

EXECUTIVE BOARD – 17 DECEMBER 2013

Title of paper:	RISK MANAGEMENT: Strategic Risk Register (SRR) Quarter 2 2013/14 Update		
Director(s)/ Corporate Director(s):	Carole Mills, Deputy Chief Executive/Corporate Director for Resources		
Portfolio Holder(s):	Councillor Graham Chapman, Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration		
Report author and contact details:	Simon Burton, Corporate Risk Specialist Tel: 0115 8763432 simon.burton@nottinghamcity.gov.uk		
Key Decision:	<input type="checkbox"/> Yes No <input checked="" type="checkbox"/>		
Reasons: Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings <input type="checkbox"/> of £1,000,000 or more taking account of the overall impact of the decision	Revenue <input type="checkbox"/> Capital <input type="checkbox"/>		
Significant in terms of its effects on communities living or working in an area consisting of two or more wards in the City	<input type="checkbox"/> Yes No <input type="checkbox"/>		
Subject to call-in <input checked="" type="checkbox"/> Yes No <input type="checkbox"/>	Total value of the decision: Nil		
Relevant Council Plan Strategic Priority:		Wards affected:	
World Class Nottingham	<input checked="" type="checkbox"/>	All	
Work in Nottingham	<input checked="" type="checkbox"/>		
Safer Nottingham	<input checked="" type="checkbox"/>		
Neighbourhood Nottingham	<input checked="" type="checkbox"/>		
Family Nottingham	<input checked="" type="checkbox"/>		
Healthy Nottingham	<input checked="" type="checkbox"/>		
Leading Nottingham	<input checked="" type="checkbox"/>		
Date of consultation with Portfolio Holder(s): November 2013			
Summary of issues (including benefits to citizens/service users):			
This is the Quarter 2 2013/14 strategic risk management report, enabling Executive Councillors to exercise a strategic overview of the Council's SRR, Audit Committee having reviewed these issues at their last meeting. The main focus is the progress made in reducing the threat levels for each strategic risk.			
Recommendation(s):			
1	To note and comment on the risks contained in the strategic element of the SRR and the progress made in reducing their threat levels (Table 1 and Appendix 1) for Quarter 2 of 2013/14.		

1 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

Threat level reduction progress

- 1.1 Progress in reducing the seriousness of our strategic risks is assessed by a combination of each risk's overall threat level and direction of travel (DoT). This rounded assessment gives a clearer picture of progress in reducing the risk threat level. **Table 1** lists the **16** risks in the SRR and presents, for each, the most recent change to the DoT and the overall threat level.
- 1.2 Overall, progress is being made in reducing the threat levels of the strategic risks we face, with several SRR risks assessed as improving, stable or at target. However, **10** risks are red rated reflecting the range of delivery pressures and challenges the Council is responding to. Of the **16** strategic risks within the SRR **five** are at target and a further **two** strategic risks show an improved DoT

- 1.3 **Table 1** shows the 16 strategic risks at Quarter 2 of 2013/14 ranked in order of threat level and DoT (highest to lowest threat level):

TABLE 1: Risk threat level & DoT in rank order at Q2 2013/14			
SR No.	Strategic Risk Description	Threat Level	DoT (Q1–Q2)
Red rated strategic risks (10)			
26	Failure to support Nottingham citizens and communities in minimising the negative impact of welfare changes	16	↔
6	Failure to safeguard vulnerable children	15	↓
8b	Failure to implement and embed effective information management structures, policies, procedures, processes and controls to support the council's immediate and future regulatory, legal, and business requirements (updated Q1 2013/14)	12	↔
11a	Failure to accurately predict and respond to financial pressures supporting the development and delivery of the medium term financial plan (updated risk Q1 2013/14)	12	↔
12a	Failure to provide the best educational outcome for children and opportunities for young people to access further education and skills training to contribute to the economic wellbeing of the City (updated Q4 2012/13)	12	↔
25a	Failure to embed a corporate approach to commissioning, informed by citizen need, which drives delivery of improved services at significantly lower cost	12	↔
28	Failure to ensure a financially sustainable Adult Social Care system to respond to significant increases in demand for care while protecting our most vulnerable citizens	12	↔
29	Failure to establish an effective Public Health function impacting citizen wellbeing and a failure to deliver the authority's statutory responsibilities (under review)	12	↔
30	Failure to create an organisational environment that supports delivery of Council priorities (new risk added Q1 2013/14)	12	↔
7a/ b	Failure to reduce levels of crime and anti-social behaviour (ASB)	12	↔

TABLE 1: Risk threat level & DoT in rank order at Q2 2013/14 (continued)			
SR No.	Strategic Risk Description	Threat Level	DoT (Q1–Q2)
Amber rated strategic risks (6)			
3	Failure to mitigate the impact of the economic climate on Nottingham City and its citizens	9 At target	↔
16a	Failure of partners including the City Council to work effectively together to achieve vision and outcomes in the Nottingham Plan to 2020	8 At target	↔
5a	Failure to safeguard vulnerable adults	8	↓
2a	Of the reputation of the City	6 At target	↔
10	Failure to maintain good standards of governance	9 to 6 At target	↔
24	Failure to ensure effective systems are in place to manage health and safety risks	9 to 6 At target	↔
Green rated strategic risks - There are no green rated risks at Q2.			

Key: ↓ Reducing threat level ↔ Stable threat level ↑ Increasing threat level

Appendix 1 identifies individual risk owners, detailed risk threat level assessments between October 2012 (Q3 2012/13) and October 2013 (Q2 2013/14) and the projected dates when target threat levels will be achieved.

Review of existing SRR, new and emerging risks

1.4 SR12a - Failure to provide the best educational outcomes for children and opportunities for young people to access further education and skills training to contribute to the economic wellbeing of the City: Work during Q2 has focussed on rationalising and prioritising the risks identified through the review begun in Q4 of 2012/13. The overall level of risk has remained consistent at 12, reflecting the threat assessment for three key constituent risks:

- *R1 - A high frequency of placement changes for children in care risks poor attainment particularly at secondary level with subsequent high levels of continuing support (12):* A lack of sufficient high quality family foster care, coupled with the high level and complex needs of children in care, can result in a high turnover in care placements which in turn can impact a child's education. Mitigations have been identified including building capacity, improving links and communications with safeguarding and partners, but these are not considered adequate in themselves to bring the level of the risk down substantially and this is acknowledged in the target threat assessment.
- *R2 - The diminishing influence of Local Authority (LA) in the changing educational landscape risks a loss of focus on positive outcomes for children and young people and thus alignment with local employment opportunities and the economic needs of the city (16):* Levels of attainment against national standards and Ofsted inspection leave schools vulnerable to unwanted takeover by external multi-academy trusts contributing to greater fragmentation of the education market

place. Management of this risk to a lower level requires a coherent approach from city leaders and partners to drive credible local sponsorship of city academies and free schools, which in itself presents some significant challenges. The difficulty in identifying adequate mitigations is reflected in the target threat assessment.

- *R4 - Insufficient intervention capacity/flexibility, the diminishing influence of the LA through academisation increases the risk of schools entering Ofsted category or hitting Department for Education (DfE) intervention triggers to the detriment of outcomes for children and young people (12):* The School Improvement Service operates in a commercial market and there are many factors which impact on securing successful commercial outcomes. These include the extent of previous commercial experience, colleagues' attitude to risk, their skills and how internal control systems are used, all of which can either enhance or inhibit the swift effective responses necessary to compete successfully. Mitigations have been identified and implemented. There is the opportunity to make further links with the transformational Commercialism Programme, to benefit from and share good practice and adopt the more commercial and agile ways of working being embraced across the council.

2 REASONS FOR RECOMMENDATIONS

- 2.1 The Council's approach to risk management, set out in the Risk Management Framework, requires regular review by senior management and councillors of the strategic element (the SRR) of the Council Risk Register.
- 2.2 The recommendations of this report bring the results of the latest refresh of the SRR, which was considered in detail by Audit Committee on 29 November, to the attention of the Executive Board. This facilitates Executive Board awareness of the strategic risks being managed by Corporate Leadership Team (CLT), their prevailing threat levels and the progress in mitigating the risks.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 No other options were considered as the Risk Management Framework requires regular review of the strategic element of the SRR by senior management and Councillors.

4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY)

- 4.1 The actions to mitigate strategic risks have either been prioritised within existing plans or will be built into future plans and refreshes for 2013/14. Any additional financial implications will be highlighted in these plans going forward.

5 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)

- 5.1 The SRR is a key part of the Council's overall approach to risk management.

6 SOCIAL VALUE CONSIDERATIONS

- 6.1 Not applicable.

7 REGARD TO THE NHS CONSTITUTION

7.1 Not applicable.

8 EQUALITY IMPACT ASSESSMENT (EIA)

8.1 Has the equality impact been assessed?

Not needed (report does not contain proposals or financial decisions)



No



Yes – Equality Impact Assessment attached



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

9.1 None.

10 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

10.1 SRR Quarter 2 Update reported to Audit Committee 29 November 2013.

11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

11.1 Input has been provided by the following colleagues:

- Carole Mills, Deputy Chief Executive/Corporate Director for Resources
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- Alison Michalska, Corporate Director Children and Adults
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0115 8763332

Nottingham City Council Risk Register - Report Summary

Ref.	Risk description	SR criteria						Threat level (seriousness) & DoT				DoT	Target Threat Level	Managing Accountability					
		Highest Pri	Corp Mit	Legal	Reputation	H & S	Citizen well-being	Financial	Date threat level & DoT	2012/13				2013/14		Corporate Director (Risk Owner)	Lead Director or Senior Colleague		
										Q3	Q4			Q1	Q2				
SR26	Failure to support Nottingham citizens and communities in minimising the negative impact of welfare changes		✓				✓		Date	Jan-13	Mar-13	Jun-13	Oct-13	↔	Apr-14	C. Mills Deputy Chief Exec. / CD-Res	T. Kirkham Strategic Finance Director		
								Threat Level	16 (4x4)	16 (4x4) R	16 (4x4)	16 (4x4)			9 (3x3)				
								DoT	Stable	Stable	Stable	Stable							
SR6	Failure to safeguard vulnerable children		✓	✓	✓		✓	✓	Date	Oct-12	March	Jun-13	Oct-13	↔	Apr-14	C. Brudenell Interim CD-Ch & Fam	H. Blackman Director Safeguarding		
								Threat Level	15 (3x5)	15 (3x5)	15 (3x5) R	15 (3x5)			10 (2x5)				
								DoT	Improving	Improving	Improving	Stable							
SR8b	Failure to implement and embed effective information management structures, policies, procedures, processes and controls to support the council's immediate and future regulatory, legal, and business requirements (updated Q1 2013/14)						✓	✓	Date		Updated risk	Jun-13	Oct-13	↔	Apr-14	C. Mills Deputy Chief Exec. / CD-Res	M. Gannon Director IT		
								Threat Level				12 (3x4) C	12 (3x4)			9 (3x3)			
								DoT				N/A	Stable						
SR11a	Failure to accurately predict and respond to financial pressures supporting the development and delivery of the medium term financial plan (updated Q1 2013/14)		✓		✓		✓	✓	Date		Updated risk	Jun-13	Oct-13	↔	??	C. Mills Deputy Chief Exec. / CD-Res	T. Kirkham Strategic Finance Director		
								Threat Level				12 (3x4) C	12 (3x4)			6 (3x2)			
								DoT				Stable	Stable						
SR12a	Failure to provide the best educational outcome for children and opportunities for young people to access further education and skills training to contribute to the economic wellbeing of the City (updated Q4 2012/13)	✓	✓		✓				Date	Oct-12	Mar-13	Mar-13	Oct-13	↔	Apr-15	I. Curryer Chief Exec.	C. Brudenell Interim CD-Ch & Fam		
								Threat Level	12 (3x4)	12 (3x4) R	12 (3x4)	12 (3x4) C			8 (2x4)				
								DoT	Stable	Deteriorating	Stable	Stable							
SR25a	Failure to embed a corporate approach to commissioning, informed by citizen need, which drives delivery of improved services at significantly lower cost (updated Q4 2012/13)				✓		✓	✓	Date		Updated risk	Mar-13	Jun-12	↔	Mar-14	C. Brudenell Interim CD-Ch & Fam	K. Banfield - Commissioning Change Programme Mgr		
								Threat Level				12 (3x4) C	12 (3x4)		12 (3x4)		9 (3x3)		
								DoT				N/A	Improving		Stable				
SR28	Failure to ensure a financially sustainable adult social care system to respond to significant increases in demand for care while protecting our most vulnerable citizens				✓		✓	✓	Date	Jan-13	Mar-13	Jun-13	Oct-13	↔	Mar-14	C. Brudenell Interim CD-Ch & Fam	H. Jones Dir for Adult Assessment		
								Threat Level	12 (4x3)	12 (4x3)	12 (4x3)	12 (4x3)			6 (2x3)				
								DoT	Improving	Stable	Stable	Stable							
SR29	Failure to establish an effective Public Health function impacting citizen wellbeing and a failure to deliver the authority's statutory responsibilities (under review)				✓		✓	✓	Date	Jan-13	Mar-13	Mar-13	Mar-13	↔	Apr-13	C. Kenny Dir Public Health	A. Challenger Deputy Dir Public Health		
								Threat Level	12 (4x3) R	12 (4x3)	12 (4x3)	12 (4x3) R			9 (3x3)				
								DoT	Improving	Improving	Stable	Stable							

Ref.	Risk description	SR criteria							Threat level (seriousness) & DoT				DoT	Target Threat Level	Managing Accountability		
		Highest Pri	Corp Mit	Legal	Reputation	H & S	Citizen well-being	Financial	Date threat level & DoT	2012/13		2013/14			Corporate Director (Risk Owner)	Lead Director or Senior Colleague	
										Q3	Q4	Q1					Q2
SR30	Failure to create an organisational environment that supports delivery of Council priorities (new risk added Q1 2013/14)		✓		✓			✓	Date		New risk	Jun-13	Oct-13	↔	Mar-14	I. Curryer Chief Exec.	R. Henderson Head of Service Change & Improvement
								Threat Level			12 (3x4) C	12 (3x4)			9 (3x3)		
								DoT			N/A	Stable					
SR7a/b	Failure to reduce levels of crime and anti-social behaviour (ASB)	✓	✓		✓				Date	Jan-13	Mar-13	Jun-13	Oct-13	↓	Apr-14	J. Kelly CD-Comm	E. Orrock Comm Safety Exec. Coordinator
								Threat Level	12 (3x4)	12 (3x4)	12 (3x4)	12 (3x4)			8 (2x4)		
								DoT	Improving	Improving	Improving	Stable					
SR3	Failure to mitigate the impact of the economic climate on the Nottingham City and its citizens				✓		✓		Date	Jan-13	Mar-13	Jun-13	Oct-13	↔	Apr-12	D. Bishop CD-Dev	N. Jenkins Head of Economic Development
								Threat Level	9 (3x3)	9 (3x3)	9 (3x3)	9 (3x3)			9 (3x3)		
								DoT	Improving AT TARGET	Stable AT TARGET	Stable AT TARGET	Stable AT TARGET					
SR16a	Failure of partners including the City Council to work effectively together to achieve vision and outcomes in the Nottingham Plan to 2020		✓		✓		✓		Date	Jan-13	Mar-13	Jun-13	Oct-13	↔	2014	I. Curryer Chief Exec.	C. Richmond Acting Dir Policy Partnerships & Comms
								Threat Level	8 (2x4)	8 (2x4)	8 (2x4)	8 (2x4)			8 (2x4)		
								DoT	Stable AT TARGET	Stable AT TARGET	Stable AT TARGET	Stable AT TARGET					
SR5a	Failure to safeguard vulnerable adults		✓	✓	✓		✓	✓	Date	Jan-13	Mar-13	Jun-13	Oct-13	↓	Oct 2014	C. Brudenell Interim CD-Ch & Fam	H. Jones Dir Comm Inclusion E. Yardley Dir Access & Reablement
								Threat Level	8 (2x4)	8 (2x4)	8 (2x4)	8 (2x4)			6 (2x3)		
								DoT	Improving	Stable	Improving	Improving					
SR2a	Of the reputation of the City		✓		✓			✓	Date	Jan-13	Mar-13	Jun-13	Oct-13	↔	Oct-12	I. Curryer Chief Exec.	C. Richmond Acting Dir Policy Partnerships & Comms
								Threat Level	6 (2x3)	6 (2x3)	6 (2x3)	6 (2x3)			6 (2x3)		
								DoT	Stable AT TARGET	Stable AT TARGET	Stable AT TARGET	Stable AT TARGET					
SR10	Failure to maintain good standards of governance		✓		✓			✓	Date	Jan-13	Jan-13	Jun-13	Sep-13	↔	Mar-13	C. Mills Deputy Chief Exec. / CD-Res	G. O'Connell Director Legal & Democratic Services
								Threat Level	9 (3x3)	9 (3x3)	6 (2x3)	6 (2x3)			6 (2x3)		
								DoT	Stable	Stable	Improving AT TARGET	Stable AT TARGET					
SR24	Failure to ensure effective systems are in place to manage health and safety risks			✓	✓	✓		✓	Date	Jan-12	Mar-13	Jun-13	Oct-13	↔	Dec-13	C. Mills Deputy Chief Exec. / CD-Res	P. Millward Head of Service Emergency Planning
								Threat Level	9 (3x3) R	9 (3x3)	6 (2x3)	6 (2x3)			6 (2x3)		
								DoT	Stable	Stable	Improving AT TARGET	Stable AT TARGET					

DIRECTION OF TRAVEL (DoT):

Improving (reducing) threat level



Stable threat level



Deteriorating (increasing) threat level

