

**FOR PUBLICATION**

**DERBYSHIRE COUNTY COUNCIL**

**AUDIT COMMITTEE**

**19 March 2024**

**Report of the Director of Finance and ICT**

**Strategic Risk Register (2023-24 Quarter 3)**

**1. Purpose**

- 1.1 The Financial Regulations require the Audit Committee to review the Council's strategic risk register each quarter.

**2. Information and Analysis**

- 2.1 The strategic risk register contains the most significant Major Risks (Red and Amber) to the council that are subject to active monitoring and control. Over time, some risks have reduced below this level but have been retained for completeness.
- 2.2 A summary of the register, which includes the overall risk severity for each risk at the end of 2023-24 Q3, is shown in Table 1 below. Further detail about each risk is provided in Appendix 2. More detailed information about each risk, including narrative updates recording progress with each risk, is recorded on APEX for review by senior officers and can be provided to the Audit Committee if required.

**Table 1 – Summary of current strategic risks (2023-24 Q3)**

Risk description	Risk owner	Target score	Latest score (2023-24 Q3)
Impact of a prolonged recovery and a funding gap	Mark Kenyon	Green	Red
Increase in demand on Council services	Iain Little	Amber	Red

Failure to deliver critical services in emergency situations	Julian Gould	Green	Green
Failure to respond to emergency situations	Julian Gould	Green	Amber
Failure to manage contracts across the county council	Mark Kenyon	Green	Green
Failure to determine the future use and VFM of the council's New Waste Treatment Facility	Claire Brailsford	Blue	Amber
Information governance and data security	[Director of Digital]	Green	Amber
Failure to adapt to climate change	Claire Brailsford	Green	Red
Protection of vulnerable adults	Simon Stevens	Green	Red
Protection of vulnerable children	Carol Cammiss	Green	Green
Maintenance of property assets	Janet Scholes	Green	Amber
Failure to maintain highways assets	Julian Gould	Green	Amber
Failure to maintain countryside sites and waterways	Claire Brailsford	Blue	Amber
Failure to understand or respond adequately to new or changing legislation and regulation	Helen Barrington	Green	Green

2.3 The overall severity of three risks changed in 2023-24 Q3. The changes are summarised in Table 2.

**Table 2: Strategic risk register - changes in risk severity in 2023-24 Q3**

Risk description	Risk owner	Target score	Latest score (2023-24 Q2)	Change from last quarter
Failure to manage contracts across the county council	Mark Kenyon	Green	Green	Severity reduced from Amber
Failure to maintain highways assets	Julian Gould	Green	Amber	Severity reduced from Red
Failure to understand or respond adequately to new or changing legislation and regulation	Helen Barrington	Green	Green	Severity increased from Blue

2.4 Improvement in the contract management risk is because the contract management implementation project is now fully staffed, approval of the new contract management framework was imminent, and training for implementation of the new Public Procurement Act 2023 is in place. The severity of the highways maintenance risk reduced because of new funding received from the Department of Transport as part of Network North, and further funding expected to improve longer term investment in highways. The risk remains high because of the ongoing and considerable impacts of adverse weather events compounding historical underinvestment in the network. The increased risk to understanding

and responding to new and changing legislation arises from increased staff turnover within legal services.

- 2.5 The acceptable level of risk (target scores) for four risks were changed in 2023-24 Q3. These changes are summarised in Table 3.

**Table 3: Strategic risk register - changes in target scores in 2023-24 Q3**

Risk description	Risk owner	Target score	Latest score (2023-24 Q2)	Change from last quarter
Impact of a prolonged recovery and a funding gap	Mark Kenyon	Green	Red	Target reduced from Amber
Information governance and data security	[Director of Digital]	Green	Amber	Target reduced from Amber
Failure to adapt to climate change	Claire Brailsford	Green	Red	Target reduced from Amber
Failure to maintain countryside sites and waterways	Claire Brailsford	Blue	Amber	Target reduced from Green

- 2.6 Changes to target scores reflect a more realistic expectation by risk owners about the acceptable level of these risks to the Council. These assessments take account of the potential impacts, likelihood and cost to control these risks at the revised level.
- 2.7 Senior officers keep the strategic risk register and departmental risk registers under regular review. Risks may move between registers depending on their strategic significance and current overall severity rating.
- 2.8 The corporate management team recently identified the statutory duty to provide suitable Children in Care placements as a new strategic risk. This is because of escalating costs and demand outstripping the supply of suitable placements for each child's needs set out in their care plan. This risk, which is scored Red (20), will appear on the strategic risk register from 2023-24 Q4.
- 2.9 Other operational risks could be escalated to the strategic risk register in the coming months. This is largely driven by the pressure on Council finances and its statutory obligations to deliver specific services.

2.10 The audit committee will note that financial pressures are unlikely to ease in the short to medium term. The Budget on 7 March 2024 indicated a further squeeze on local authority budgets and the continuation of single year funding settlements by central government which hampers effective budgeting. This is a substantial risk as demonstrated by the Local Government Information Unit's (LGiU) 2024 State of Local Government Finance survey in England. The survey, published shortly before the Budget, revealed that a further 14 councils believe it is likely or very likely they will issue a Section 114 notice this financial year, and at least 74 councils overall expecting to do so in the next five years.

### **3. Alternative Options Considered**

3.1 This is a regular report on the strategic risk register and risk management.

### **4. Implications**

4.1 Implications are discussed in Appendix 1.

### **5. Consultation**

5.1 The information in Appendix 2 was provided by risk owners.

### **6. Background Papers**

6.1 Electronic files held by Risk and Insurance, Finance & ICT Services, County Hall Complex.

### **7. Appendices**

7.1 Appendix 1 – Implications.

7.2 Appendix 2 – Strategic Risk Register.

7.3 Appendix 3 – Risk severity matrix and tables.

### **9. Recommendations**

9.1 That the Audit Committee notes this report.

### **10. Reasons for recommendations**

10.1 The Audit Committee is charged with providing assurance to the Council about risk management.

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## **Implications**

### **Financial**

- 1.1 Financial implications in relation to specific risks are noted in the strategic risk register where applicable.

### **Legal**

- 2.1 Legal implications in relation to specific risks are noted in the strategic risk register where applicable.

### **Human Resources**

- 3.1 Human Resources implications in relation to specific risks are noted in the strategic risk register where applicable.

### **Information Technology**

- 4.1 Information technology implications in relation to specific risks are noted in the strategic risk register.

### **Equalities Impact**

- 5.1 Equalities impact implications in relation to specific risks are noted in the strategic risk register where applicable.

### **Corporate objectives and priorities for change**

- 6.1 The strategic risk register and corporate risk management strategy underpin the successful delivery of the Council's objectives and deliverables set out in the Council Plan and service delivery plans.
- 6.2 The corporate risk management strategy is designed to strengthen risk management arrangements to underpin improved performance across the Council, and to deliver greater public value from its work.

### **Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)**

- 7.1 All other implications in relation to specific risks are noted in the strategic risk register where applicable.

## Strategic Risk Register

2023-24 Quarter 3 (31 December 2023)

### Impact of a prolonged recovery and a funding gap

In the event that the Authority does not develop sufficient and timely proposals to deal with the ongoing or further reductions in funding/resources, there is a risk that the need to close the funding gap may result in identifying measures for unplanned reductions in service spend leading to deterioration or interruption of front-line service delivery.

APEX Unique Risk Number (URN): 518

**Risk Owner:** Mark Kenyon, Director of Finance

#### Assessment history:

Target Green (9) by tba	Likelihood: Possible (3)	2022-23 Q3	2023-23 Q4	2023-24 Q1	2023-24 Q2	2023-24 Q3	Likelihood: Almost certain (5)
	Impact: Moderate (3)	Red (25)	Red (25)	Red (25)	Red (25)	Red (25)	Impact: Substantial (5)

**Reputation impact assessment:** Moderate

**Financial impact assessment:** Band 8 (Loss over £20 million)

#### Quarter 3 update:

The financial position and outlook for the Council remain challenging. The position reported at Q2 revenue monitoring was a forecast overspend of £33m, after the use of £34m of earmarked reserves (£25m was budgeted). If the forecast overspend is not addressed, the Council's General Reserve balance will be depleted. The Council has implemented a number of actions designed to mitigate the overspend and continues to monitor its financial position.

### Increase in demand on council services

As demand for services changes, the Council may need to adapt the services it currently offers to provide the new or additional services. Failing to manage the changes could lead to core services being reduced leading to significant impact upon stakeholders and partnerships; potential litigation; fines; risk of injury or death.

APEX Unique Risk Number (URN): 331

**Risk Owner:** Iain Little, Deputy Director of Public Health

#### Assessment history:

Target	Likelihood:	2022-23	2023-23	2023-24	2023-24	2023-24	Likelihood:
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Amber (16) by tba	Probable (4)	Q3	Q4	Q1	Q2	Q3	Probable (4)
	Impact: Significant (4)	Red (20)	Red (20)	Red (20)	Red (20)	Red (20)	Impact: Substantial (5)

**Reputation impact assessment:** Moderate

**Financial impact assessment:** Band 6 (Loss between £5 million and £10 million)

**Quarter 3 update:**

No change.

### Failure to deliver critical services in emergency situations

The emerging risk environment, the number and type of emergency and the interdependencies of services is increasingly making business continuity or "resilience" a significant focus for the Council. This is a corporate risk across all departments. The Council's corporate business continuity plan provides a strategic framework around which staff can work to enable critical functions to be maintained, or quickly restored to minimise any effect on service delivery to the community.

APEX Unique Risk Number (URN): 394

**Risk Owner:** Julian Gould, Director of Highways

**Assessment history:**

Target  Green (8) by 31/03/23	Likelihood: Unlikely (2)	2022-23 Q3	2023-23 Q4	2023-24 Q1	2023-24 Q2	2023-24 Q3	Likelihood: Unlikely (2)
	Impact: Significant (4)	Amber (15)	Amber (15)	Amber (15)	Green (8)	Green (8)	Impact: Significant (4)

**Reputation impact assessment:** Moderate

**Financial impact assessment:** Band 5 (Loss between £3 million and £5 million)

**Quarter 3 update:**

Corporate Emergency Plan and interim version of the Corporate Business Continuity Plan have both been updated and issued in December 2023. Emergency Control Centre refurbishment is now complete.

### Failure to respond to emergency situations

The Council's ability to provide an effective response to an emergency situation, including major incidents such as severe weather (e.g. climate change-based flooding), fire, loss of utilities or pandemics, whilst maintaining its critical services to the public. The emerging risk environment, the number and type of emergencies is increasingly making continuity or "resilience" a significant focus for the Council. Budget cuts and rationalisation (including



resourcing reductions) also challenge the Council in its ability to fulfil its Category 1 Responder statutory duty under the Civil Contingencies Act 2004.

APEX Unique Risk Number (URN): 403

**Risk Owner:** Julian Gould, Director of Highways

**Assessment history:**

Target	Likelihood: Unlikely (2)	2022-23 Q3	2023-23 Q4	2023-24 Q1	2023-24 Q2	2023-24 Q3	Likelihood: Possible (3)
Green (10) by tba	Impact: Substantial (5)	Green (10)	Green (10)	Green (10)	Amber (15)	Amber (15)	Impact: Substantial (5)

**Reputation impact assessment:** High

**Financial impact assessment:** Band 5 (Loss between £3 million and £5 million)

**Quarter 3 update:**

Derbyshire County Council Business Continuity Plan (interim) and Emergency Plan updated and issued December 2023. Risk likelihood remains at Possible due to staff shortages within the Emergency Planning Team structure. Approval for recruitment to backfill positions is in progress.

**Failure to manage contracts across the county council**

The emerging risk environment, the number and type of emergency and the interdependencies of services is increasingly making business continuity or "resilience" a significant focus for the Council. This is a corporate risk across all departments.

APEX Unique Risk Number (URN): 520

**Risk Owner:** Mark Kenyon, Director of Finance

**Assessment history:**

Target	Likelihood: Possible (3)	2022-23 Q3	2023-23 Q4	2023-24 Q1	2023-24 Q2	2023-24 Q3	Likelihood: Possible (3)
Green (8) by 31/03/23	Impact: Moderate (3)	Red (25)	Red (25)	Red (25)	Amber (16)	Green (9)	Impact: Moderate (3)

**Reputation impact assessment:** High

**Financial impact assessment:** Band 8 (Loss over £20 million)

**Quarter 3 update:**

The team delivering the CM Implementation project is now fully staffed. Approval for adopting DCC contract management framework likely to be ready in Feb-2024, identifying named contract leads, selecting pilot contracts to test contract management framework and templates will be completed Feb-2024. First communication for Our Derbyshire sent outlining new Public Procurement Act 2023 with links to 'Knowledge Drops' is with communications

team, monthly updates are planned going forward. Contract Management Project Plan is slow, awaiting an allocated PMU contract to help with this.

### Failure to determine the future use and VFM of the council's New Waste Treatment Facility

Failure to achieve value for money is a significant risk to the council's budget. Failure to determine the future use of the New Waste Treatment Facility is a significant risk for the long-term waste management strategy, the council's future economic and environmental sustainability and its reputation.

APEX Unique Risk Number (URN): 404

**Risk Owner:** Claire Brailsford, Director of Environment & Transport

#### Assessment history:

Target	Likelihood:	2022-23	2023-23	2023-24	2023-24	2023-24	Likelihood:
Blue (4) by tba	Unlikely (2)	Q3	Q4	Q1	Q2	Q3	Possible (3)
	Impact: Minimal (2)	Red (20)	Red (20)	Red (20)	Amber (15)	Amber (15)	Impact: Substantial (5)

**Reputation impact assessment:** High

**Financial impact assessment:** Band 7 (Loss between £10 million and £20 million)

#### Quarter 3 update:

No change.

### Information governance and data security

The Council's information governance policies, processes and systems insufficiently protect personal, commercial and other sensitive data, leading to potential harm to vulnerable persons, employees and commercial relationships, legal action, financial penalties and reputational damage.

APEX Unique Risk Number (URN): 521

**Risk Owner:** tba, Director of Digital

#### Assessment history:

Target	Likelihood:	2022-23	2023-23	2023-24	2023-24	2023-24	Likelihood:
Green (9) by tba	Possible (3)	Q2	Q4	Q1	Q2	Q3	Possible (3)
	Impact: Moderate (3)	n/r	Amber (15)	Amber (15)	Amber (12)	Amber (12)	Impact: Significant (4)

**Reputation impact assessment:** High

**Financial impact assessment:** Band 3 (Loss between £100,000 and £1 million)

#### Quarter 3 update:

Draft strategy has now been published for review and comments. Next steps to be determined by IGG before being sent approved to cabinet.

### Failure to adapt to climate change

The Council and County faces a challenge in relation to an increase in extreme weather patterns including increased rainfall, drought, heatwaves and unseasonal weather. This will result in risks of increased frequency of flooding; damage to infrastructure; risk to health, well-being and productivity; water and energy shortages; risks to natural capital; interruption of food production and trade; new and emerging pests, diseases and plant and animal species. Climate change around the world is likely to result in mass migration of people.

APEX Unique Risk Number (URN): 405

**Risk Owner:** Claire Brailsford, Director of Environment & Transport

#### Assessment history:

<b>Target</b>	Likelihood: Unlikely (2)	<b>2022-23 Q3</b>	<b>2023-23 Q4</b>	<b>2023-24 Q1</b>	<b>2023-24 Q2</b>	<b>2023-24 Q3</b>	Likelihood: Probable (4)
	Green (10) by 31/03/25	Impact: Substantial (5)	Red (20)	Red (20)	Red (20)	Red (20)	Red (20)

**Reputation impact assessment:** High

**Financial impact assessment:** Band 8 (Loss over £20 million)

#### Quarter 3 update:

A report is being finalised during Q4 of 2023-24 to make recommendations for further steps that the Council should take at all levels to improve resilience and adapt to the risks and opportunities. This will be presented to the Corporate Risk Management Group for comment and implementation guidance prior to seeking support from CMT and Cabinet (if necessary) and for implementation from 2024-25. The Natural Capital Strategy for Derbyshire has been completed and, with the forthcoming Local Nature Recovery Strategy, will be key reference points in informing the Council's actions to adapt to the impacts of climate change. The Tree and Woodland Strategy for Derbyshire will help improve the resilience of Derbyshire's natural and built environment to the impacts of climate change. Work is ongoing within particularly vulnerable service areas, such as Highways and Public Health, to understand how their services must adapt to the impacts of climate change and extreme weather.

### Protection of vulnerable adults

Failure to protect the most vulnerable in our society could lead to significant fines; special measures; litigation; decreased staff morale; reputational damage. An Adult Social Care (ASC) Quality Assurance Strategy has been developed which is the foundation from which we will ensure that all ASCH functions drive the delivery of high-quality services for the people of Derbyshire and work to continuously improve quality based on a clear understanding of expectations and requirements. This strategy has been incorporated into policy and is being driven by an overarching Quality Assurance Board. A specific Quality

Assurance Framework is applied across all the directly provided services such as residential care, homecare, shared lives, supported living and day care activity.

APEX Unique Risk Number (URN): 469

**Risk Owner:** Simon Stevens, Executive Director of Adult Social Care & Health

**Assessment history:**

<b>Target</b>  Green (10) by 31/03/23	Likelihood: Unlikely (2)	<b>2022-23 Q3</b>	<b>2023-23 Q4</b>	<b>2023-24 Q1</b>	<b>2023-24 Q2</b>	<b>2023-24 Q3</b>	Likelihood: Probable (4)
	Impact: Substantial (5)	Amber (15)	Amber (15)	Red (20)	Red (20)	Red (20)	Impact: Substantial (5)

**Reputation impact assessment:** High

**Financial impact assessment:** Band 4 (Loss between £1 million and £3 million)

**Quarter 3 update:**

Additional capacity funded via investment of market sustainability and improvement fund is delivering increased capacity for managerial assurance activity, including supervision and management of safeguarding work, and activity to reduce waiting lists. DCC ASC and ADASS tools being used in assurance activity.

**Protection of vulnerable children**

Failure to protect the most vulnerable in our society could lead to significant fines; special measures; litigation; decreased staff morale; reputational damage. Risk can never be eliminated entirely, however Derbyshire continuously seeks to strengthen risk management and practice in cases known to the Authority. As demonstrated recently, heightened media attention at times of national or local tragedy can impact on referral rates and capacity to respond for a variety of reasons. However, the overall impact on the Council would be expected to be moderate. A range of robust mitigation measures are in place and will continue.

APEX Unique Risk Number (URN): 522

**Risk Owner:** Carol Cammiss, Executive Director of Children's Services

**Assessment history:**

<b>Target</b>  Green (9) by 25/09/23	Likelihood: Possible (3)	<b>2022-23 Q2</b>	<b>2023-23 Q3</b>	<b>2022-23 Q4</b>	<b>2023-24 Q2</b>	<b>2023-24 Q3</b>	Likelihood: Possible (3)
	Impact: Moderate (3)	Amber (12)	Amber (15)	Amber (12)	Green (9)	Green (9)	Impact: Moderate (3)

**Reputation impact assessment:** High

**Financial impact assessment:** Band 3 (Loss between £100,000 and £1 million)

**Quarter 3 update:**

Risk impact has been maintained at 'moderate' in this quarter to reflect the comprehensive actions in place to mitigate. The recent ILACS inspection and our own QA framework provides assurance the mitigations are supporting service delivery and risk minimisation.

### Maintenance of property assets

Failure to maintain our property assets could lead to significant fines; significant litigation; decreased staff morale; reputational damage; HSE investigation.

APEX Unique Risk Number (URN): 523

**Risk Owner:** Janet Scholes, Director of Property

#### Assessment history:

Target	Likelihood: Possible (3)	2022-23 Q3	2023-23 Q4	2023-24 Q1	2023-24 Q2	2023-24 Q3	Likelihood: Possible (3)
Green (9) by 30/04/24	Impact: Moderate (3)	Amber (15)	Amber (15)	Amber (15)	Amber (15)	Amber (15)	Impact: Substantial (5)

**Reputation impact assessment:** Moderate

**Financial impact assessment:** Band 4 (Loss between £1 million and £3 million)

#### Quarter 3 update:

No change.

### Failure to maintain highways assets

Failure to maintain highways assets resulting in risk of damage or harm to the public and/or employees as well as the environment and/or failure to comply with statutory duties, obligations, guidance or good practice. Under-investment is now being addressed - particularly through the Highways Capital programme, which is designed to deliver the Council Plan commitment for £120m capital investment over 3 years. Issues such as landslips, retaining walls and ageing structures cannot all be addressed in the short-term or within current budgets. The county's highways assets are prone to climate change issues such as landslips. Derbyshire's approach to Highways Asset Management is set out in the 2016 Code of Practice for Well-Managed Highway Infrastructure which requires local authorities to adopt a risk based, integrated asset management approach to maintaining highway infrastructure.

APEX Unique Risk Number (URN): 406

**Risk Owner:** Julian Gould, Director of Highways

#### Assessment history:

Target	Likelihood: Possible (3)	2022-23 Q3	2023-23 Q4	2023-24 Q1	2023-24 Q2	2023-24 Q3	Likelihood: Probable (4)
Green (9) by	Impact: Substantial	Amber	Amber		Red	Amber	Impact: Significant

31/03/23	(5)	(12)	(12)	Red (20)	(20)	(16)	(4)
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**Reputation impact assessment:** Moderate

**Financial impact assessment:** Band 4 (Loss between £1 million and £3 million)

**Quarter 3 update:**

Given current financial conditions and adverse weather events during Q3 the impact on the condition of the network is still being assessed to plan appropriate mitigations where possible. The additional DfT funding received as part of Network North will help toward mitigating the impacts of the adverse weather events. We are yet to see the DfT funding profile for the remainder of the Network North funding but this will provide the potential long term investment in Highway assets. Risk has been reassessed and the current assessment reflects the current position given all of the factors and actions in place. Finance and resource still remain an issue when compounded with the adverse weather events.

**Failure to maintain countryside sites and waterways**

Failure to maintain countryside sites and waterways resulting in risk of damage to human health, the environment or assets and/or failure to comply with statutory duties, obligations, guidance or good practice. The Countryside Service has in excess of 121 assets ranging from 4,478 acres of land including Sites of Special Scientific Interest (SSSIs), reservoirs, canals, Greenways and physical structures. A key area of focus is the management of Waterbodies. The Waste Management Service has 9 Household Waste Recycling Centres (HWRCs) and a waste transfer station. Particular areas of focus remain the development of asset management regimes for waterbodies notably reservoirs and canals; structures (e.g. bridges) and HWRCs. Heads of Service are responsible for ensuring asset management systems and inspection regimes are in place in accordance with statutory duties and good practice in the relevant field.

APEX Unique Risk Number (URN): 407

**Risk Owner:** Claire Brailsford, Director of Environment & Transport

**Assessment history:**

Target	Likelihood:	2022-23 Q3	2023-23 Q4	2023-24 Q1	2023-24 Q2	2023-24 Q3	Likelihood:
Blue (4) by tba	Rare (1)						Possible (3)
	Impact: Significant (4)	Amber (15)	Amber (15)	Amber (15)	Amber (12)	Amber (12)	Impact: Significant (4)

**Reputation impact assessment:** High

**Financial impact assessment:** Band 4 (Loss between £1 million and £3 million)

**Quarter 3 update:**

Work on managing existing large raised reservoirs continues and detailed in a separate risk. A canal inspection standard has been developed with the help of Mott McDonald Ltd along with recording and mapping of structures on the Cromford and Chesterfield Canals. Further work is ongoing developing inspection paperwork and emergency plans for the canals.

Following the audit review of Countryside Services and the resulting report in Q2 2023/4, the lack of coordinated management of Countryside service structures has been highlighted as an issue. Countryside staff are working with the structures team to identify countryside structures, log them on the AMX software and look at establishing a programme of inspection and routine maintenance. A revenue growth bid to support this work was submitted in Q2. A capital bid has also been submitted in Q2 to address outstanding repairs to high risk bridges and structures in the countryside site portfolio.

**Failure to understand or respond adequately to new or changing legislation and regulation**

Lack of knowledge and understanding of statutory duties meaning the Council is at increased risk of special measures, HSE investigation, corporate manslaughter charges, personal prosecution and insurers refusing to provide indemnity on property or liability claims.

APEX Unique Risk Number (URN): 524

**Risk Owner:** Helen Barrington, Director of Legal & Democratic Services

**Assessment history:**

<b>Target</b>	Likelihood: Possible (3)	<b>2022-23 Q3</b>	<b>2023-23 Q4</b>	<b>2023-24 Q1</b>	<b>2023-24 Q2</b>	<b>2023-24 Q3</b>	Likelihood: Possible (3)
	Impact: Moderate (3)	Red (20)	Red (20)	Amber (15)	Blue (5)	Green (9)	Impact: Moderate (3)
Green (9) by 31/03/22							

**Reputation impact assessment:** High

**Financial impact assessment:** Band 7 (Loss between £10 million and £20 million)

**Quarter 3 update:**

Online resources are a positive asset - staff turnover may impact negatively though.

## Risk severity matrix and tables

All corporate risks have a primary and secondary assessment.

### Primary assessment

The primary assessment considers the main potential impacts of the risk event and the likelihood of the risk event occurring. The highest impact score is multiplied by the likelihood score to give an overall risk severity rating.

<b>Impact Score</b>	Substantial	5	Blue	Green	Amber	Red	Red
	Significant	4	Blue	Green	Amber	Amber	Red
	Moderate	3	Blue	Green	Green	Amber	Amber
	Minimal	2	Blue	Blue	Green	Green	Green
	Negligible	1	Blue	Blue	Blue	Blue	Blue
			1	2	3	4	5
			Rare	Unlikely	Possible	Probable	Almost certain
			<b>Likelihood Score</b>				

### Secondary impacts

Secondary impacts result from the primary risk event occurring. Two assessments are made of the secondary impact on:

- Corporate reputation
- Net financial loss

The primary impact and likelihood scoring tables and secondary impact assessment tables are shown below.



## Primary impact scoring

The highest scoring area (the 'primary impact') used to assess risk severity.

	Impact grading	Public and employee health, safety and wellbeing	Community	Economy	Environment	Service Disruption	Skills capability	Legal	Contracts and Partnerships	Information Security
5	<b>Extremely high</b>	Substantial level of harm to the health, safety and wellbeing of the community, members of the public or employees	Substantial disadvantage to large parts of the community and/or many vulnerable residents	Substantial negative impact on the County's economy, including hard infrastructure	International and/or national environmental damage	Substantial external or internal disruption and/or loss of service (more than seven days)	Substantial under-performance from skills gaps and/or shortages	Substantial legal action, claims and/or penalties against or by the Council	Substantial impact on service delivery from a contract and/or partnership failure	Substantial breach; Information Commissioner Office (ICO) fine; loss of ISO 27001 certification
4	<b>High</b>	Significant level of harm to the health, safety and wellbeing of the community, members of the public or employees	Significant disadvantage to large parts of the community and/or some vulnerable residents	Significant negative impact on the County's economy, including hard infrastructure	Significant regional environmental damage and/or failure to meet all or most internal climate change targets	Significant external or internal disruption and/or loss of service (between three to seven days)	Significant under-performance from skills gaps and/or shortages	Significant legal action, claims and/or penalties against or by the Council	Significant impact on service delivery from a contract and/or partnership failure	Significant external breach with no loss of sensitive data; or minor external breach with loss of sensitive data

	<b>Impact grading</b>	<b>Public and employee health, safety and wellbeing</b>	<b>Community</b>	<b>Economy</b>	<b>Environment</b>	<b>Service Disruption</b>	<b>Skills capability</b>	<b>Legal</b>	<b>Contracts and Partnerships</b>	<b>Information Security</b>
<b>3</b>	<b>Moderate</b>	Moderate level of harm to the health, safety and wellbeing of the community, members of the public or employees	Moderate disadvantage to large parts of the community and/or some vulnerable residents	Moderate negative impact on the County's economy, including hard infrastructure	Moderate regional and/or major local environmental damage and/or failure to meet many internal climate change targets	Moderate external or internal disruption and/or loss of service (between 24 to 48 hours)	Moderate under-performance from skills gaps and/or shortages	Moderate legal action, claims and/or penalties against or by the Council	Moderate impact on service delivery from a contract and/or partnership failure	Significant internal breach with no loss of sensitive data; or minor internal breach with loss of sensitive data
<b>2</b>	<b>Low</b>	Minimal level of harm to the health, safety and wellbeing of the community, members of the public or employees	Minimal disadvantage to the community and/or some vulnerable residents	Minimal negative impact on the County's economy, including hard infrastructure	Minimal regional and/or local environmental damage and/or failure to meet some internal climate change targets	Minimal external or internal disruption and/or loss of service (less than 24 hours)	Minimal under-performance from skills gaps and/or shortages	Minimal legal action, claims and/or penalties against or by the Council	Minimal impact on service delivery from a contract and/or partnership failure	Minor external or internal breach with no loss of sensitive data
<b>1</b>	<b>None</b>	No impact	No impact	No impact	No impact	No impact	No impact	No impact	No impact	No impact

## Likelihood scoring

		<b>Time-based assessment</b>	<b>Relative assessment</b>	<b>Probability assessment</b>
5	<b>Almost certain</b>	Will likely occur every year	Almost certainly will occur	95% of more chance will occur
4	<b>Probable</b>	Could occur every year	Quite likely to occur	60-94% chance will occur
3	<b>Possible</b>	Could occur every two years	Might occur	30-59% chance will occur
2	<b>Unlikely</b>	Could occur every five years	Less likely to occur	10-29% chance will occur
1	<b>Rare</b>	Unlikely to occur ever	Extremely unlikely to occur	Less than 10% chance will occur

## Reputation impact assessment

<b>Extremely High</b>	Lasting or permanent national/local brand damage resulting from adverse comments in national press and media. Members/Officers almost certainly forced to resign.
<b>High</b>	Temporary national/local brand damage lasting up to two years from coverage in national and/or regional press/media. Members/Officers potentially forced to resign.
<b>Moderate</b>	Temporary local brand damage lasting up to one year from extensive coverage in regional press/ media.
<b>Low</b>	Temporary local brand damage lasting up to a few weeks from minor adverse comments in regional press/social media.
<b>Extremely Low</b>	Negligible local brand damage from limited adverse comments with minimal press/social media.

## Financial impact assessment

Each risk is assessed for the potential range of net capital and/or revenue loss to the Council if the risk materialised.

<b>Band 8</b>	Loss over £20 million
<b>Band 7</b>	Loss between £10 million and £20 million
<b>Band 6</b>	Loss between £5 million and £10 million
<b>Band 5</b>	Loss between £3 million and £5 million
<b>Band 4</b>	Loss between £1 million and £3 million
<b>Band 3</b>	Loss between £100,000 and £1 million
<b>Band 2</b>	Loss between £50,000 and £100,000
<b>Band 1</b>	Loss under £50,000
<b>Band 0</b>	No financial loss

CONTROLLED