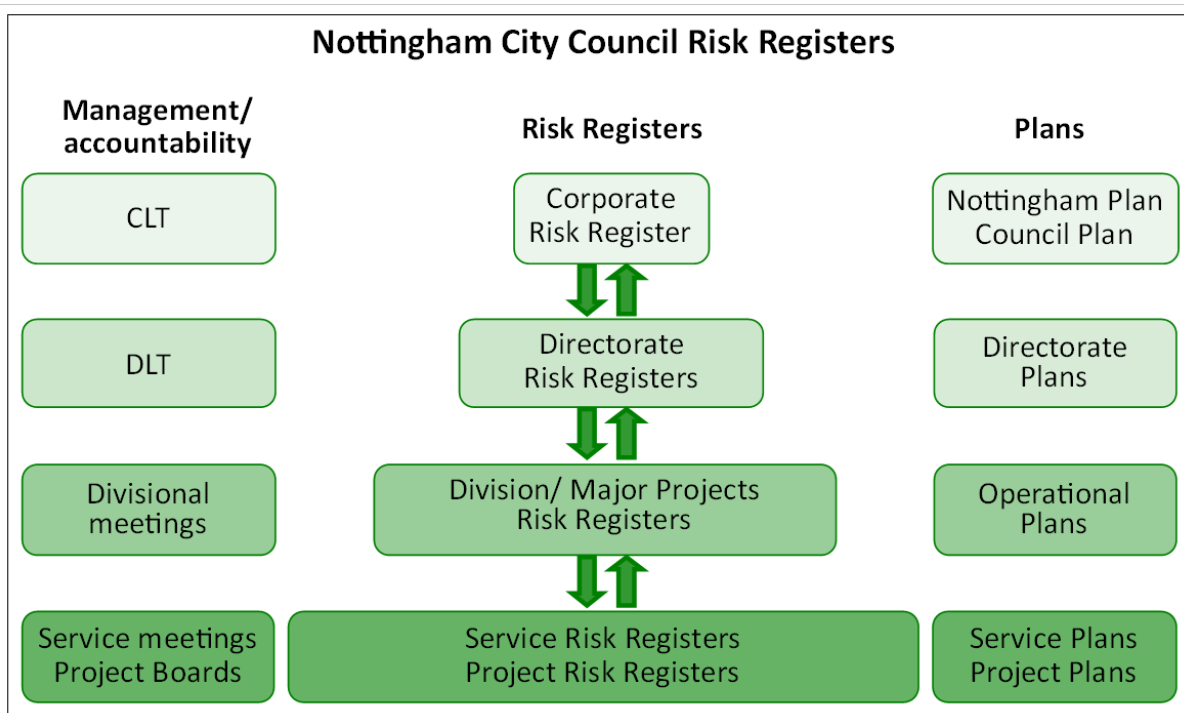
Risks can also be delegated to lower risk registers although this should only happen if:

- 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’s Risk Register Framework. 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 environment.

A factor which can influence risk escalation is risk appetite. The Council’s risk appetite is detailed within the Risk Policy section of the Framework and Appendix D. Risk owners should familiarise themselves with the appetite and apply this to risk related decision making. The risk assessment matrix guidance (detailed in Step 3 Analyse, Evaluate and Prioritise of the toolkit) and directorate and corporate registers include reference for the Council’s risk appetite for each risk category, providing support to risk owners in determining their responses to risks based on risk score.

The escalation process is shown diagrammatically as follows:



The full reporting structure for top level risk registers is illustrated in Appendix C.

Risks are reviewed by Directorate Leadership Teams (DLTs), CLT and Leadership Group quarterly. The corporate register is also reviewed by Executive Board six monthly to ensure that the risks captured in the register are reflective of risks faced by the Council and to highlight to Executive Board members the risk profile of the Council. The register is

also reviewed by Audit Committee six monthly to provide assurance that the risk management process in place is appropriate.

For further advice and guidance, please see the risk management intranet site for contact details of the Risk Management Team.

<http://intranet.nottinghamcity.gov.uk/finance/risk-management/>

Appendix A: Roles and Responsibilities

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

Chief Executive	<ul style="list-style-type: none"> • Ensure the design, production and operation of an effective risk management environment; • Incorporate risk management in all strategic business planning and decision making; • Ensure that the Risk Management Framework is implemented consistently across the Council via leadership of the Corporate Leadership Team (CLT); • Ensure the Framework is maintained and championed; • 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 identified and assessed regularly at CLT and appropriate actions taken in response by risk owners; • Ensure that risk issues are reported to Councillors with actions being taking.
Corporate Director for Finance and Resources and Section 151 Officer	<ul style="list-style-type: none"> • Champion the concept of risk and opportunity management and ensure its proper consideration at CLT 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 appropriate insurance arrangements in place and that these are reviewed at least annually; • Ensure appropriate resources and expertise is provided to robustly manage risk and realise opportunities. • Ensure there is an appropriate Risk Management Framework in place
Monitoring Officer	<ul style="list-style-type: none"> • Champion the application of the Risk Management Policy and Framework; • Ensure that Risk Management is embedded within the Governance Framework; • Take ownership and accountability of governance risks and the actions to mitigate them;

	<ul style="list-style-type: none"> • Incorporate risk management in all decision making;
Corporate Directors	<ul style="list-style-type: none"> • Take ownership and accountability of strategic and operational risks and the actions to mitigate them; • Incorporate risk management in all directorate business planning and decision making; • Proactively engage in risk management in their corporate leadership role, including engagement in the reports to CLT and Audit Committee; • Ensure the Risk Management Framework is implemented consistently within their directorates and within corporate cross-cutting themes; • Develop implement and maintain a Departmental Risk Strategy; • 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 and Assurance Register that is reviewed by DLT 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.
Directors	<ul style="list-style-type: none"> • Ensure that the Risk Management Framework is implemented across their services; • Incorporate risk management in all divisional business planning and decision making; • 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; • Ensure the Council's Risk Management Framework is visible, understood and implemented within their divisions; • Ensure that their service plans are effectively risk managed; • Ensure their colleagues and managers receive the relevant risk management training for their roles;

	<ul style="list-style-type: none"> • Ensure that the management of serious risk is an explicit part of the coverage of Performance Appraisal processes.
Head of Service and Team Leaders	<ul style="list-style-type: none"> • Ensure that the Risk Management Framework is embedded in 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.
All colleagues	<ul style="list-style-type: none"> • Be familiar with the Risk Management Framework; • Take general steps in their everyday working to reduce risk; • Manage risk effectively in their job and report threats and opportunities to their service managers; • Participate in risk assessment and action planning where appropriate; • Immediately report any incidents or near misses or any other incident they feel is relevant to their line manager / supervisor; • Adhere to Council policies and procedures; • Participate in risk management training.
Head of Audit and Risk	<ul style="list-style-type: none"> • Be responsible for the robustness and application of the Risk Management Framework (RMF) across the Council: • Ensure appropriate resources and expertise are provided to robustly manage risk and realise opportunities. • Ensure there is an appropriate Risk Management Framework in place

	<ul style="list-style-type: none"> • Report regularly to CLT, Leadership Group, Executive Panel, Executive Board and the Audit Committee on risk matters; • Develop the Council's annual audit programme taking into account the risks raised in the Corporate Risk and Assurance Register; • 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.
Insurance and Risk Manager/ Principal Risk Specialist	<ul style="list-style-type: none"> • Co-ordinate regular risk reports to CLT, Leadership Group, Executive Panel, Executive Board and the Audit Committee: • Facilitate the quarterly review of directorate Risk and Assurance Registers at DLTs; • Work with the directorate 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; • Commission and / or deliver the Council's on-going risk management training programme; • Participate in continuing professional development to ensure that advice reflects emerging good practice and new developments. • Liaise with other Councils on risk management practice, particularly the identification of new and emerging risks to local authority priorities; • Be a member of ALARM and actively participate in networking, educational opportunities and sharing of good practice; • Commission reviews to evaluate risk management practice from internal audit or other specialists.
Head of Resilience	<ul style="list-style-type: none"> • Ensure that the Council complies with the requirements of the Civil Contingencies Act 2004; • Ensure the Local Resilience Forum (LRF) Community Risk Register is prepared annually and the programme of mitigation is undertaken;

	<ul style="list-style-type: none"> • Prepare, train and exercise Council wide Emergency Plans to mitigate the effects of incidents affecting the Council; • Oversee the work of the Departmental Emergency Planning Liaison 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.
Internal Audit Service	<ul style="list-style-type: none"> • 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; • Regularly examine, evaluate and report risk management arrangements, to be completed either internally or commissioned externally; • Develop and agree an annual programme of audit focussed on the significant risks to the Council's objectives in conjunction with the Section 151 Officer; • Review the composition of the Corporate Risk and Assurance Register and individual strategic red risks; • Audit selected risks from the Corporate Risk and Assurance Register.
Insurance and Risk Service	<ul style="list-style-type: none"> • Identify insurable risks and determine risk transfer mechanisms in line with the Council's tolerance for risk; • Handle all claims in their entirety and identify historic and emerging risk trends; • Provide underwriting advice and support to Directorates on insurance and operations risk matters; • To establish and maintain Operational Risk management groups within services areas; • To be responsible for identification, assessment and facilitate mitigation of Operational Risk management across the Council;
Executive Board	<ul style="list-style-type: none"> • Ensure relevant risks are considered as part of decision making;

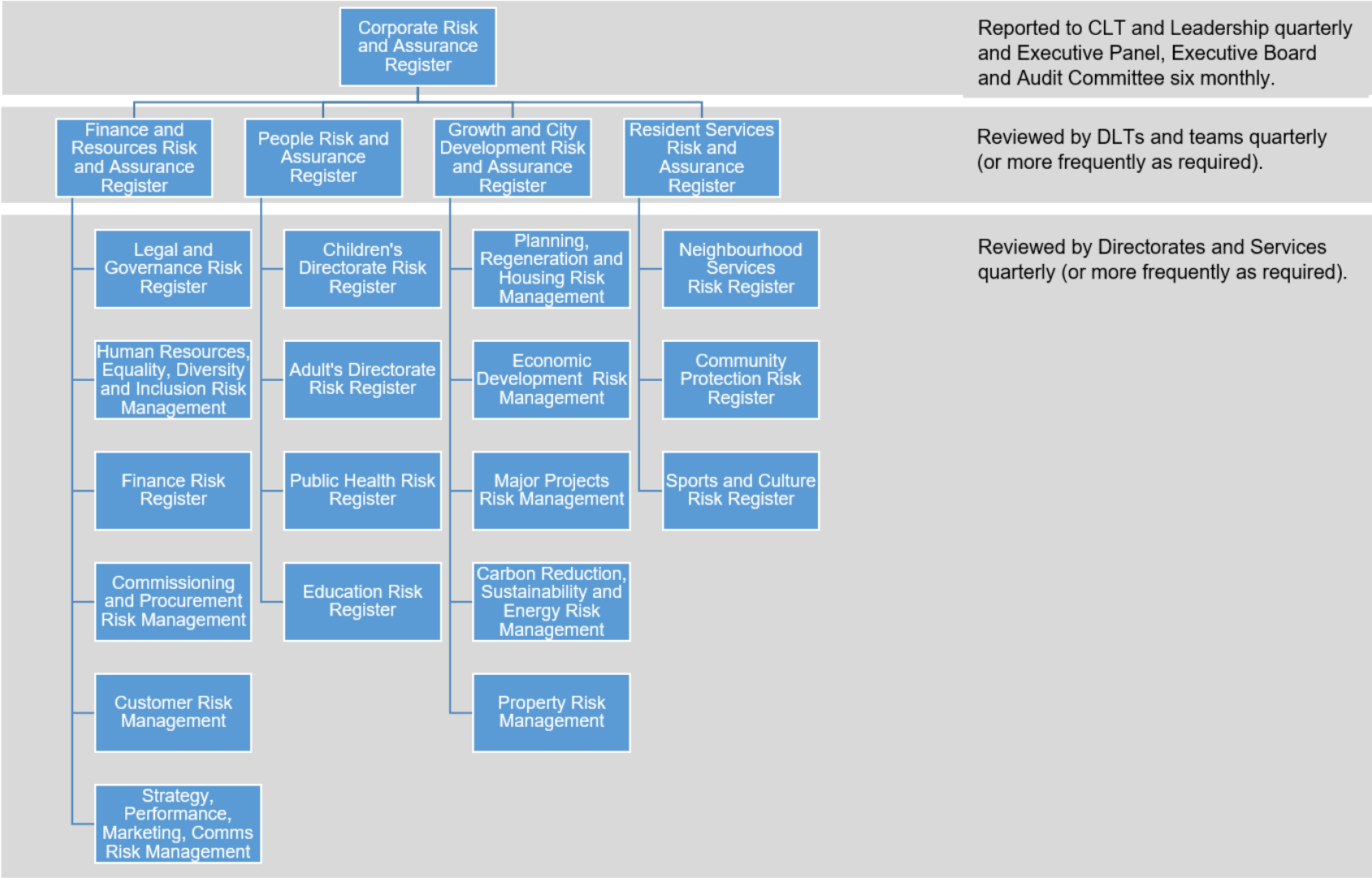
	<ul style="list-style-type: none"> • Review the Corporate Risk and Assurance Register six monthly; • Review risks within portfolio and ensure escalation to the Corporate Risk and Assurance Register where appropriate; • Raise awareness of risk management;
Audit Committee	<ul style="list-style-type: none"> • To evaluate and ensure the effectiveness of the Council's Risk management programme and associated control environment, assessing individual risks where necessary; • Receive and consider regular reports including the effectiveness of the Risk Management Framework.
Corporate Leadership Team (CLT)	<ul style="list-style-type: none"> • Own and manage the Corporate Risk and Assurance Register using the principles of the Council's Risk Management Framework; • 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; • Incorporate risk management in all strategic business planning and decision making; • Ensure risks are within the Corporate Risk and Assurance Register are scored at a Council wide level; • Accountable for Council wide risks and monitoring of controls and assurances.
Directorate Leadership Teams (DLTs)	<ul style="list-style-type: none"> • Review the Directorate Risk and Assurance Register on a quarterly 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 divisions; • Incorporate risk management in all strategic business planning and decision making; • Accountable for directorate wide risks and delivery of mitigations.

Appendix B: Glossary of Terms

Term	Description
Assurance	An evaluated and preferably independent opinion, based on evidence gained from review.
Contingency Planning	The process of identifying and planning appropriate responses to be taken when, and if, a risk actually occurs.
Corporate Governance	The ongoing activity maintaining a sound system of internal control by which the directors and officers of an organisation ensure that effective management systems, including financial monitoring and control systems
Countermeasure	An action taken to reduce the likelihood of a risk materialising. Sometimes it is used loosely to include a contingency plan
Early warning indicator (EWI)	A leading indicator for an organisational objective.
Impact	The result of a particular threat or opportunity actually occurring
Inherent risk	The exposure arising from a risk before any action has been taken to manage it
Issue	A relevant event that has happened, was not planned and requires management action.
Opportunity	An uncertain event with a positive probable impact
Prevailing (or opening) risk	The exposure arising from a risk having taken into account existing mitigations/counter measures
Proximity (risk)	The time factor of risk, i.e. the occurrence of risks will be due at particular times and the severity of impact will vary depending on when they occur
Residual risk	The risk remaining after the risk response has been successfully applied
Risk	An uncertain event or set of events that, should it occur, will have an effect (positive or negative) on the achievement of objectives
Risk appetite	The amount of risk an organisation, or a subset of it, is willing to accept.
Risk capacity	The maximum amount of risk that an organisation can bear.
Risk cause	A description of the source of the risk, i.e. the event or situation that gives rise to the risk
Risk event	A description of the area of uncertainty in terms of the threat or opportunity
Risk Management Policy	A high-level statement showing how risk management will be handled throughout the organisation
Risk management Process Guide	Describes the series of steps and activities to implement risk management
Risk Management Strategy	Describes the goals of applying risk management to the specific activity including the process to be adopted, roles and responsibilities, risk thresholds, timing of risk management interventions etc.
Risk owner	A role or individual responsible for the management and control of all aspects of individual risks including the implementation of measures taken to manage the risk.

Risk profile	Describes the types of risks faced by an organisation and its exposure to them
Risk Rating (sometimes called score)	A numerical score for a risk that reflects its seriousness: high ratings point to the most serious risks. It is normally equal to the product of a risks impact and likelihood scores.
Risk register (or log)	A record of risks relating to an initiative including status, history.
Risk response (or treatment)	Actions that may be taken to bring the situation to a level where the exposure to risk is acceptable
Risk tolerance	The threshold levels of risk exposure that, with appropriate approvals, can be exceeded, but which when exceeded will trigger some form of response.
Strategic risk	Risk concerned with where the organisation wants to go, how it plans to get there and how it can ensure survival.
Terminate	An informed decision not to become involved in a risk situation (i.e. To choose another path, which does not encounter that risk)
Threat	An uncertain event that could have a negative impact on objectives or benefits
Tolerate	An informed decision to accept the likelihood and the consequences of a particular risk, rather than trying to mitigate it by implementing a countermeasure or contingency plan
Transfer	An informed decision to transfer the risk to another party, who will accept the risk and/or reap the rewards. Insurance transfers risk of financial loss from insured to insurer
Treat	An informed decision to take additional action to further minimise the likelihood or impact of an identified risk.

Appendix C. Risk Reporting Framework as at March 2022.



Appendix D. Risk Appetite Statements and guidance for each risk category

Financial Risk

These risks arise from the economic environment generally or financial situation of Nottingham City Council specifically. Examples could include financial losses due to increased costs, reduced return on investments, or an economic downturn

Category	Averse	Cautious
Financial	We are not prepared to accept any financial losses; we will actively seek options where financial loss isn't likely.	Only prepared to accept minimal financial losses. We will seek safe options with little possibility for financial loss

Results

Responses to the survey suggested the council's appetite was higher, with the average falling within the cautious response rate. However, feedback from DLT sessions and from CLT suggested this level was too high and as such has been lowered to spread the averse / minimal categories. The context for this is, in part, the volatile external environment that also influences the economic and financial area. With Brexit and Covid-19 causing severe disruption and higher costs across multiple service delivery areas.



Financial risk appetite statement

The current financial outlook for public sector organisations means we have to consider all financial impacts very cautiously. We are determined to maintain high levels of service delivery but this must be taken with a risk averse mindset to protecting the council finances and outlay.

Customer / Citizen risk

These risks arise from the impact of our services on the citizens of Nottingham. This risk considers the negative impact our actions will have on the community and the potential increase in complaints received.

Category	Cautious	Open	Optimistic
Customer / Citizen	The council is only prepared to accept changes to service delivery which will have a small impact on the quality of service received by customers / citizens.	The council are happy to consider risks which could have a negative impact on citizens, however we want to be reasonably certain we can respond to the potential complaints fully.	The council are open to pushing boundaries on the changes to service delivery and accept this will incur some negative response from the wider community, but the gains are considered to outweigh the negatives.

Results

Survey responses hovered around the middle option, Open. There was minimal fluctuation suggesting broad agreement in this category on an approach to risks which impact on the citizens of the city. Much like other risks, elements out of the control of the council were highlighted such as financial constraints and impact this has on the service quality.

It is worth noting, in keeping with the entirety of this report, the current circumstances within Nottingham dictate that service delivery is going to change to ensure the council's continued ability to meet its objectives. As part of these risk assessed changes, it is reasonable to assume there will be customer response as new processes and opportunities are embedded.



Customer/ citizen risk appetite statement

The council takes a clear and consistent stance on the relationship it has with its customers. In order for change to happen there is likely to be disruption to some services and the quality of delivery our customers receive. The council will consider these any disruptions carefully but retains a broad appetite spectrum against which decisions may incur service disruption in the pursuit of considered and risk assessed opportunities.

Health and Safety risk

Health and Safety risks consider potential injury or harm to staff because of the actions required of them whilst carrying out their duties of employment for Nottingham City Council and citizens utilising council services. The current risk categories range from no injury through to the potential of long-term health problems or fatality.

Category	Averse	Cautious
Health and Safety	We are not prepared to accept any injury to any member of staff because of their actions in carrying out their duties of employment or citizens accessing council services.	The council accepts that some functions include the potential for minor injury resulting in first aid. The council is prepared to accept these risks and will work with the individual settings and / or managers to ensure appropriate risk assessments are carried out.

Results

The results from the survey highlighted a consistently low score for this area of risk. It demonstrates how Nottingham City Council are committed to ensuring the safety of its employees during work and citizens utilising council services. When considering a tolerance boundary and range, the feedback from DLTs and CLT was unanimous in its request to bring the high boundary line closer to that of the mean score. This provides us with the above responses.



Health and Safety risk appetite statement

The council takes the safety of its employees and citizens very seriously and will ensure all actions are taken to minimise the potential for injury to the lowest possible level. The council recognises that the prevention of injury cannot be guaranteed across all roles, but it is committed to ensuring all risk assessments are undertaken and reviewed regularly and after any significant unforeseen events. Any duties where the risk to the individual is rated as higher than this will be subjected to greater challenge and scrutiny with actions sought to reduce the risk.

Environmental risk

These risks arise from the physical environment Nottingham City Council operates in, and how this might affect extreme weather events and/ or climate change. The environmental risk category is designed to consider both short- and long-term environmental damages, as well as the potential for irreversible damage. Examples within this area could include flooding, high wind, or extreme heat; increased frequency of weather events; ability or willingness to adapt to climate change or pollution.

Category	Averse	Cautious
Environmental	The council is strongly averse to risks which are going to have a damaging environmental impact on the city and its residents.	Our preference is to consider risks which would have only localised, reversible, environmental impacts

Results

The survey results indicated a strong link to the cautious appetite with most responses in that level. Through discussion with both DLT and CLT, and reflecting the council's commitment to carbon neutral, it was felt the appetite for this category should be altered to be as above.



Environmental risk appetite statement

The council will take a broadly Averse approach to environmental risk, within reason, some risks with a localised and reversible impact on the environment will be considered and acceptable. Risks of increasing impact on the environment will not be tolerated.

The council recognises that some risks, and impacts, are unavoidable and likely to be outside of the council's direct control. The council can only influence and manage risks within its control.

Legal / Legislation risk

These risks arise from the legal and regulatory environment. Examples could include non-compliance with employment law, procurement regulations, or health and safety legislation; poor corporate governance; not achieving standards of the Social Housing Charter; or non-compliance with standards required by a regulatory body, e.g., Care Inspectorate.

Commercial (improvement and assurance board, CLT visibility of any commercial risk) and legal compliance risk

Category	Averse	Cautious
Legal / Legislation	The council's preference is for actions which will ensure there are no breaches, even if this comes with additional costs	We are prepared to accept a higher degree of risk which may lead to a breach of local guidelines but only in certain circumstances

Results

Survey results from DLT & CLT members were overwhelming in their stance of scoring this future appetite between Averse and Cautious categories. When the initial proposed boundaries were considered it was felt by CLT that the proposed high tolerance boundary for this risk was too high and beyond what the council really wanted to accept. As such, the high boundary was agreed at a maximum of 2, with the council prepared to accept up to a cautious approach to risks of this nature.



Legal / Legislation risk appetite statement

The council has a zero tolerance to the consideration of risks which may involve breaking legislation. The council recognises opportunities may arise which need consideration and review against commercial law to determine an appropriate direction of travel.

Workforce risk

These risks arise from the continually evolving area of impact on our staff. This category covers a wide range of potential impacts on Nottingham City staff. Considerations include but are not limited to; morale; sickness; turnover and capacity.

Category	Cautious	Open
Workforce	We are prepared to tolerate new ways of working which could have an impact on staff morale and / or an increase in staff sickness and grievances.	Where there is an appropriate business case and clear reasoning for change which has an identified impact on reducing staff morale, increase in staff sickness levels and the potential for short term reduction in staffing levels / capacity, the council is prepared to accept.

Results

Similar to previous categories, the responses from individuals within the survey suggested the council should adopt a greater tolerance for potential disruption to its workforce. This view, when reviewed by DLTs and CLT was challenged, and the suggestion was to bring the top line boundary down to be closer to the mean average response. This creates the above range with a maximum suggested tolerance of cautious.



Workforce risk appetite statement

The council takes the impact of its decisions on its staff very seriously. It considers the ongoing wellbeing and equalities as part of all decisions. Equally, there is a need for the council to consider new ventures and opportunities which generate disruption within the workforce whilst the changes are embedded. The council will consider people risks as part of the change management process and actively seek options which will help and support the council's desire to reduce the impact on staff.

Physical Asset risk

This category focusses on the potential impact of all / any assets for which the council owns or has responsibility for as determined by the council's asset register. Impacts on council assets considers both the type of damage and the importance of the asset to which the damage is inflicted; this could include minor damage which requires repair but doesn't impact the functionality of the premises such as storm damage to doorways, through a broad spectrum which at the worst severity would render a key asset unusable – such as a large fire at the Council House.

Category	Cautious	Open	Optimistic
Physical Asset	The council preference is to consider risks where the potential impact on its assets is limited to minor damage with no impact on the day-to-day function of the asset.	The council recognises the potential for disruption to a key asset taking it out of use may be needed to ensure we meet objectives.	The council is willing to consider risks which could impact a key asset rendering it unusable but repairable. These risks will be considered within a wider discussion around financial solutions to managing the risk proportionally.

Results

The survey results in this category demonstrated a consistent spread across the grades 2 / 3 & 4. The average response received was a 3 and subsequent feedback from CLT and DLTs agreed at the proposed tolerance bandings for the authority as being those shown above.



Physical Asset risk appetite statement

The council demonstrates a willingness to consider risks on their individual merit, and as such, it is likely that some impacts will effect council assets. The council is prepared to consider and embrace this potential disruption providing the assets are not damaged beyond repair.

Partnership Engagement risk

To fulfil its duties, Nottingham City Council will enter partnerships with various organisations. These circumstances give rise to potential risks to the council. These include challenges in aligning strategies with a partner organisation impacting on the ability to deliver a project; inability to deliver key objectives and relationship / reputation damage with key partner.

Category	Cautious	Open	Optimistic
Partnership Engagement	The council recognises different partners may have strategies which are difficult to align to our own, providing the deliverable aligns with the contract requirements, the council is prepared to accept these risks.	Collaborative working is the best case when working with partner organisations, the council is prepared to accept increased risks which may limit this possibility if the primary deliverables are achieved.	The council is willing to consider increased risks on key strategies and objectives given the complexities of the contract and the potential limit of suitable providers, if contract management responsibilities are clearly defined and carried out for the life of the contract to limit the likelihood of the risks materialising

Results

All organisations need to consider the most appropriate delivery models to ensure it meets its objectives fully and within the most viable parameters such as costs. As such, it is not surprising to see the survey results indicate a general lean towards a cautious / open approach to engaging with partners whilst recognising the potential impact should the relationship deteriorate. This helps emphasise the importance of contract management within the mitigations.



Partnership Engagement risk appetite statement

The council is already considering different ways of working and delivery of services which includes potential collaboration with suitably assessed prospective partners. The council's recent historic dealings with partners ensures that at the moment, it maintains a cautious approach to partnership engagement with detailed risk assessments needed for the consideration of any potential partner model.

Reputation risk

These risks arise from social or reputational factors, which could lead to a loss of credibility or trust. Examples could include decisions that are unethical; decisions or actions involving treatment of people; or projects that don't turn out as expected.

Category	Averse	Cautious
Reputation	The council is averse to risks which are going to have a damaging reputational impact on the city and its residents.	The council would prefer no adverse coverage because of its decisions and actions; however, it will accept short term local media coverage

Results

Although the responses in this category spanned from averse to hungry, the majority preferred a cautious approach. There's a feeling that the reputation of the organisation as a leader in quality and standards should be cherished to ensure continued confidence from staff, regulators and other stakeholders including the community. While unpopular decisions are sometimes necessary, the risk can be managed by careful planning, stakeholder engagement and clear communication. There needs to be a clear consideration if the mitigation of reputational risk results in having to expose the organisation to significant financial risk.



Reputation risk appetite statement

The council is naturally averse to risks which will impact on the trust and impression of the council negatively. Risks which have reputational impacts must be clearly considered and appropriate mitigations established which include clear plans for communication and engagement with affected stakeholders.

Service / Project / Programme Delivery risk

The scale and diversity of the council ensures it is delivering a wide range of services / projects and programmes daily, by a wide range of staff. The sheer scale of the organisation dictates that there is potential for errors and mistakes which impact the delivery of these tasks. The council's attitude towards these disruptions is considered and proportional based upon the likely impact and scale of disruption. Examples of disruptions could include staffing / skills changes, financial pressures, timescales for delivery, supply chain issues.

Category	Cautious	Open	Optimistic
Service / Project / Programme Delivery	The council would prefer to consider risks which have little or no impact on the delivery of objectives associated with service / project / programmes.	The council is prepared to consider potential delays to service / project / programme deliverables within agreed management controls from the officers responsible.	Where there is a clear reason or justification, the council is willing to consider risks which result in major delays to the service / project / programme delivery.

Results

There is cautious optimism about embracing risks which could impact on the delivery of service / project or programme objectives. Survey responses suggested a need to be bold and embrace decisions which need to be made to support the overall delivery of the council objectives. This is tempered by an equal concern which came out in the survey responses which focussed around the need to ensure delivery remained on track with minimal delays. This highlights the potential conflict between this category and that of other areas such as financial and workforce.



Service / Project / Programme Delivery risk appetite statement

The council recognises the need to change and evolve what we do, and how we do it. With change, it is likely to encounter disruption to delivery models. The council is willing to challenge itself and the objectives it sets providing the impacts do not impact on the ability to deliver what is agreed or required however there needs to be recognition that these changes are likely to impact our customer perception.

Opportunity risk

Council's, like all organisations should be encouraged to think about the positive aspects of risks. This helps to provide a rounded challenge and debate to other risk categories as the upsides to the risks should be considered. Opportunity risks consider these positive elements which range from new ways of working which improve customer experiences to financial benefits to the council.

Category	Cautious	Open	Optimistic
Opportunity	The council recognises the even minimal improvements to service delivery, reputation or financial benefit should be identified and pursued where time to achieve wont detrimentally impact objective delivery	The council is keen to pursue opportunities which have a moderate benefit to service delivery, reputation or finances.	Innovation is supported, but only where detailed Risk Assessments to understand benefits and consequences have been completed and provide confidence we will be successful in achieving these benefits

Results

There was a clear preference for an open approach to opportunity risk, with some hungry to take on risk to achieve strategic objectives. There is a willingness to be bold and think outside the box in order to ensure innovation remains strong within the organisation, although there could be conflict with more cautious approaches in other categories. The organisation should be willing to make big decisions and move forward with ideas with confidence as long as there is an openness about failures followed by reflection and learning to avoid repeated failures.



Opportunity risk appetite statement

We will be open to taking risks to achieve strategic objectives, where the benefit of doing so is clearly stated and we have confidence in the solution. We should be willing to challenge business as usual and ensure innovation is supported with carefully considered opportunities which demonstrate clear benefits to the organisation and there is confidence in our ability to achieve these benefits.

Appendix E Risk strategy action plan at January 2022

Action plan

Aim	Objective	Action/ deliverable	Timescale	RAG
Ensuring that Council approach and tools are in line with current risk management best practice.	External assurance of risk management approaches used at the Council.	Work with Strategic Risk Consultant at Zurich to review and continuously improve risk management practices.	Ongoing	Complete
		Complete self-assessment of current practices and Risk Management Framework against best practice.	January 2022	Complete
		Ask Zurich to review likelihood descriptors again to ensure in line with best practice.	March 2022	Complete
		Update Risk Management Framework based on findings of self assessment and consult on draft with CLT, DLTs, Audit Committee members, Zurich, PWC and Improvement Board members.	March 2022	Complete
		Benchmark risk management processes with core cities.	March 2022	Complete
		Meet with Integrated Commissioning Board partners to review risk management practices and align where possible.	Ongoing	Ongoing
Improving corporate risk management including	Implementation of a new format risk register which will	Adopt new risk register format for corporate and directorate risk registers.	June 2021	Complete

improved assessment and reporting of risks.	include strategic and operational risks, allowing further analysis and understanding of risk to support decision making and map related assurances using the three lines of defence model.	Further development of registers to identify and include clear metrics and indicators to measure individual risks.	June 2022	Expect to deliver in timescale
		Further development of registers to report mechanisms/ planned actions for risks in case of deterioration.	June 2022	Expect to deliver in timescale
		Discuss inclusion of high level company risks with Shareholder Unit.	February 2022	Complete
		Consider differentiating between risks and issues in register.	September 2022	Expect to deliver in timescale
		Incorporate timeliness of risks in the register – short, medium or long term.	September 2022	Expect to deliver in timescale
		Develop public facing strategic assurance register	June 2022	Expect to deliver in timescale
	Established corporate risk appetite statement set by CLT to support risk assessment and response.	Risk appetite survey of SLMG, workshops at DLTs and CLT delivered by Zurich,	Survey Aug 2021 DLTs Sept 2021 CLT Oct 2021	Complete
Provide a clear risk appetite statement that can be adopted across the Council.		January 2022	Complete	
Improving monitoring and reporting of risk at	Provision of training and support to divisions and	Review and development of existing online risk management training.	October 2021	Complete

directorate, division and service level.	services including implementation of best practice tools and techniques.	Formal launch of online training	January 2022	Complete
		Risk training delivered by Zurich for Heads of Service in January and February 2022.	March 2022	Complete
	Identification and training of risk champions at directorate, division and service levels.	Work with new Corporate Director for Finance and Resources when in post to further develop risk management at NCC.	June 2022	Expect to deliver in timescale
		Directorates asked to identify risk champions to lead on risk management.	July 2021	Complete G&CD - TBD
		Training delivered to directorate risk champions by external provider.	July 2022	Expect to deliver in timescale
		Directorate risk champions to take ownership of new risk registers and working with risk leads, provide continuous maintenance and updates to documents.	July 2022	Expect to deliver in timescale
		Divisions and services asked to identify risk champions.	June 2022	Expect to deliver in timescale
		Training delivered to risk champions by Zurich or other external provider on risk management.	July 2022	Expect to deliver in timescale
		Expand risk management team provide support to division leads on development of risk registers and their regular review.	June 2022	Expect to deliver in timescale

	Consistent quarterly monitoring of risks at service and division levels supporting escalation into directorate and corporate risk registers.	Assurance from service and divisions that risk registers are being reviewed and discussed at team meeting at least quarterly and that risks are escalated to department where needed.	July 2022	Expect to deliver in timescale
		Work with Performance team to include risk within Service Business Planning exercise	July 2021	Complete
		Work with performance team to integrate reporting.	July 2022	Expect to deliver in timescale
	Include risk management within culture work programme.	Discuss and agree approach for inclusion with Transformation team	August 2021	Complete
Improving scrutiny and understanding of risk management by members.	Provision of training to members on risk management.	Risk Management training session to Audit Committee members including role of Audit Committee delivered by Zurich.	December 2020	Complete
		Risk Management training session to Audit Committee chair and vice chair including role of Audit Committee delivered by Zurich.	January 2021	Complete
		Further training to Audit Committee members on how to scrutinise risk management approaches.	January 2022	Complete
		Training for Portfolio Holders on risk management in their areas of responsibility.	July 2022	Expect to deliver in timescale
		Training for members providing an overview of risk management.	July 2022	Expect to deliver in timescale

Appendix F - Further guidance for identification of risks ALARM Risk Management Toolkit 2021

Originally from ALARM Risk Management Toolkit 2020. ALARM is a not-for-profit membership association that has supported risk management professionals for 30 years. They provide members with outstanding support including training, guidance and best practice, networking and industry recognition for excellence across risk management. For more information, visit alarmrisk.com and follow @ALARMrisk on [Twitter](https://twitter.com/ALARMrisk) and [LinkedIn](https://www.linkedin.com/company/ALARMrisk).

Risk Identification

Risk identification is one of the first major components of a best practice risk management process. The purpose of risk identification is to generate a comprehensive inventory of risks based on events that might create, prevent, accelerate or delay the achievement of the organisation's objectives. It is important that all risks are identified at each level of the organisation. These levels can include the board, departments and teams and should be aligned to your organisation's structure.

Risk identification techniques

A variety of techniques and methods can be used to identify risks. Choose one that works for your organisation. A variety of people from across the organisation should be able to input into the risk identification process. This will ensure all risks are identified.

Start the process by reviewing the existing risk registers and ask three questions:

1. Has the impact or likelihood of any of the risks recorded changed significantly?
2. Are any risks missing from the risk register?
3. Is anything planned over the next 12 months to present a significant risk?

Identify new and emerging risks

There are different techniques to help risk identification. They can be used together or at different times.

Analyse previous losses, events, incidents and lessons learnt. Review everything to identify common causes so related risks can be considered.

Access relevant national reports, technical briefings, specialists (including internal experts) and guidance. This is a good way to assess, disseminate and highlight wider risk issues relevant to your sector or industry.

Checklists are a good way of collecting a lot of risk information quickly. Use the risk universe (Appendix J) to help develop a risk checklist for your organisation. Be aware that checklists can narrow risk identification, so don't miss emerging risks.

Horizon scanning will ensure you are adequately prepared for potential opportunities and threats.

Questionnaires can be used to capture a wide range of perceptions from a large group of people in a relatively short timescale. If this is your chosen technique, send questionnaires to people carrying out different activities at all levels in the organisation. This can be an effective technique for risk identification within larger departments and organisations.

Example

EXAMPLE

RISK IDENTIFICATION QUESTIONNAIRE

Name:			
Department:			
Role:			
Date:			

	Risk description	Risk cause	Risk consequence impact
What are the top five risks facing Organisation X?			
1	Loss of critical electronic data following an IT failure.	Data back-up procedures are not performed or are performed inadequately.	Unable to continue day-to-day operations. Loss of key information.
2			
3			
4			
5			
What are the top three current controls in place against each of the above risks? How effective are these controls?			
1	IT policy – in part, not put into practice, out of date.	Dedicated staff – in full and effective.	Review of IT back up procedures – part complete.
2			
3			
4			
5			

Interviews enable risks to be explored in great detail. They are time consuming but can result in the collection of robust risk information. The key to effective interviewing is to spend more time listening than talking. The goal is to elicit essential risk information, such as a clear understanding of the unique risk, its causes and consequences.

Example

EXAMPLE

INTERVIEW AGENDA

- 1 Introduction and background**
 - Clarify objectives and confidentiality.
- 2 Overview of your role**
 - Link between the review of objectives and your responsibilities.
- 3 Strategy and objectives**
 - What are the objectives or goals for your area of responsibility?
 - Are there any foreseeable major changes in your area in the next one to five years?
- 4 Risk strategy and philosophy**
 - What is your understanding of the current risk management process?
 - How do you input into the risk management process?
 - Would you describe your organisation as risk taking or risk averse?
- 5 Risk appetite and tolerance**
 - What key performance indicators do you measure the impact of a risk event against?
 - What size of risk is considered critical, and what is manageable?
 - What is your financial capability to withstand a major loss event?
 - How should likelihood of occurrence be measured, for example, short, medium and long-term?
- 6 What are the key risks? For each key risk consider:**
 - What are the key causes or drivers?
 - What data is available?
 - What would be the impact to the organisation?
 - Does the risk represent an opportunity?
 - What are the current controls?
 - How are the risks monitored?
- 7 Wrap up and close**

Workshops are a useful way to bring together stakeholders with different perceptions of risk and the potential consequences. In 2019, ALARM produced the *Risk workshop guide* providing step by step instructions on how to deliver risk workshops from conception to the production of a final risk workshop. The guide offers helpful hints and tips for delivering your own workshops and techniques on how to learn from successful workshops, as well as those that could have been better.

[This guide is available to download from the ALARM website.](#)

SWOT (strengths, weaknesses, opportunities, threats) analysis is a strategic planning method for an organisation. It identifies the strengths and weaknesses of

the organisation (internal) as well as the opportunities and threats (external) to the organisation.

Example

EXAMPLE

SWOT ANALYSIS FOR A POLICE FORCE

Strengths	A characteristic, resource, or capacity the organisation can use effectively to achieve its objectives.	<ul style="list-style-type: none"> • Better equipment than three years ago • Strong and consistent leadership • Good communication across the department • High quality, consistent personnel • Good salary and benefits package.
Weaknesses	A limitation, fault, or defect in the organisation that will keep it from achieving its objectives.	<ul style="list-style-type: none"> • Run-down facility • Very limited budget • Limited manpower • Limited training availability and budget • Inadequate computer software for report writing • Reliance on volunteer or lower trained personnel for some services • Difficulties in collecting and tracking data.
Opportunities	An uncertain beneficial event or condition that, if it occurs, results in favourable outcomes.	<ul style="list-style-type: none"> • New police station • Three percent population growth • Residential developments • Relationship with city council • Volunteer groups
Threats	An uncertain adverse event or condition that, if it occurs, results in unfavourable outcomes.	<ul style="list-style-type: none"> • Increasing population but reducing police force • Downturn in the economy • Downturn in community support • Lack of consequences for committing crimes • Downturn in city council support.

PESTLEC (political, economic, sociological, technological, legal, environmental, cultural) analysis is a useful technique for a helicopter view of the environment in which your organisation is operating.

Example

EXAMPLE

PESTLEC ANALYSIS FOR A COUNCIL

<p>Political</p> <p>Political decisions can impact on many areas in public service organisations.</p>	<ul style="list-style-type: none"> • Changes to devolution and powers of councils. • Political uncertainty and changing priorities of local and national groups. • Pressure to become more commercial and provide support for local businesses.
<p>Economic</p> <p>Funding is essential for public services and anything that impacts the economic climate will directly impact the ability to provide services.</p>	<ul style="list-style-type: none"> • Changes in government priorities and fiscal policies can influence the need for alternative revenue streams. • Changing international economic relationships (Brexit) can impact local businesses and the support they require. • Push towards engaging partnering/ outsourcing to the private sector.
<p>Sociological</p> <p>Changes in social trends can dramatically impact public service organisations; both on service demand and supply.</p>	<ul style="list-style-type: none"> • An ageing population increases pressure on certain services. • The impact of social media on patient or public activism is a potential opportunity as well as a threat. • Changing expectations of the local community.

<p>Technological</p> <p>New technologies create new products and new processes that can impact service providers and end users.</p>	<ul style="list-style-type: none"> • Impact on reputation and services of not implementing new technologies. • Need to invest in provision of quality telecommunications to all communities. • Effective communication is essential.
<p>Legal</p> <p>The legal framework in which public service organisations operate.</p>	<ul style="list-style-type: none"> • Changes to statutory duties and the need to adapt to new regulations. • Litigation environment and the growth of 'no win no fee' arrangements.
<p>Environmental</p> <p>Environmental events as well as increased environmental awareness or regulation can all impact public service organisations.</p>	<ul style="list-style-type: none"> • Growing environmental, social and governance agenda. • Severe weather or public health emergency increases demand on services. • Flooding and other severe weather and the need for investment in counter measures.
<p>Cultural</p> <p>The cultural environment in which the organisation is operating.</p>	<ul style="list-style-type: none"> • Cultural diversity of the local area and the organisation's ability to ensure everyone is catered for. • Services are no longer in demand due to changing behaviours.

Delphi analysis is a collaborative estimating or forecasting technique for building consensus among experts who interact anonymously. The topic under discussion is circulated continually among participating experts for comment and modification to reach a degree of mutual agreement.

Delphi analysis for risk identification:

- The facilitator asks participants to independently submit a list of risks they have identified (often facilitated by email or an online survey).
- The facilitator consolidates the risks submitted into a risk inventory.
- The risk inventory is circulated to all participants who are asked to add any additional risks to the list.
- This consolidation and circulation of the risk inventory continues until no additional ideas are generated.

Bow tie analysis is a visual illustration of the identified risk, its causes, consequences, proactive controls and reactive mitigation. A bow tie diagram provides a visual summary of all plausible scenarios that could exist around a certain hazard. It then identifies the control measures required, and how these measures could potentially fail. Control measures are the processes in place to mitigate the effect of the risk.

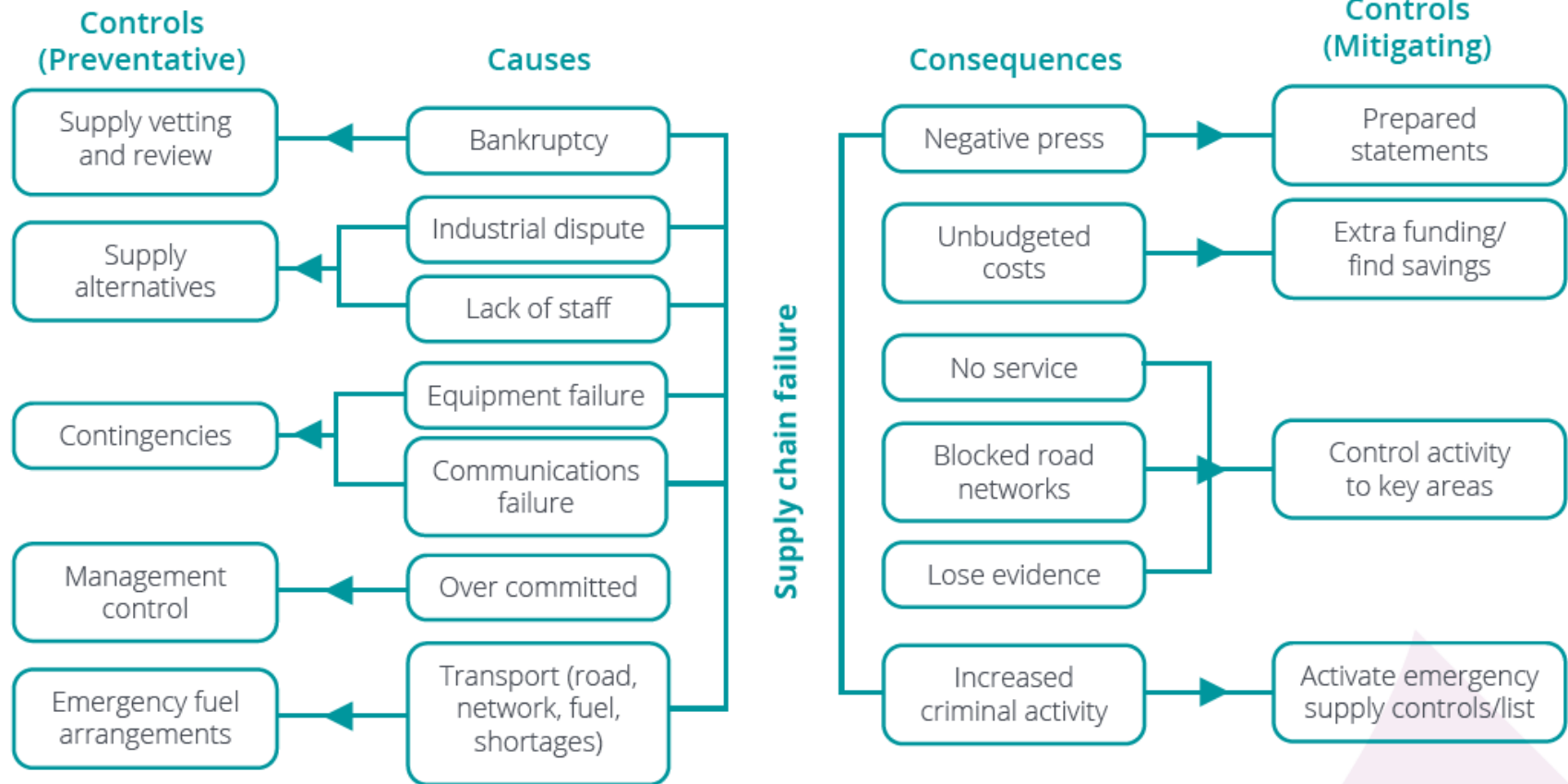
Bow tie analysis reveals escalation factors. An escalation factor is something that leads to an increased risk by reducing the effectiveness of controls, in other words something that prevents a control from working properly.

There are possible control measures for escalation factors as well, which is why there is also a special type of control called an escalation factor control. This has an indirect but crucial effect on the main hazard. By visualising the interaction between controls and their escalation factors, it becomes possible to see how the overall system weakens when controls have escalation factors.

Example

EXAMPLE

BOW TIE ANALYSIS



Appendix G – Simple Risk Register Template

Risk Ref	Risk Description (Risk event)	Potential causes	Potential impacts	Risk Lead	Date identified	Existing mitigations	Current Risk Rating			Outs
							Likelih.	Impact	Score	

		Impact				
		Negligible (1)	Minor (2)	Moderate (3)	Major (4)	Extreme (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
	Highly likely (5)	5	10	15	20	25

Appendix H - Further guidance for treatment of risks - ALARM Risk Management Toolkit 2021

Originally from ALARM Risk Management Toolkit 2020. ALARM is a not-for-profit membership association that has supported risk management professionals for 30 years. They provide members with outstanding support including training, guidance and best practice, networking and industry recognition for excellence across risk management. For more information, visit alarmrisk.com and follow @ALARMrisk on [Twitter](https://twitter.com/ALARMrisk) and [LinkedIn](https://www.linkedin.com/company/ALARMrisk).

When evaluating what treatment options to employ, consider:

- Existing best practices to treat the risk.
- Critical controls that will achieve the risk reduction required as part of the risk treatment or mitigation plan.
- Costs associated with different treatment options against associated benefits.
- How other organisations mitigate the same risk.

Developing action plans

An action plan records the additional controls to further mitigate the risk

The action plan should include (at least):

- The action to be completed
- The person responsible for completing it (the control owner)
- The target completion date.

This information can be recorded in the risk register as additional columns alongside each of the relevant risks.

Assign risk owners and develop an action plan

Each organisation should decide how many risks are assigned to a risk owner; this may occur for all risks or just top risks to the organisation. The risk owner should be someone with knowledge of the risk area and be senior enough to insist actions are completed. The risk owner should develop an action plan in collaboration with relevant stakeholders. Action plans should be used as a tool for assigning and monitoring additional action identified to mitigate the risk.

Example

EXAMPLE

ACTION PLAN

Risk number/ID	
Risk	
Risk owner	
Review period	

Risk scoring	Impact	Likelihood	Risk score
Inherent			
Residual			
Risk cause(s)		Risk consequence(s)	

Is the risk a threat or an opportunity?	
--	--

Current controls

Description of controls

Additional response required	Priority	Person responsible	Target Completion

Last review date	
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