

For Information	
Public/Non Public*	Public
Report to:	Joint Audit and Scrutiny Panel
Date of Meeting:	27th November 2020
Report of:	DCC Barber
Report Author:	Amanda Froggatt, Corporate Development Manager Laura Spinks, Force Assurance Lead
E-mail:	amanda.froggatt@nottinghamshire.pnn.police.uk
Other Contacts:	
Agenda Item:	9

Strategic Risk Management Report for Force and Nottinghamshire Police and Crime Commissioner – Quarter 3, 2020/21

1. Purpose of the Report

- 1.1 The purpose of this report is to provide the Joint Audit and Scrutiny Panel (JASP) with an up-to-date picture of strategic risk management across the Force and the Office of the Police and Crime Commissioner (OPCC).

2. Recommendations

- 2.1 It is recommended that the JASP note the current approach to strategic risk management and considers the assurance that this report provides as to the effectiveness of those arrangements within the Force and OPCC.
- 2.2 JASP note the two very high strategic risks on the Force's risk register namely, Multi-Force Shared Service (MFSS) transfer of payroll system to the new Fusion solution and compliance with the new General Data Protection Regulations (GDPR).
- 2.3 JASP note the very high risk relating to the OPCC, Covid-19 Impact on the Council Tax which has a score of 16.
- 2.4 JASP note accompanying Appendix 3, which outlines more in-depth explanations of the mitigation in place in relation to the Force's very high level strategic risks.

3. Reasons for Recommendations

- 3.1 A Strategic Risk Report is provided to the JASP on a quarterly basis in order to keep the Board informed as to the level of strategic risk within the Force and OPCC and provide assurance as to the effectiveness of risk management arrangements.

4. Summary of Key Points

Risk management policy and process

- 4.1 The Force and the OPCC previously agreed a joint policy for the management of risk, in line with the Cabinet Office approved Management of Risk (M_o_R) approach.

5 Financial Implications and Budget Provision

- 5.1 There are no direct financial implications as a result of this report. Financial implications as a result of each risk will be assessed and managed on an individual basis.

6 Human Resources Implications

- 6.1 Providing professional advice on risk management is the responsibility of the Corporate Governance and Business Planning team.
- 6.2 General responsibility for managing risk forms an integral part of the job descriptions of individuals throughout the Force.

7 Equality Implications

- 7.1 There are no known equality implications associated with the implementation of the Risk Management Policy.
- 7.2 Where a particular risk is identified that could have an impact on the Force's equality objectives that risk will be assessed and managed in line with the Risk Management Policy.

8 Risk Management

- 8.1 One of the main aims of the Risk Management Policy is to achieve consistent application of risk management principles and techniques across all areas of the Force and NOPCC.
- 8.2 If the Force and NOPCC do not practice effective risk management within their decision making there is a risk of non-compliance with the principles set out in the Joint Code of Corporate Governance.

9 Policy Implications and links to the Police and Crime Plan Priorities

- 9.1 An understanding and appreciation of strategic risk is important in determining the priorities in the Police and Crime Plan, and subsequently informing the development of effective strategies, policies and plans to address those priorities. It is expected that the implementation of the Risk Management Policy will lead to improved understanding of strategic risk and therefore impact positively on the achievement of Police and Crime Plan objectives.

10 Changes in Legislation or other Legal Considerations

- 10.1 Where potential changes in legislation or other legal considerations represent a significant threat or opportunity for the Force or the NOPCC these are evaluated and managed in line with the Risk Management Policy.

11 Details of outcome of consultation

- 11.1 Each Strategic Risk has been assessed with the relevant risk owner and the DCC and Chief Executive of the NOPCC, respectively.

12. Appendices

- 12.1 **Appendix 1** – Force Strategic Risk Register
Appendix 2 – NOPCC Strategic Risk Register
Appendix 3 – Mitigation to Force's Strategic Risks

NOTTINGHAMSHIRE POLICE CORPORATE RISK REGISTER - OCTOBER 2020

RISK			MITIGATION OF RISK	ASSESSMENT			
Risk / Objective	Description and Owner	Impact	Strategy and Assurances	Unmitigated / Current Risk			Commentary and Review date
				Probability	Impact	Risk Score	
SR1 Matching Resources to Demand Create a service that works for local people	Timeliness in responding to Grade 3 and 4 incidents due to demand pressures Owner:- ACC Crime and Operational Support	Reputation / public confidence - Performance / delivery risks - Poor assessment / inspection outcomes	Treat Ongoing oversight via DMMs and Introduction of Sergeant oversight into Control Room Recruitment of additional officers	4	4	16	Daily oversight via DMMs and Introduction of Sergeant oversight into Control Room On-going recruitment of officers Review date: Ongoing
				3	3	9	
						◀▶	
SR2 MFSS Business continuity Create a service that works for local people	Business continuity risks associated with MFSS transfer of payroll system in April 2019 Owner: Chief Finance Officer	- Workforce confidence / morale - Service delivery - Reputation / public confidence risk	Treat Ongoing oversight via MFSS Management Board and Strategic Oversight Board	4	4	16	Ongoing oversight via MFSS Management Board and Strategic Oversight Board. Preparation of advice for officers and staff Review date: Ongoing
				4	4	16	
						◀▶	
SR3 Financial Incapability Create a service that works for local people	Force unable to achieve a balanced budget, required efficiency savings and contribution to reserves Owner: Chief Finance Officer	- Insolvency - Govt. mandation / penalties - Reputation / public confidence - Performance / delivery risks - Poor assessment / inspection outcomes	Treat Budget parameters set by PCC Medium Term Financial Planning Monthly budget monitoring meetings Weekly PCC / CC meetings Escalation process Active OPCC and Force CFO discussion	4	4	16	Ongoing oversight via monthly budget monitoring meetings and weekly PCC/CC briefing meetings Active OPCC and Force CFO discussion. The potential impact of Treasury decisions on pension budget continues to be closely monitored. Review date: Ongoing
				3	4	12	
						◀▶	
SR4 Information Management Create a service that works for local people	Documentation retention, review and disposal risks associated with non compliance of MOPI Owner:- Deputy Chief Constable	- Reputation / public confidence - Delivery failure - Ineffective planning and problem solving - Government penalties	Treat Alignment of regional approach with local practices Assessment and development of RRD processes within Force legacy systems Alignment of RRD requirements with retention schedules and Information Asset register	4	4	16	Alignment of regional approach with local practices Assessment and development of RRD processes within Force legacy systems Alignment of RRD requirements with retention schedules and Information Asset register Review date: Ongoing
				3	4	12	
						◀▶	
SR5 Information Management Create a service that works for local people	Data protection breaches as a result of non compliance with GDPR Owner:- Deputy Chief Constable	- Reputation / public confidence - Delivery failure - Ineffective planning and problem solving - Government penalties	Treat Undertaking GDPR gap analysis in order to identify associated risk and define an action plan	4	4	16	GDPR was subject of a recent internal audit by Mazars and received Satisfactory Assurance. However, in relation to a gap analysis and implementation plan it was identified this was still outstanding and that implementation had been slower than anticipated Review date: Ongoing
				4	4	16	
						◀▶	

NOTTINGHAMSHIRE POLICE CORPORATE RISK REGISTER - OCTOBER 2020

RISK			MITIGATION OF RISK	ASSESSMENT			
Risk / Objective	Description and Owner	Impact	Strategy and Assurances	Unmitigated / Current Risk			Commentary and Review date
				Probability	Impact	Risk Score	
SR6 Information Management & Data Quality Engage our communities	Poor data quality compliance impacts upon understanding of crime patterns, the identification and referral of vulnerable people and public confidence in crime recording. Owner:- Deputy Chief Constable	<div>- Reputation / public confidence</div> <div>- Delivery failure</div> <div>- Ineffective planning and problem solving</div> <div>- Government penalties</div>	Treat Audit Committee / Internal Audit FCIR Review meetings HMICFRS Inspection Annual Assurance Statement	4	4	16	HMICFRS Crime Integrity Inspection highlighted a number of areas for concern. These are being reviewed and addressed within force in the Crime Data Integrity meeting chaired by ACC Local Policing Review date: Ongoing
				3	3	9	
						◀▶	
SR7 Analytical capacity and capability Engage our communities	Lack of force and partner agency analytical capacity impacting on provision of analytical products and assurance reports Owner:- Deputy Chief Constable	<div>- Force and partners inability to direct resources according to need; identify emerging risks; assess impact of interventions; provide accountability</div> <div>- Reputation / public confidence risk</div>	Treat Forward planning on the development of key analytical products. Direct access to intranet-based tools and functionality.	4	3	12	Ongoing liaison with heads of Intelligence and Management Information. Departmental restructure and recruitment underway. Proposals to enhance 'self-service' functionality are being progressed. Review date: Ongoing
				3	3	9	
						◀▶	

NOTTINGHAMSHIRE POLICE AND CRIME COMMISSIONER CORPORATE RISK REGISTER - OCTOBER 2020

RISK			MITIGATION OF RISK	ASSESSMENT			
Risk / Objective	Description and Owner	Impact	Strategy and Assurances	Unmitigated / Current Risk			Commentary and Review date
				Probability	Impact	Risk Score	
SR1 Business continuity: COVID 19 Transforming Services and Delivering Quality Policing	Business continuity risks associated with COVID-19, including changes in OPCC working arrangements, information security, impact of social distancing on effective practice, and potential impact on staff welfare. Owner: Chief Executive Organisation: OPCC	<ul style="list-style-type: none">- Failure to deliver core statutory duties- Staff welfare- Reputation / public confidence risk- Government penalties	Individual service-level risk registers. OPCC representation on Gold and Silver Command Groups. Increased agile working. Wider use of tele conferencing. Scheme of delegation reviewed. Regular pro-active communications.	4	4	16	Ongoing oversight and proactive communication. Absence rates remain low and the office maintains core business as usual via revised working arrangements. Information security reminders have been issued to all staff in the wake of the COVID-19 outbreak and transition to routine agile working. Review date: Ongoing
				3	3	9	
						▲	
SR2 Business continuity: MFSS Transforming Services and Delivering Quality Policing	Business continuity risks associated with MFSS transfer to inhouse provision in April 2020 and on-going future service provision by MFSS. Owner: Chief Finance Officer Organisation: OPCC	<ul style="list-style-type: none">- Workforce confidence / morale- Service delivery- Reputation / public confidence risk	Ongoing oversight via MFSS Management Board and Strategic Oversight Board. There is an internal transition group to manage the change in contractors by 2022.	4	3	12	Part of the work that is easily transferable from MFSS to Nottingham has taken place. This has successfully reduced the number of outstanding Service Requests. Future provision is being reviewed. Ongoing oversight via MFSS Management Board and Strategic Oversight Board. Ongoing data accuracy issues being identified and resolved. Review date: Ongoing
				3	3	9	
						◀▶	
SR3 Financial Incapability Transforming Services and Delivering Quality Policing	Force unable to achieve a balanced budget, required efficiency savings and contribution to reserves Owner: Chief Finance Officer Organisation: OPCC	<ul style="list-style-type: none">- Insolvency- Govt. mandation / penalties- Reputation / public confidence- Performance / delivery risks- Poor assessment / inspection outcomes	Budget parameters set by PCC Medium Term Financial Planning Monthly budget monitoring meetings Weekly PCC / CC meetings Escalation process Active OPCC and Force CFO discussion	4	4	16	Ongoing oversight via monthly budget monitoring meetings and weekly PCC/CC briefing meetings Active OPCC and Force CFO discussion. Actual year end overspend of £90k. 2020/21 fundng gap of £3.5m taking account of planned efficiencies and precept. Review date: Ongoing
				2	3	6	
						◀▶	
SR4 Level of risk-assessed reserves Transforming Services and Delivering Quality Policing	Inability to respond to critical unforeseen risk due to a lack of prudent risk-assessed reserves Owner: Chief Finance Officer Organisation: OPCC	<ul style="list-style-type: none">- Govt. mandation / penalties- Reputation / public confidence- Performance / delivery risks- Poor assessment / inspection outcomes	Medium Term Financial Planning Monthly budget monitoring meetings Weekly PCC / CC meetings Escalation process Active OPCC and Force CFO discussion	3	4	12	Nottinghamshire maintains one of the lowest levels of reserves when compared to other Police police forces / OPCCs nationally. Risk continues to be monitored via monthly budget meetings and weekly PCC/CC briefing meetings, alongside ongoing active OPCC and Force CFO discussions. Anticipated overspend and slippage in force repayment of risk-assessed reserves. Review date: Ongoing
				2	3	6	
						▲	
SR5 Delivery of critical multi-agency services Cross-cutting risk	Impact of COVID-19 recovery phase on DVA, SVA and SMS services. Owner: Head of Commissioning Organisation: OPCC	<ul style="list-style-type: none">- Failure to meet the needs of vulnerable victims- Reputation / public confidence- Relationship with partners- Missed opportunities to prevent and reduce crime- P&C Plan commissioning intentions affected	Weekly joint commissioning DSVA meetings Weekly/monthly updates from commissioned services to monitor service uptake & trends. Extraordinary MoJ funding allocated Options for further national funding.	3	3	9	Covid-19 continues to create additional demand on DA & SV support services. Restrictions are resulting in increased risk of DA, court delays and additional demand on substance misuse services. Extraordinary MoJ funding received summer 2020. Local needs assessment reported to MoJ. Review date: Ongoing
				2	2	4	
						◀▶	

NOTTINGHAMSHIRE POLICE AND CRIME COMMISSIONER CORPORATE RISK REGISTER - OCTOBER 2020

RISK			MITIGATION OF RISK	ASSESSMENT			
Risk / Objective	Description and Owner	Impact	Strategy and Assurances	Unmitigated / Current Risk			Commentary and Review date
				Probability	Impact	Risk Score	
SR6 Financial uncertainty Transforming Services and Delivering Quality Policing	Delays and uncertainty in the government announcement of comprehensive spending review. Delays in the review of the police funding formula. Impact of brexit and COVID-19 on public sector funding. Owner: Chief Finance Officer Organisation: OPCC	<ul style="list-style-type: none"> - Ineffective planning - Instability of key services - Impact on service delivery - Reputational / public confidence impact 	Treat Engagement with central government, APCC/NPCC Police Finance workstream Police Reform and Transformation Board Extra budget meetings scheduled early 2021	3	3	9	Delay in confirmation of 21/22 grant - potentially Jan 2021. Further delays to review of the police funding formula where Notts remains adversely affected by dampening formula. One year settlement and potential impact of economic downturn on precept. Ongoing engagement with central government, APCC/NPCC Police Finance workstream and Police Reform and Transformation Board. Review date: Ongoing
				3	3	9	
						▲	
SR7 Service sustainability / making best use of resources Tackling crime and ASB	Delivery and sustainability of outcomes as a result of significant short term national investment in Serious Violence Reduction. Owner: Director of VRU Organisation: OPCC	<ul style="list-style-type: none"> - Instability of key services and programmes - Reputational / public confidence impact - P&C Plan commissioning intentions affected 	Transfer Ongoing project management Proactive engagement with communities PCC chairs VRU Board	3	3	9	Ongoing development and delivery of the VRU. Proactive engagement with key partners. Detailed spending plans developed. Increased assurance of further Home Office investment Review date: Ongoing
				2	2	4	
						◀▶	
SR8 Information Management: Data Quality Tackling crime and ASB	Poor data quality compliance impacts upon understanding of crime patterns, the identification and referral to vulnerable people and public confidence in crime recording. Owner: Head of Performance & Assurance Organisation: OPCC	<ul style="list-style-type: none"> - Reputation / public confidence - Delivery failure - Ineffective planning and problem solving - Government penalties 	Transfer Audit Committee / Internal Audit FCIR Review meetings HMICFRS Inspection Annual Assurance Statement	3	3	9	Overall indicative NCRS compliance remains strong and in excess of 95%. Reporting has been affected by the transition to the 'SAFE' system. Further assurance required in respect of crime and incident flagging (e.g. alcohol, cyber, vulnerability). Ongoing regular oversight by OPCC and HMICFRS Review date: Ongoing
				2	2	4	
						◀▶	
SR9A Limited inhouse accounting expertise Transforming Services and Delivering Quality Policing	Austerity and restructuring within the force finance team has led to a reliance on staff with limited professional experience with local government accountancy. Owner: Chief Finance Officer Organisation: OPCC	<ul style="list-style-type: none"> - Insufficient resource leading to the accounts being qualified - Temporary appointments leading to lack of consistency - Reputation / public confidence risk 	Treat Exploring need for further staff at an inputting level and team manager level in order to help mitigate risks. Potential for PCC CFO to bring within OPCC remit	3	4	12	Austerity and restructuring within the force finance team has led to a reliance on staff with limited professional experience with local government accountancy. CIPFA review for Excellence in Police Finance highlights the need to replace a former CIPFA qualified accountant with a like for like and at the appropriate market rate. Review date: Ongoing
				3	3	9	
						◀▶	
SR9B Limited analytical capacity and capability Tackling Crime and ASB	Lack of force and partner agency analytical capacity impacting on provision of analytical products and assurance reports Owner: Head of Performance & Assurance Organisation: OPCC	<ul style="list-style-type: none"> - Force and partners inability to direct resources according to need; identify emerging risks; assess impact of interventions; provide accountability - Reputation / public confidence risk 	Treat Forward planning on the development of key OPCC analytical products. Direct OPCC access to intranet-based tools and functionality. Development of independent assurance mechanisms such as the Police and Crime Survey	3	2	6	Ongoing liaison with heads of Intelligence and Management Information. Proposals to enhance 'self-service' functionality are being progressed. Reduced capacity and frequency of strategic intelligence products, control strategy and MoRILE assessment. Review date: Ongoing
				2	2	4	
						◀▶	

NOTTINGHAMSHIRE POLICE AND CRIME COMMISSIONER CORPORATE RISK REGISTER - OCTOBER 2020

RISK			MITIGATION OF RISK	ASSESSMENT			
Risk / Objective	Description and Owner	Impact	Strategy and Assurances	Unmitigated / Current Risk			Commentary and Review date
				Probability	Impact	Risk Score	
SR10 Increased cost pressures linked to COVID-19 Transforming Services and Delivering Quality Policing	Potential for increased costs (>10%) being passed on from contractors and suppliers as a result of COVID19. Owner: Chief Finance Officer Organisation: OPCC	- Direct financial impact - Contractual delays - Performance / delivery risks	Treat Medium Term Financial Planning Monthly budget monitoring meetings Weekly PCC / CC meetings Active OPCC and Force CFO discussion	3	3	9	Proactive steps have been taken with the new HQ build contract to ensure any increased cost are borne by the contractor. Risks in relation to major contracts remain. Review date: Ongoing
				3	3	9	
						▲	

Appendix 3 – Mitigation for High Level Strategic Risks

SR2 MFSS Business continuity Create a service that works for local people	Business continuity risks associated with MFSS transfer of payroll system in April 2019 Owner: Chief Finance Officer	- Workforce confidence / morale - Service delivery - Reputation / public confidence risk	Treat	4	4	16	Ongoing oversight via MFSS Management Board and Strategic Oversight Board. Preparation of advice for officers and staff Review date: Ongoing
			Ongoing oversight via MFSS Management Board and Strategic Oversight Board	4	4	16	
						▲	

Business Continuity Risks associated with MFSS transfer of Payroll System in April 2019

1. The Joint Oversight Committee (JOC) on 27/07/20 took the decision to transition away from a shared service to an individual force model in November 2022.

This decision could impact on the ability of MFSS to deliver services during the transition period as it may become difficult to retain MFSS staff. The premature departure of staff could also result in MFSS not retaining individuals with sufficient skill set to transition Nottinghamshire to the new local systems and in-house services.

The mitigation activities include the establishment of a Transition 2022 Programme which has been agreed by Partners. The plan of work including risk and independencies is being developed by MFSS. The continued ability to deliver BAU is being tracked closely using a MFSS Management Information tool and People Plan. This activity is reported to the MFSS Management Board chaired by DCC Barber on a monthly basis. The people plan allows an extended transition period for staff who accept roles within Cheshire Police i.e. reducing the impact of staff leaving MFSS.

In addition a detailed request for additional funding for specialist transition resources will be presented JOC prior to 24th October 2020 for their consideration.

2. MFSS Oracle Technology delivered falls short of expectations which impact the service delivery user experience and the end to end process.

There remains an inability to resolve defects within the current Oracle technology; this causes operational issues, impacts on retained staff and user experience (examples include payroll, recruitment and L&D). A significant number of defects have been addressed with the implementation of manual workarounds which create opportunities for manual errors to occur. This could result in reputational damage and the potential of litigation with Cap Gemini and lead to expensive legal costs. To mitigate these risks there is a significant amount of work being undertaken in both short and longer terms:

Short term activity:

- A review and update of the MFSS service catalogue has been undertaken to confirm the transactions MFSS undertake on behalf of partners and also a 'confidence' score.
- Work is ongoing to prioritise and improve the processes within MFSS. At a local level Nottinghamshire payroll staff have enhanced access to the Oracle system to continually check and validate the payroll runs ensuring that timely corrections are made.

- All Requests for Change submitted to MFSS by partners for future activities are reviewed and approved via the MFSS Management Board.
- Management Information is being developed by MFSS to improve the visibility of the health of processes. Some services may be brought back locally where it is feasible and economical to do so.

Longer Term Activity:

Nottinghamshire is currently in a procurement process to acquire fit for purpose IT solutions which support the functions of Payroll, Finance, People Services, L&D and DMS. A full business case will be submitted to the Force Executive Board in late November for the recruitment of staff to deliver local services for Nottinghamshire. The key processes have been redesigned and will be the focus of implementation throughout 2021 with a target go-live of 1st April 2022. In the meantime data quality checks are ongoing within key service areas.

3. If there is a significant time slippage in transitioning away from MFSS by November 2022 this will require a renegotiation with Cap Gemini and Oracle.

This would involve the need to negotiate extension requests for an unknown duration or scope with Cap Gemini and Oracle. Legal services have advised in respect of future arrangements with Capgemini beyond 03/11/2022 that:

- Contractually the negotiating position would be very difficult and costly
- Only those partners needing to continue with Cap Gemini would be affected
- Each partner would have to find a legal route independently of each other due to S22 agreements ending.
- Additionally double costs could be incurred and a minimal contract could be for a significant period (12mths +)

As only those partners needing to continue with Cap Gemini would be affected, the mitigation activity currently undertaken by Nottinghamshire includes extensive planning and procurement activity. There is a dedicated internal programme team and a formalised Regain Programme Board chaired by DCC Barber as SRO. SMEs from each of the key business areas are fully engaged and monthly programme board meetings take place to review the plan both internally and with the MFSS Transition 2022 Committee. There are also regular updates to the MFSS Management Board. Work streams have been commissioned to prioritise the high risk work such as 'Data' extract and data archiving.

A full business case will be submitted to the Force Executive Board in late November for the recruitment of staff and procurement of IT systems to deliver local services for Nottinghamshire. The key processes have been redesigned and will be the focus of local implementation throughout 2021 with a target go-live of 1st April 2022.

4. There is a risk that the Coronavirus (Covid-19) may cause disruption to the MFSS workforce and could cause service delivery issues.

Monthly reports are provided by MFSS in respect of staffing levels and have been reported as green since the commencement of the lockdown period. Agile working practices are in place for many of the MFSS staff.

SR5 Information Management Create a service that works for local people	Data protection breaches as a result of non compliance with GDPR Owner:- Deputy Chief Constable	<ul style="list-style-type: none"> - Reputation / public confidence - Delivery failure - Ineffective planning and problem solving - Government penalties 	Treat	4	4	16	GDPR gap analysis being undertaken in order to identify associated risks which will help define an action plan Force due to be audited on GDPR compliance in December 2018 Review date: Ongoing
			Undertaking GDPR gap analysis in order to identify associated risk and define an action plan	4	4	16	
						◀▶	

GDPR was subject of a recent internal audit by Mazars and received Satisfactory Assurance.

However, it had been noted within the report that whilst progress has been made, this had been slower than expected. In relation to a gap analysis and implementation plan, it was also identified this was outstanding.

New terms of reference are in the process of being put together for a follow-up audit to be undertaken by Mazars.