

STRATEGIC RISK MANAGEMENT**Paul Godden, Corporate Development Department**

1. PURPOSE OF THE REPORT

- 1.1 To provide members with an update on the management of strategic risk as contained within the Police and Crime Commissioner and Chief Constable's Joint Strategic Risk Register.

2. BACKGROUND

- 2.1 The Office of Police and Crime Commissioner (OPCC) and Northumbria Police share a Joint Strategic Risk Register (Appendix A) which has been designed to ensure the effective management of strategic risk, whilst reducing the bureaucracy associated with historic practices.
- 2.2 Each strategic risk is assigned a Chief Officer and OPCC owner, who has responsibility for the management of controls and the implementation of new controls, where necessary.

3. CURRENT POSITION

- 3.1 Risk owners and associated heads of departments have reviewed the strategic risks for which they have ownership, and provided updates. Key changes are outlined as follows:

Existing Risk(s)

Additional controls have been identified or implemented for the following risks and will help reduce the likelihood or impact of the risk if it were to occur.

Risk area – Financial

Risk – Amended from “Further cuts to Home Office Police grant funding over and above those included within the MTFS could be announced in the budget on 8 July 2015” to “Further cuts to Home Office Police Grant Funding arising from the 2015 Spending Review”.

- This could result in a significant reduction in available finances, impacting on the ability to provide frontline services and service provision, with less flexibility to innovate and provide front-line services.

Controls:

- MTFS would need to be reviewed and re-prioritised to match spending plans with available resources.
- General reserves could be insufficient to manage the timing differences between reduction plans and actual resource.

Additional Controls:

- Scenario planning for cuts of between 25% and 40% are being prepared and discussed before the autumn announcement of Police Funding. This will be used to inform management of the financial capacity to deal with the range of

cuts and enable early identification of the scale of actions that could be required.

Risk area – Finance

Risk - Detrimental changes arising from the Home Office review of the Funding Formula

- Key staff have been allocated to provide a robust response to the Home Office consultation on the proposals for a new funding formula. A project timetable has been set out to manage the process up to the submission date of 8th September 2015. Senior management will be regularly briefed and engaged during this time. We are also considering collaboration with other forces, where applicable, to ensure the most favourable outcome for Northumbria.

Risk area – Health and Safety

Risk – Serious accident/death due to a breach of Health and Safety.

Additional controls:

- Electronic custody record has been introduced.

Additional risk

Risk area – People

Risk - Negative impact on staff morale from further significant government cuts to funding.

- This could result in loss of key staff, increased sickness absence and/or a drop in service quality.

Controls:

- Leadership has been identified as a key workstream for the Programme of Change.
- The Force has recently launched a new Vision, Mission and Values.
- The Chief Constable is personally leading the launch and undertaking a series of staff briefings as part of the launch.
- See also Finance risks for mitigation to minimise cuts.

Additional controls:

- Reinstating an annual staff survey (from September/October).
- Implementing 360 degree feedback for all senior managers.
- Continue to work closely with staff associations to manage change.

4. CONCLUSION

- 4.1 Current risk management processes and procedures continue to help to ensure the effective management of those risks which have the potential to adversely affect the delivery of Force and Police and Crime Commissioner (PCC) strategic aims and objectives.

5. RECOMMENDATION

- 5.1 The Committee is requested to note the contents of this report.