

# Risk Management Q2 2023/24 Report

<b>Committee considering report:</b>	Governance Committee
<b>Date of Committee:</b>	29 January 2024
<b>Portfolio Member:</b>	Councillor Jeff Brooks
<b>Date Portfolio Member agreed report:</b>	15 January 2024
<b>Report Author:</b>	Catalin Bogos – Performance, Research and Consultation Manager
<b>Forward Plan Ref:</b>	G4470

## 1 Purpose of the Report

- 1.1 To highlight the corporate risks (as at the end of September 2023) that need to be considered by Corporate Board and Operations Board and to outline the actions that were being taken to mitigate those risks. In particular, to note a financial risk rated with the highest score (16) as a result of the aggregation of financial risks from a number of services. To note that one new risk was escalated and there were no risks de-escalated from the Corporate Risk Register. Full details regarding the Corporate Risks are provided in Appendix C CRR Heath Map together with the method used to score risks for the Council which is included in Appendix D.

## 2 Recommendation

- a) That, Governance Committee note the current (September 2023) position and actions undertaken to minimise the impact for existing 16 risks on the Corporate Risk Register (CRR), as a result of one new risk being escalated and no risks being de-escalated from the Corporate Register during the reporting period.

## 3 Implications and Impact Assessment

Implication	Commentary
<b>Financial:</b>	None directly, although the Corporate Risk Register at <b>Appendix D</b> highlights the source of a number of pressures.
<b>Human Resource:</b>	None directly, although the Corporate Risk Register at Appendix D highlights the source of a number of potential issues.

<b>Legal:</b>	None directly, although the Corporate Risk Register at Appendix D highlights the source of a number of potential issues.			
<b>Risk Management:</b>	The report outlines the key risks that Corporate Board are monitoring / managing at present.			
<b>Property:</b>	None directly, although the Corporate Risk Register at Appendix D highlights the source of a number of potential issues.			
<b>Policy:</b>	There are no policy implications associated with this report.			
	<b>Positive</b>	<b>Neutral</b>	<b>Negative</b>	<b>Commentary</b>
<b>Equalities Impact:</b>				
<b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		x		
<b>B</b> Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		x		
<b>Environmental Impact:</b>		x		
<b>Health Impact:</b>		x		
<b>ICT Impact:</b>		x		

<b>Digital Services Impact:</b>		x		
<b>Council Strategy Priorities:</b>	x			Risk management activities support the delivery of the objectives relevant to the Council Strategy priorities and other business as usual areas.
<b>Core Business:</b>				n/a
<b>Data Impact:</b>		x		
<b>Consultation and Engagement:</b>	The report is based on the updated Service Risk Registers provided by Heads of Service/Service Directors. The updating of the Service Risk Registers includes a requirement that changes are discussed at the relevant Directorate Management Team meetings and approved by relevant Portfolio Holder. Corporate Management Team receives a copy of this report.			

## 4 Executive Summary

- 4.1 This report summarises a range of information relating to the Corporate Risk Register (CRR) and analyses any developments and emerging risks. It updates Corporate Board, Operations Board and the Governance Committee on key issues and actions that they should be aware of. Individual support and training had been provided for new/interim managers to update and submit their risk registers.
- 4.2 The key risks on the Corporate Risk Register relate to regulatory changes nationally, more specific impacts of Covid-19, international context (conflict in Ukraine, cyber attacks and raising inflation), plus a number of other local risks.
- 4.3 As the Council has approved a new Council Strategy for 2023-2027, and as risks are defined in relation to agreed objectives, there has been only limited change in risk exposure (as the new objectives have been set to be realistic considering the evidence base and the stakeholders' engagement). Only one new high risk (rated 12) was escalated by one of the services this quarter.
- 4.4 For five of the risks (some Financial risks and some Personal / Staff / Customer type risks) there was limited mitigation action available by the end of the quarter to be able to reduce the gross rating (e.g. Gross and current rating are the same). However, the services have set targets to reduce all five risks by implementing controls in the future.
- 4.5 Mitigation actions were put in place and reduced risks' likelihood and/or impacts from gross to actual (as at the end of September 2023) rating for the majority of the risks. Furthermore, mitigation actions have prevented an increase of the 'Current' risk ratings between Q1 and Q2 for all corporate risks.

- 4.6 Focusing on the Corporate Risk Register, the updates are provided on risks grouped in the following categories:
- i. At the end of the quarter, there were 16 risks on the CRR for **Corporate Board to actively manage, review or monitor** (figures in brackets refer to risk ID Number):
    - a. **Top risk / current (as at September 2023) risk severity:**
      - There was one risk rated the maximum score of 16: this is a financial risk escalated last year. This is an overarching risk reporting cumulatively Financial risks in several services.
    - b. Despite mitigation actions already implemented, there were **eight risks (compared to seven in the previous quarter) with a current (September 23) rating of 12** (see Appendix C).
    - c. None of the risks, previously on the CRR, have **increased the 'current risk rating' (as at end of September 23)** from previous quarter to the end of Q2.
    - d. However, 15 risks had **maintained the previous rating**, which would suggest that mitigation actions were being progressed to prevent it to increase.
    - e. None of the risks had **reduced the 'current' (September 23) rating** from previous quarter.
    - f. **Risk exposure** - The number of risks on the CRR had increased to 16 during Q2 (compared to 15 at Q1).
  - ii. There was one **new risk escalated** to the CRR.
  - iii. There were **no risks proposed for de-escalation** from the CRR.

## 5 Supporting Information

### Introduction

- 5.1 This is the quarter 2 (Q2) assurance report for 2023/24 that provides Corporate Board (CB), Operations Board (OB) and Governance Committee with an overview of new risks (if any) and provides an update on the previously reported strategic risks, including if there are any proposed for de-escalation to service or directorate risk registers.
- 5.2 The Corporate Risk Register (CRR) available from Appendix C is designed to summarise all major risks escalated by Directors and Heads of Service for action or active monitoring at corporate level. Starting in Q3 last year, the CRR is reported online for officers as part of the integrated Risk, Performance and Project management system InPhase.
- 5.3 The method used to score risks, including with reference to the risk appetite for the Council, is detailed as part of the Risk Management Strategy 2021 – 2024 (available from <https://www.westberks.gov.uk/policies#Corporate-wide%20strategies>) (see also an extract at Appendix D).

## Background

5.4 Whilst continuing to manage the response to new emerging risks, all services have provided updated service risk registers.

### Demand and Inflation budget pressures

5.5 At quarter 2, there continued to be significant impacts from the impact of inflation and increase in quantity of demand or complexity of demand on several services. The Council continues to monitor the situation and is focusing on implementing stronger controls and mitigation actions.

### Risks on the Corporate Risk Register

5.6 The main changes to the CRR are illustrated in the following table. The risks are ranked based on the *current* (Q2 September 2023) risk score. See Appendix C for further details.

No. (New / Remove)	Risk Type	Current SCORE			Target Score
		Change Q1 – Q2	as at Q1	as at Q2	
1.	Financial	↔	16	16	12
2.	Assets (Physical & Information)	↔	12	12	6
3.	Personal / Staff / Customer	↔	12	12	4
4.	Reputational	↔	12	12	4
5.	Reputational	↔	12	12	9
6.	Financial	↔	12	12	6
7.	Reputational	↔	12	12	6
8.	Financial	↔	12	12	9
9. <b>new</b>	Reputational	<b>new</b>	<b>n/a</b>	12	8
10.	Financial	↔	9	9	9
11.	Reputational	↔	9	9	9
12.	Reputational	↔	9	9	6
13.	Financial	↔	8	8	4

No. (New / Remove)	Risk Type	Current SCORE			Target Score
		Change Q1 – Q2	as at Q1	as at Q2	
14.	Reputational	↔	9	8	8
15.	Personal / Staff / Customer	↔	6	6	4
16.	Financial	↔	6	6	6

**Analysis – the number of risks on the CRR, risks escalated and de-escalated**

5.7 The number of risks on the Corporate Risk Register, new risks escalated and risks de-escalated each quarter are highlighted in the following table:

	2022/23			2023/24			
	Q2	Q2	Q1	Q2	Q2	Q3	Q1
Total Number of Risks, including:	18	17	14	15	16		
New	1	1	0	4	1		
To de-escalate	0	2	3	3	0		

5.8 At the end of Q2, there was one ‘new entry’ escalated from Directorate/Service/Department Risk Registers which was a Reputational type risk (9) (see paragraph 5.6).

5.9 There were no risks proposed to be de-escalated from the CRR:

No. (Remove)	Risk	Current SCORE			Target Score	Comments
		Change Q1 – Q2	as at Q1	as at Q2		
Remove A	None					

**Analysis – risk severity**

5.10 A Financial risk, impacting a number of services and the Council overall, remains rated with the highest risk rating of 16 (maximum financial impact and maximum likelihood). Further actions are being planned to increase the controls on expenditure.

5.11 In terms of change in actual risk severity over the last two quarters, based on Current (as at the end of the quarter) Rating (See Appendix C):

- (1) Between Q1 and Q2 the process to mitigate likelihood and impact resulted in preventing the increase in risks' rating, rather than reducing rating, for all 15 risks on the Corporate Risk Register. None of the risks that were on the Register at Q1 have reduced the risk rating and there were no risks proposed for de-escalation.
- (2) Nine risks (compared to eight risks at the end of the previous quarter) were tolerated at a high rating of 12 or above. Four of these risks were added on the register during quarter 1 and one during Q2. This would suggest that active control measures are preventing an increase of the assessed likelihood and/or impact for the risks already on the CRR, but a new high risk has emerged during the quarter.

5.12 In terms of the Gross, Current and Target rating of the risks on the CRR at the end of Q2:

- (1) Mitigation actions already in place had reduced the assessed Gross rating to Current (September 2023) rating for 11 of the 16 risks.
- (2) Further mitigation actions are planned to further reduce the exposure from the Current (September 2023) rating to a lower Target rating for 12 of the 16 risks.
- (3) This would suggest that, where possible, mitigation actions had been put in place and were effective in reducing the assessed rating (from Gross to Current rating) for most of the risks and to ensure the rating was not increasing for the majority of the remaining ones. However, there were some areas where it was not possible to implement quickly such mitigation measures and to reduce the level of risk from Gross to Current.
- (4) Further actions were possible and already planned to further reduce risk exposure.

### **Analysis – horizon scanning**

5.13 Regional Risk Register - At regional level, the Community Risk Register for Thames Valley includes a number of risks identified in October 2016. Directors and Heads of Service have been reminded about considering this in the local risk assessment process. The register can be accessed from this link: [http://www.thamesvalleylrf.org.uk/\\_assets/risk%20register/tvlrf%20risk%20register%20oct%202016.pdf](http://www.thamesvalleylrf.org.uk/_assets/risk%20register/tvlrf%20risk%20register%20oct%202016.pdf)

5.14 **National Risk Register** - At national level, HM Government published an updated version of the National Risk Register (August 2023 edition). Directors and Heads of Service will be asked to consider this in the local risk assessment process. The National Risk Register can be accessed from this link:

<https://www.gov.uk/government/publications/national-risk-register-2023>

5.15 The cost of living challenge ([Rising cost of living in the UK - House of Commons Library \(parliament.uk\)](#)) also ([Inflation and the cost of living for UK households, overview - Office for National Statistics \(ons.gov.uk\)](#)). This included extra payments to help with the cost of living for people entitled to certain benefits or tax credits: <https://www.gov.uk/guidance/cost-of-living-payment>

5.16 **Increasing Demand Trend** – contextual performance information shows increasing demand during 2022/23 and into the current financial year, in particular regarding social care (even if for Q2 there is evidence that the trend had started reversing for children social care demand, which was still relatively high).

### **Other assurance work**

5.17 New and interim managers have received one to one training and support regarding risk management.

5.18 A series of meetings have taken place to provide advice and support to risk owners and risk approvers during Q2.

5.19 Risks from the CRR are being linked to the Priorities of the Council Strategy using functionality available in the risk, performance and project management system (InPhase).

### **Proposals**

5.20 There was one risk escalated onto the CRR this quarter.

5.21 Corporate Board, Operations Board and Governance Committee note the current (as at the end of September 2023) position and actions undertaken to minimise the impact of the 16 risks on the CRR and specifically the high score ones:

(a) **Risk rated 16:** One Financial risk (1).

(b) **Risks rated 12:** There were eight risks (three Reputation risks, two Financial risks, two Personal / Staff / Customer risks and one Asset risk) rated with the second highest score.

5.22 There were no risks to be de-escalated from the CRR this quarter.

5.23 Corporate Board, Operations Board and Governance Committee note further actions proposed to minimise the impact of existing risks on the CRR.

5.24 To note the progress with risk mitigation actions.

## **6 Other options considered**

n/a

## **7 Conclusion**

7.1 During Q2, the significant financial impact on budgets continued, due to inflation and due to increase in volume and complexity of demand. One new risk was escalated at



the second highest level and for five risks on the CRR it was not possible to implement further mitigation measures by the end of Q2 so these were impacting at their gross level. However, for all these risks the services are working towards additional controls' implementation aiming to further reduce the risks rating.

- 7.2 Actions were being progressed for mitigation of the risks that were included on the CRR. As a result, increases in current (end of quarter 2) ratings compared to the previous quarter have been prevented in all cases.
- 7.3 During Q2, one risk had been identified for escalation on the CRR for Corporate Board to consider. There were no risks proposed for de-escalation from the CRR.
- 7.4 The other risks on the CRR show that there were a number of issues that continued to pose a potential risk to the Council and these have been detailed in this report including the updates on mitigation actions.

## 8 Appendices

- 8.1 Appendix A – Equalities Impact Assessment
- 8.2 Appendix B – Data Protection Impact Assessment
- 8.3 Appendix C – Corporate Risk Register Heath Map
- 8.4 Appendix D – Risk Thresholds for West Berkshire Council

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### Background Papers:

West Berkshire Risk Management Strategy

West Berkshire Council Strategy 2023 – 2027

### Subject to Call-In:

Yes:  No:

- The item is due to be referred to Council for final approval
  - Delays in implementation could have serious financial implications for the Council
  - Delays in implementation could compromise the Council's position
  - Considered or reviewed by Scrutiny Commission or associated Committees, Task Groups within preceding six months
  - Item is Urgent Key Decision
  - Report is to note only
-

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## Appendix A

### Equality Impact Assessment (EqIA) - Stage One

<b>What is the proposed decision that you are asking the Executive to make:</b>	This assurance report is for Corporate Board and the Governance Committee to note key issues relating to risks escalated on the Corporate Risk Register.
<b>Summary of relevant legislation:</b>	n/a
<b>Does the proposed decision conflict with any of the Council’s priorities for improvement?</b> <ul style="list-style-type: none"> <li>• Ensure our vulnerable children and adults achieve better outcomes</li> <li>• Support everyone to reach their full potential</li> <li>• Support businesses to start develop and thrive in West Berkshire</li> <li>• Develop local infrastructure including housing to support and grow the local economy Maintain a green district</li> <li>• Ensure sustainable services through innovation and partnerships</li> </ul>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>Name of Budget Holder:</b>	Catalin Bogos
<b>Name of Service/Directorate:</b>	Strategy and Governance/Resources
<b>Name of assessor:</b>	Catalin Bogos
<b>Date of assessment:</b>	12/10/2023
<b>Version and release date (if applicable):</b>	

Is this a .... ?		Is this policy, strategy, function or service ... ?	
Policy	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	New or proposed	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Strategy	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Already exists and is being reviewed	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Function	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Is changing	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Service	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		

**(1) What are the main aims, objectives and intended outcomes of the proposed**

decision and who is likely to benefit from it?	
<b>Aims:</b>	Assurance is provided that the critical risks facing the Council are identified and appropriately managed.
<b>Objectives:</b>	To ensure decision making bodies are informed of the escalation and de-escalation of risks on/from the CRR and the mitigation actions in place or planned to mitigate the risks on the CRR.
<b>Outcomes:</b>	Critical risks facing the organisation are managed in accordance to the Council's risk appetite for different types of risks.
<b>Benefits:</b>	Optimum risk mitigation action is in place to support the achievement of the Council's objectives.

(2) Which groups might be affected and how? Is it positively or negatively and what sources of information have been used to determine this?		
Group Affected	What might be the effect?	Information to support this
Age		
Disability		
Gender Reassignment		
Marriage and Civil Partnership		
Pregnancy and Maternity		
Race		
Religion or Belief		
Sex		
Sexual Orientation		
<b>Further Comments:</b>		
n/a		

(3) Result	
<b>Are there any aspects of the proposed decision, including how it is delivered or accessed, that could contribute to inequality?</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>Please provide an explanation for your answer:</b>	

<b>Will the proposed decision have an adverse impact upon the lives of people, including employees and service users?</b>	<b>Yes</b> <input type="checkbox"/> <b>No</b> <input checked="" type="checkbox"/>
<b>Please provide an explanation for your answer:</b>	

<b>(4) Identify next steps as appropriate:</b>	
<b>EqIA Stage 2 required</b>	<b>Yes</b> <input type="checkbox"/> <b>No</b> <input checked="" type="checkbox"/>
<b>Owner of EqIA Stage Two:</b>	
<b>Timescale for EqIA Stage Two:</b>	

**Name:** Catalin Bogos

**Date:** 12/10/2023

## Appendix B

### Data Protection Impact Assessment – Stage One

The General Data Protection Regulations require a Data Protection Impact Assessment (DPIA) for certain projects that have a significant impact on the rights of data subjects.

Should you require additional guidance in completing this assessment, please refer to the Information Management Officer via [dp@westberks.gov.uk](mailto:dp@westberks.gov.uk)

Directorate:	Resources
Service:	Strategy and Governance
Team:	Performance, Research and Risk
Lead Officer:	Catalin Bogos
Title of Project/System:	n/a
Date of Assessment:	12/10/2023

#### Do you need to do a Data Protection Impact Assessment (DPIA)?

	Yes	No
<p><b>Will you be processing SENSITIVE or “special category” personal data?</b></p> <p><i>Note – sensitive personal data is described as “ data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person’s sex life or sexual orientation”</i></p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>Will you be processing data on a large scale?</b></p> <p><i>Note – Large scale might apply to the number of individuals affected OR the volume of data you are processing OR both</i></p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>Will your project or system have a “social media” dimension?</b></p> <p><i>Note – will it have an interactive element which allows users to communicate directly with one another?</i></p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>Will any decisions be automated?</b></p> <p><i>Note – does your system or process involve circumstances where an individual’s input is “scored” or assessed without intervention/review/checking by a human being? Will there be any “profiling” of data subjects?</i></p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Yes	No
Will your project/system involve CCTV or monitoring of an area accessible to the public?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Will you be using the data you collect to match or cross-reference against another existing set of data?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Will you be using any novel, or technologically advanced systems or processes?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>Note – this could include biometrics, “internet of things” connectivity or anything that is currently not widely utilised</p>		

If you answer “Yes” to any of the above, you will probably need to complete [Data Protection Impact Assessment - Stage Two](#). If you are unsure, please consult with the Information Management Officer before proceeding.