Subject:	RISK MANAGEMENT: Strategic Risk Register (SRR) Quarter 4 2013/14 Update	
Corporate Director(s)/ Director(s):	Carole Mills, Deputy Chief Executive, Corporate Director and Chief Finance Officer	
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 ☐ Yes ☒ No	Subject to call-in ☒ Yes ☐ No	
Reasons: ☐ Expenditure ☐ Income ☐ Savings of £1,000,000 or more taking account of the overall impact of the decision	☐ Revenue ☐ Capital	
Significant impact on communities living or working in two or more wards in the City	☐ Yes ☐ No	
Total value of the decision: Nil		
Wards affected: All	Date of consultation with Portfolio Holder(s): April 2014	
Relevant Council Plan Strategic Priority: All		
Cutting unemployment by a quarter		☒
Cut crime and anti-social behaviour		☒
Ensure more school leavers get a job, training or further education than any other City		☒
Your neighbourhood as clean as the City Centre		☒
Help keep your energy bills down		☒
Good access to public transport		☒
Nottingham has a good mix of housing		☒
Nottingham is a good place to do business, invest and create jobs		☒
Nottingham offers a wide range of leisure activities, parks and sporting events		☒
Support early intervention activities		☒
Deliver effective, value for money services to our citizens		☒
Summary of issues (including benefits to citizens/service users): This is the Quarter 4 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 its meeting on 25 April 2014. The main focus is the progress made in reducing the threat levels for each strategic risk.		
Exempt information: None		
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 4 of 2013/14.		

1. **REASONS FOR RECOMMENDATIONS**

1.1 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.

1.2 This report sets out the results of the latest refresh of the SRR, which was considered in detail by Audit Committee on 25 April. This facilitates Executive Board's awareness of the strategic risks being managed by Corporate Leadership Team (CLT), their prevailing threat levels and the progress in mitigating the risks.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

Threat level reduction progress

2.1 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 **14** risks in the SRR and presents, for each, the most recent change to the DoT and the overall threat level.

2.2 Overall, progress is being made in reducing the threat levels of our strategic risks, with several SRR risks assessed as improving, stable or at target. **Five** risks are red rated reflecting the range of delivery pressures and challenges the Council is responding to. Of the **14** strategic risks within the SRR:
o **Three** have an improved threat assessment
o A total of **seven** are at target
o A further **two** show an improved DoT.

2.3 **Table 1** shows the 14 strategic risks at Quarter 4 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 Q4 2013/14			
SR No.	**Strategic Risk Description**	**Threat Level**	**DoT (Q3–Q4)**
Red rated strategic risks (5)			
6	Failure to safeguard vulnerable children	15	⇔
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 **(under review)**	12	⇔
8b	Failure to implement and embed effective information management structures, polices, procedures, processes and controls to support the council's immediate and future regulatory, legal, and business requirements **(updated Q1 2013/14)**	12	⇩
26	Failure to support Nottingham citizens and communities in minimising the negative impact of welfare changes	12	⇩

TABLE 1: Risk threat level & DoT in rank order at Q4 2013/14 *(continued)*			
SR No.	**Strategic Risk Description**	**Threat Level**	**DoT (Q3–Q4)**
Amber rated strategic risks (9) – all at target			
3	Failure to mitigate the impact of the economic climate on Nottingham City and its citizens	**9 At target**	⇔
25a	Failure to embed a corporate approach to commissioning, informed by citizen need, which drives delivery of improved services at significantly lower cost	**9 At target**	⇩
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 to 9**	⇩
30	Failure to create an organisational environment that supports delivery of Council priorities	**12 to 9**	⇩
7a/b	Failure to reduce levels of crime and anti-social behaviour (ASB)	**12 to 8 At target**	⇩
2a	Of the reputation of the City	**6 At target**	⇔
5a	Failure to safeguard vulnerable adults	**6 At target**	⇩
10	Failure to maintain good standards of governance	**6 At target**	⇔
24	Failure to ensure effective systems are in place to manage health and safety risks	**6 At target**	⇔
Green rated strategic risks - There are no green rated risks at Q4.			

DoT key: ⇩ Reducing Threat Level ⇔ Stable Threat Level ⇧ Increasing Threat Level

2.4 *SR6 - Failure to safeguard vulnerable children:* For Q3 SR6 became the Council's most serious risk. This quarter's update has been deferred pending the outcome of the current Ofsted inspection, which will be reflected in the update for Q1/Q2 2014/15.

2.5 *SR7a/b - Failure to reduce levels of crime and anti-social behaviour (ASB)* was reviewed in Q2 of 2012/13 and re-scoped around delivery of crime and ASB targets. Originally assessed at 12, the threat level has remained the same until this quarter. The threat assessment of 8 for Q4 is the product of mitigations and their incremental improvements across a number of risks over the last 6 quarters most notably:

o *That the appointment of the Nottinghamshire Police and Crime Commissioner (PCC) may result in the dilution of focus and resources for the City* (12 to 8) – With the PCC in place for some time, this risk has not materialised. The Crime Plan provides focus on the City and in particular where it has an impact on Community Protection;

o *The ongoing combination of drug misuse and alcohol as a driver of crime* (12 to 9) – The development and implementation of a new drug treatment pathway has enabled treatment for those with related alcohol problems, with the pathway focusing on young people and prisoners.

For this quarter improvements are evident for the following constituent risks:

o *That the current "Thematic" approach to crime reduction is no longer enough in itself to achieve The Nottingham plan reduction in crime target* (9 to 6) - Partners remain committed to a geographical approach with problems being addressed through the locality working model. This approach has evolved with NCC Directors becoming chairs of the locality boards and the introduction of a tighter crime focus. High volume crimes continue to be addressed using a thematic approach;

o *Of not reducing crime levels to the average amongst Nottingham's Most Similar Family of Community Safety Partnerships* (16 to 12) – Nottingham continues to close the gap on the average amongst Nottingham's Most Similar Family of Community Safety Partnerships, over the last 12 months, moving up two places from 15th to 13th. This will remain a challenge due to the tightly drawn boundary and a disproportionate number of young people compared to other cities/ CSP areas;

o *That disparate database information does not provide effective performance and case management with focus on victims and perpetrators* (9 to 6) - In response, a shared database has been procured. The ASB database is being used by a work group and live cases are being entered onto the system. Further roll out to all the relevant officers within Crime Partnership will take place in 2014.

Of concern is the *impact of shop theft, and mobile phone theft becoming an increasing proportion of All Crime* (12). A series of performance summits have been held targeting burglary, shop theft and mobile phone theft. Subsequently action plans and task and finish groups have been set up. Mobile phone theft is now reducing compared to last year and shop theft is also reducing.

2.6   *SR8b - Failure to implement and embed effective information management structures, polices, procedures, processes and controls to support the council's immediate and future regulatory, legal, and business requirements*: The overall assessment of the risk remains unchanged at 12, but an improving DoT reflects significant progress and anticipated accreditation to N3 (Information Governance (IG) in social care – Children & Families) and PSN (IT infrastructure/security) standards for 2014/15. Although confident of accreditation, this has not yet been officially confirmed. These standards become increasing demanding with time and accreditation will need to be renewed annually, and additional investment is likely to be needed to secure and maintain this.

The plan now is to extend sound information management practices and improvements more widely across the organisation and to ensure that improvement keeps pace with changing standards over time. CLT has approved a number of key IG proposals which address matters of compliance, but also business effectiveness aligned to key elements of transformational change (for example the Customer Access and Commercialism programmes) as well as the ongoing efficiency, effectiveness and reputation of the Council.

In June the Information Commissioner's Office (ICO) will review the Council's information governance arrangements. The outcome of this inspection will be reflected in the update of the RMAP for Q1/Q2 2014/15.

2.7   *SR26 - Failure to support Nottingham citizens and communities in minimising the negative impact of welfare changes:* While the overall threat assessment remains unchanged from Q3 at 12, the DoT has been revised to show improvement, based

on the sustained activity which has been designed and implemented through 2013/14. Extensive work has taken place to understand the risks and to establish effective mitigations – many of these have now become business as usual, for example the application of the eviction prevention protocol. For the current quarter there has been progress for two of the constituent risks:

o   *Failure to develop, adopt and implement a Local Council Tax Support scheme by January 2014, as required by the Government's abolition of the national Council Tax Benefit and transfer of this responsibility to billing authorities* (9 to 4) – the Council Tax Support scheme (CTSS) was approved at Full Council in January;

o   *Our Local Council Tax Support scheme fails to minimise unnecessary economic hardship to citizens and increased financial burden to the Council* (16 to 12) – our 2013/14 CTSS took advantage of additional one off Government funding and other mechanisms, including a £1m contribution from the Council, to minimise the adverse economic impact of the abolition of the national Council Tax benefit scheme.

The CTSS adopted for 2014/15 continues this approach, with a continued £1m contribution from the council to minimise adverse future economic impact for citizens, but the removal of the one off Government funding has reduced our ability to minimise the impact compared to 2013/14.

Reflecting the cross cutting nature of work to mitigate Welfare Reform risks, and the need to embed these mitigations within business as usual, the Employment and Welfare Support Programme Board has been established to oversee the implementation of key recommendations to help the city's communities be more resilient to welfare changes.

2.8   *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:* Monitoring and reporting of this risk has been moved to Covalent providing an automated assessment of the threat assessment of the strategic risk based on the average of the constituent risks. It is as a consequence of this rather than any other change that the overall threat level has "improved" from 12 to 9 for Q4.

While there are several challenges, three red risks stand out which cover resource requirements and capacity, the potential for care service costs to rise more quickly than predicted and the risk of not achieving financial targets - all of which are at 12. The assessment of these risks has not changed for Q4, but projections for achievement of financial targets for this current year show that the gap has narrowed in Q4. Despite this, the risk of meeting financial targets in future years remains significant.

2.9   *SR30 - Failure to create an organisational environment that supports delivery of Council priorities* entered the SRR in Q1 of 2013/14 focussed on creating a corporate "organisational environment" that supports frontline service delivery and delivery of the Council's priorities. Initially risk assessed as 12 at Q1 of 2013/14, the threat assessment has improved for Q4 to 9. Initial work with colleagues highlighted a number of risks and through subsequent workshops attention focussed on the five most serious risks and their mitigations:

o   *Failure to ensure the long term vision for the city keeps pace with the changing financial environment -* Initially assessed at 12 work, has centred on engagement

of CLT and the senior Executive in discussing the budget position and priorities, the renewed focus through the operating model on early intervention, the contribution of commercialism to driving improvement/change and the clarity of purpose and drive for improvement provided by *Putting the Citizen At The Heart* of Everything We Do (PCATH) and *Good To Great* initiatives. In light of this work, the assessment has improved from 12 to 8;

o *Failure to ensure that governance / policies / systems and processes add maximum value to the delivery of services to citizens* – Mitigations have targeted increasing stakeholder engagement in the development of policies and processes, implementation of the People Management Strategy and creation of the Improving Performance and Reducing Bureaucracy project. The risk assessment has improved from 16 to 12;

o *Resistance from colleagues and managers to required changes arising from change fatigue/lack of support for 'difficult' decisions* – In addition to the above mitigations key mitigations include assessment of the impact of change on frontline service delivery, additional support for change focussed on PCATH, Commercialism, Early Intervention and a planned refreshed approach to leadership development and the focus on key leadership attributes. The risk assessment has improved from 12 to 9;

o *Managers lack the right skills to operate effectively in a more commercialised environment* – The refreshed approach to leadership development, coupled with Commercialism are seen as the main responses to the need to raise expectations, skills and performance. For Q4 the risk assessment has improved from 16 to 12;

o *The Council fails to equip leaders with the right skills and attitudes (e.g. commercial approach, appropriate risk appetite) to enable colleagues to perform effectively and release discretionary effort* – A combination of the above mitigations has resulted in a reassessment of the risk threat level from 12 to 9.

While two red assessed constituent risks remain, there has been significant improvement largely around shaping future direction and identifying required behaviour/culture change and the mitigations are assessed as adequate to bring the risks as currently identified to target. However, further consideration will need to be given in Q1 2014/15 to infrastructure risks, for example IT and telephony, and where these risks should be reflected in the SRR.

2.10 *xSR29 - Failure to establish an effective Public Health function impacting citizen wellbeing and a failure to deliver the authority's statutory responsibilities* focussed on the transfer of the public health function to the Council which occurred on 1st April 2013. CLT agreed that this risk should be closed and that oversight of ongoing Public Health business and integration risks should take place through the Transformation Portfolio. In addition, review of Public Health risks (integration and commissioning) forms part of the Joint City & County Health Scrutiny Committee work programme.

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 and 2014/15. 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 4 Update reported to Audit Committee 25 April 2014.

11   OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

11.1   Input has been provided by the following colleagues:
- Stephen Chartres, Performance & Improvement Manager
  stephen.chartres@nottinghamcity.gov.uk
  0115 8763698
- Liz Jones, Head of Corporate Policy
  Liz.jones@nottinghamcity.gov.uk
  0115 8763367
- Steve Harrison, Information Specialist
  steve.harrison@nottinghamcity.govuk
  0115 8765512
- Richard Henderson, Head of Change & Improvement
  richard.henderson@nottinghamcity.gov.uk
  0115 8763443

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	2013/14						Corporate Director (Risk Owner)	Lead Director or Senior Colleague
										Q1	Q2	Q3	Q4				
SR6	Failure to safeguard vulnerable children		✓	✓	✓		✓	✓	Date	Jun-13	Oct-13	Jan-14	Jan-14	⬄	Apr-14	A. Michalska CD - Children & Adults	H. Blackman Director Childrens Social Care
									Threat Level	15 (3x5) R	15 (3x5)	15 (3x5)	15 (3x5)		10 (2x5)		
									DoT	Improving	Stable	Deteriorating	Stable				
SR11a	Failure to accurately predict and respond to financial pressures supporting the development and delivery of the medium term financial plan		✓		✓			✓	Date	Jun-13	Oct-13	Jan-14	Mar-14	⬄	6 (3x2)	C. Mills Deputy Chief Exec. / Corp Serv Dir	G. Walker Strategic Finance Director Acting
									Threat Level	12 (3x4) C	12 (3x4)	12 (3x4)	12 (3x4)				
									DoT	Stable	Stable	Stable	Stable				
SR12a	Failure to provide the best educational outcome for children and opportunities for young people to access further education and skills training to contribute to the economic wellbeing of the City (under review)	✓	✓		✓				Date	Mar-13	Oct-13	Jan-14	Jan-14	⬄	Apr-15	A. Michalska CD - Children & Adults	N. Lee Head of School Access & Imp Acting A. Conquer Head of Ed
									Threat Level	12 (3x4)	12 (3x4) C	12 (3x4) R	12 (3x4)		8 (2x4)		
									DoT	Stable	Stable	Stable	Stable				
SR8b	Failure to implement and embed effective information management structures, polices, procedures, processes and controls to support the council's immediate and future regulatory, legal, and business requirements				✓			✓	Date	Jun-13	Oct-13	Jan-14	Mar-14	⬇	Apr-14	C. Mills Deputy Chief Exec. / Corp Serv Dir	M. Dunn GIS Data & Info Manager
									Threat Level	12 (3x4) C	12 (3x4)	12 (3x4)	12 (3x4)		9 (3x3)		
									DoT	N/A	Stable	Stable	Improving				
SR26	Failure to support Nottingham citizens and communities in minimising the negative impact of welfare changes		✓				✓		Date	Jun-13	Oct-13	Jan-14	Jan-14	⬇	Apr-14	C. Mills Deputy Chief Exec. / Corp Serv Dir	L. Jones Head of Corporate Policy
									Threat Level	16 (4x4)	16 (4x4)	12 (3x4)	12 (3x4)		9 (3x3)		
									DoT	Stable	Stable	Improving	Improving				
SR3	Failure to mitigate the impact of the economic climate on Nottingham City and its citizens				✓		✓		Date	Jun-13	Oct-13	Jan-14	Mar-14	⬄	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	Stable AT TARGET	Stable AT TARGET	Stable AT TARGET	Stable AT TARGET				
SR25a	Failure to embed a corporate approach to commissioning, informed by citizen need, which drives delivery of improved services at significantly lower cost				✓		✓	✓	Date	Jun-12	Oct-13	Jan-14	Mar-14	⬇	Mar-14	A. Michalska CD - Children & Adults	C. Brudenell Strategic Director of Early Intervention
									Threat Level	12 (3x4)	12 (3x4)	9 (3x3)	9 (3x3)		9 (3x3)		
									DoT	Improving	Stable	Improving AT TARGET	Improving AT TARGET				

Ref.	Risk description	Highest Pri	Corp Mit	Legal	Reputation	H & S	Citizen well-being	Financial	Date threat level & DoT	Q1	Q2	Q3	Q4	DoT	Target Threat Level	Corporate Director (Risk Owner)	Lead Director or Senior Colleague
										2013/14						**Managing Accountability**	
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	Jun-13	Oct-13	Dec-13	Mar-14	⇩	Mar-14	A. Michalska CD - Children & Adults	H. Jones - Director of Adult Social Care
									Threat Level	12 (4x3)	12 (4x3)	12 (4x3)	9 (3x3)		6 (2x3)		
									DoT	Stable	Stable	Improving	Improving				
SR30	Failure to create an organisational environment that supports delivery of Council priorities		✓		✓			✓	Date	Jun-13	Oct-13	Jan-14	Mar-14	⇩	Mar-14	I. Curryer Chief Exec.	R. Henderson Head of Service Change & Improvement
									Threat Level	12 (3x4) **C**	12 (3x4)	12 (3x4)	9 (3x3)		8 (2x4)		
									DoT	N/A	Stable	Stable	Improving				
SR7a/b	Failure to reduce levels of crime and anti-social behaviour (ASB)	✓	✓		✓		✓		Date	Jun-13	Oct-13	Jan-14	Mar-14	⇩	Apr-14	J. Kelly CD-Comm Services	E. Orrock Comm Safety Exec. Coordinator
									Threat Level	12 (3x4)	12 (3x4)	12 (3x4)	8 (2x4)		8 (2x4)		
									DoT	Improving	Stable	Stable	Improving AT TARGET				
SR2a	Of the reputation of the City		✓		✓			✓	Date	Jun-13	Oct-13	Jan-14	Mar-14	⇔	Oct-12	I. Curryer Chief Exec.	R. Bhattal Head of Service Comms & Marketing
									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				
SR5a	Failure to safeguard vulnerable adults		✓	✓	✓		✓	✓	Date	Jun-13	Oct-13	Jan-14	Mar-14	⇔	Oct 2014	A. Michalska CD - Children & Adults	H. Jones - Director of Adult Social Care
									Threat Level	8 (2x4)	8 (2x4)	6 (2x3)	6 (2x3)		6 (2x3)		
									DoT	Improving	Improving	Improving AT TARGET	Stable AT TARGET				
SR10	Failure to maintain good standards of governance		✓		✓			✓	Date	Jun-13	Sep-13	Jan-14	Mar-14	⇔	Mar-13	C. Mills Deputy Chief Exec. / Corp Serv Dir	G. O'Connell Director Legal & Democratic Services
									Threat Level	6 (2x3)	6 (2x3)	6 (2x3)	6 (2x3)		6 (2x3)		
									DoT	Improving AT TARGET	Stable AT TARGET	Stable AT TARGET	Stable AT TARGET				
SR24	Failure to ensure effective systems are in place to manage health and safety risks			✓	✓	✓		✓	Date	Jun-13	Oct-13	Jan-14	Mar-14	⇔	Dec-13	C. Mills Deputy Chief Exec. / Corp Serv Dir	P. Millward Head of Service Emergency Planning
									Threat Level	6 (2x3)	6 (2x3)	6 (2x3)	6 (2x3)		6 (2x3)		
									DoT	Improving AT TARGET	Stable AT TARGET	Stable AT TARGET	Stable AT TARGET				

DIRECTION OF TRAVEL (DoT):

Improving (reducing) threat level   ⇩   Stable threat level   ⇔   Deteriorating (increasing) threat level   ⇧