

Report 6: Strategic Risk Register

1. Purpose of Report

The purpose of this report is to agree a new Strategic Risk Register for the Authority and agree the Authority's risk appetite by agreeing the framework for risk scoring and categorisation.

2. Recommendations

The Authority is recommended to:

- a. Note the process for developing the new Strategic Risk Register (SRR); and
- b. Approve the Strategic Risk register and framework for categorising and reporting on strategic risks as they relate to the delivery of the Business Plan 2023 - 2026.

3. Implications

- a. Financial: The SRR considers the financial risks to delivering the Business Plan but there are no direct financial implications from this report.
- b. Equalities: The SRR considers the equalities implications of delivering the Business Plan but there are no direct equalities implications from this report.
- c. Link to Business Plan: The SRR considers the risks to delivering the Business Plan and the impact this may have. Actions to mitigate these risks are considered important in ensuring effective delivery of Business Plan objectives.

4. Background

- a. The previous SRR was created to consider the risks to delivering the previous Business Plan 2017 – 2021. Over that timeframe the document and actions to mitigate risks to the delivery were amended regularly, particularly in light of the Covid-19 pandemic. In the past 12 months a 'Bridging Operational Plan' was in place to transition the Authority from one Business Plan to the next. During this period the existing SRR was maintained until a new Business Plan had been drafted. The new Business Plan was presented to Authority on 15th of March 2023.
- b. On the 25th of April 2023, Leadership Team met for a workshop to discuss the emerging threats to the organisation and what risks there are to the delivery of the objectives in the Business Plan. This took the form of a PESTLE analysis where each of the 'Political', 'Economic', 'Social', 'Technological', 'Legislative' and 'Environmental' factors which may impact delivery were considered. The findings of this workshop were summarised into a draft Risk Register which was presented to members at subsequent workshop.
- c. The members workshop took place on the 10th of May 2023 and followed a similar format with members considering a PESTLE analysis. Members were presented with the draft strategic risks and asked to consider if these sufficiently

covered the topics discussed during the workshop. Members were also asked to review the scoring criteria of the impact and likelihood tables which indicate the severity of the risks discussed. A number of suggestions and amendments were noted and incorporated into a revised draft SRR. This included changes to the framework used to score risk and as reflected member's risk appetite.

- d. Following the two workshops the SRR was written up with each impact assigned a nominated member of staff. These are responsible for determining any current actions which mitigate the impacts of the risk and likelihood of it occurring. Relevant staff have also outlined any additional mitigations that might further reduce the impact or likelihood of the headline risk.

5. The Strategic Risk Register

- a. The Strategic Risk Register (SRR) is a live document that is updated and reported on at least once every quarter. It seeks to identify and mitigate the risks to achieving Business Plan aims. The current SRR has an indicative set of 83 identified PESTLE factors that may impact delivery of Business Plan objectives.
- b. The 83 impacts are spread across 9 headline strategic risks. These are:
 1. Failure to respond to changing circumstances and enable business continuity.
 2. Failure to influence and respond to policy changes from National Government.
 3. Maintaining thriving communities in a changing policy environment.
 4. Failure to effectively manage organisational change.
 5. The ability to recruit, retain or contract people with the right skills.
 6. Maintaining a financial position which supports our Business Plan.
 7. Attracting new audiences and maintaining existing audiences while meeting and understanding their expectations.
 8. Failure to progress work programmes due to stakeholder polarisation.
 9. The National Park Authority is unable to make demonstrable progress towards carbon neutrality.
- c. The risks have each received an inherent and residual risk score which reflects the level of mitigating actions in place and how confident the organisation feels about managing those risks.
- d. The inherent and residual risks have been tabulated to better illustrate the change in risk levels after adopting mitigation measures against the foreseen impacts, these are presented in Table A and Table B. The detailed mitigation measures associated actions and categorisation criteria is available on request.

Table A. Inherent Risk

Inherent Risk	Likelihood				
	1. Rare	2. Unlikely	3. Possible	4. Likely	5. Almost Certain
5. Catastrophic			1		
4. Major			3, 4	5	2, 6, 9
3. Moderate				7, 8	
2. Minor					
1. Slight					

Table B. Residual Risk

Residual Risk	Likelihood				
	1. Rare	2. Unlikely	3. Possible	4. Likely	5. Almost Certain
5. Catastrophic					
4. Major			1, 5	6	9
3. Moderate			3, 4, 8, 7		2
2. Minor					
1. Slight					

- e. Risk 9, Making progress towards net zero, is the risk which has the highest score as the Business Plan target is to make significant progress in this specific area. However, there are many factors which do not currently have appropriate mitigations in place, from identifying alternative income streams for delivery to developing a plan to retrofit and electrify the built estate of the organisation. The way in which greenhouse gas emission accounting is measured is ever changing, particularly in relation to Scope 3 emissions, those associated with the indirect activities of the Authority. This has resulted in a situation whereby the Authority’s footprint associated with the procurement of goods and services is likely to mean that the 2030 net zero target is almost unachievable.

- f. Risk 5, Recruitment and retention, and Risk 6, Financial Position are linked risks connected to the increasing cost of living and competition for skilled workers. These continue to have a likelihood of ‘Likely’ and would have a major impact on objective delivery. The aim of including Risk 1 is to help ensure the Authority’s BCP plan ensures any future event does not have a catastrophic impact.

- g. As the Risk Register is currently new, many of the mitigations in place are acknowledged to be limited and in need of development and therefore the residual risks remain elevated. This may change in future reporting.
- h. It is proposed that reporting of risks to members will be restricted to those identified as 'RED' in the residual risk table (Table B). In view of this members may wish to consider the risk appetite and thus categorisation of red, amber and green in each table.

6. Conclusions

- a. The Strategic Risk Register has been developed following the approval of the Business Plan 2023-2026. It is a live document which is reviewed at least quarterly and seeks to identify and mitigate the risks to achieving Business Plan aims.
- b. Leadership Team and Members have undertaken PESTLE analyses and the results of this have been tabulated with staff given responsibility for identified impacts.
- c. Members are asked to note the development of the Strategic Risk Register (SRR) and approve the ongoing reporting of risks which are of greatest concern.

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