Strategic Risk Register

1. **Purpose of paper and what trustees are being asked to consider**

At the November meeting, the Board considered a first draft of a new strategic risk register, approved it with some amendments, agreed some adaptations to the format and asked the Future Planning Working Group to continue to enable the Board to review the register quarterly. The working group has reviewed additional aspects of risk but delegated the practical activity of maintaining the register to the Chair and Chief Executive Officer.

This paper presents the updated register. For ease of reference, content revised as a result of the last board discussion is highlighted in blue, while content revised as a result of working group discussions or subsequent review is highlighted in yellow. The description of risk C9 has been updated to reflect the change of financial year and the fact that the Government has given Hertfordshire County Council early confirmation of funding for 2026/27.

As agreed at the last meeting, we have introduced a summary table indicating the overall scoring profile and any movement in scores. On this occasion no scores have changed. The tables make it clear that the reason for the number of risks scored as high or very high is most often the scale of the impact rather than the probability of the risk materialising, which we have been mitigating for some time. At the next quarterly review we are likely to have more information about external uncertainties and to further adapt our mitigation approaches. However it is likely that many of the risks may reduce in score but still remain categorised as high or very high. It will be important for us to remember that this register is a tool to ensure we are focusing our attention and the right mitigation measures on the most important risks, rather than a yardstick for organisational performance, which the board reviews in other ways.

Recommendations

Board members are asked to consider and confirm:

- If the key risks are still identified and articulated clearly;
- If mitigation approaches are sufficient and likely to be effective – and whether further resource or time is needed to ensure this is the case;
- Whether the scoring appropriately represents the view of the board at this point in time; and
- Any necessary amendments or issues to be considered in the next quarterly review.

N. TESTER, I. CHALMERS

This register will be brought back to all future meetings of the Board.

2. Scoring approach and summary scores

The November board meeting approved the scoring approach set out in the diagram below.

Impact

How sever would the outcomes be if the risk occurred?

Probability

What is the probability the risk will happen?

	Insignificant 1	Minor 2	Significant 3	Major 4	Severe 5
Almost certain 5	Medium 5	High 10	Very High 15	Very High 20	Very High 25
Likely 4	Low 4	Medium 8	High 12	Very High 16	Very High 20
Moderate 3	Low 3	Medium 6	Medium 9	High 12	Very High 15
Unlikely 2	Very low 2	Low 4	Medium 6	Medium 8	High 10
Rare 1	Very low 1	Very low 2	Low 3	Low 4	Medium 5

The following table summarises the scores dealt with in detail in section 3.

Risk	Probability	Impact	Score	Change
Category A: Staff wellbeing and retention				
A1	3	4	12	=
A2	4	4	16	=
Category B: Delivery, reputation, impact and influence				
B3	3	3	9	=
B4	2	4	8	=
B5	2	4	8	=
B6	4	4	16	=
B7	2	5	10	=
B8	3	4	12	=
Category C: Finance and capacity				
C9	2	5	10	=
C10	3	4	12	=
Category D: Governance, decision-making and compliance				
D11	2	5	10	=
D12	3	3	9	=
D13	2	4	8	=
D14	1	4	4	=
D15	2	5	10	=
D16	2	5	10	=
D17	2	5	10	=
D18	2	5	10	=

3. Strategic risks, mitigation approaches and scores

Description	Mitigation approaches	Probability	Impact	Score
Category A: Staff wellbeing and retention				
A1: Staff departures compromise our ability to deliver statutory and contractual commitments, regulatory obligations or functions essential for day-to-day operations.	• Staff support offer to strengthen wellbeing and resilience approved and actioned: Includes ongoing EAP, peer support, externally facilitated workshops, external support, courses to build resilience toolkit with Mind. • Continue to celebrate staff efforts in team meetings focusing on change to our communities • Undertaken review of activity in business and research plans • Board agreed recognition payment, approach to 2026-27 pay agreed as basis for budget-planning and communicated to staff, November board reviewed redundancy policy. Board agreed proposals for interim external support to reinforce capacity concerns re vacancies • Board has discussed the increased range of demands placed on the chief executive, keeps this under review including through regular 1:1s with the Chair, and owns the need to support her to support the wider team	Moderate 3	Major 4	High 12
A2: Uncertainty, organisational change and/or changes in workload creates additional stress for staff, leading to sickness absence or staff leaving.		Likely 4	Major 4	Very High 16
Category B: Delivery, reputation, impact and influence				
B3: Change management activity reduces team and individual focus on project delivery and identification of impact.	• Transparency of motivations for decisions in line with purpose – requires clarity of comms messaging and stakeholder management • Continued activity at the most important on line and in person meetings, where residents can see how our work is making a difference • Championing our values, not our interests	Moderate 3	Significant 3	Medium 9

Description	Mitigation approaches	Probability	Impact	Score
B4: Decisions, delivery or communications suggest to the public that we have ceased to be active and effective, are internally focused to the detriment of our external work, are acting in our own organisational interests or are no longer relevant.	• Ensuring our work continues to be relevant by working with public, partners and stakeholders to shape and influence • Continued relationship building and maintenance with Hertfordshire County Council and key system partners and decision makers, including development of relationships with the new Central East Integrated Care Board • Delivery on our commitments and business plan and communicating any changes clearly • Staying in close touch with and maintaining or making fresh contact with decision makers as change happens. • Continued links with other Healthwatch • Tracking and following our impact to ensure partners and decision makers are taking our work seriously. • Ensuring the CEO is enabled to balance their workload between internal focus, delivery of existing commitments, planning for upcoming financial year and enabling board to help steer the organisation through any future change. • Chair and CEO keeping under review in 1:1s and in planning for external meetings • Ensuring that interim support is effectively leveraged to bolster effort in the context of vacancies	Unlikely 2	Major 4	Medium 8
B5: Key system stakeholders disengage or withdraw support, given Healthwatch statutory duties will be absorbed by others in the system.		Unlikely 2	Major 4	Medium 8
B6: Significant external change in NHS and local government structures, leadership and staffing coincide with our own change processes and reduces our ability to identify& maintain purposeful relationships with key decision-makers.		Moderate 4	Major 4	Very High 16
B7: We fail to balance our statutory and holding to account role appropriately with the need to negotiate the future.		Unlikely 2	Severe 5	High 10

Description	Mitigation approaches	Probability	Impact	Score
B8: Reduced quality and/or visibility of key activities to the public and key stakeholders, including information and signposting, research and co-production development	• Ensure quality is maintained, through timely planning and resource management • Ensuring staff are enabled and supported	Moderate 3	Major 4	High 12
Category C: Finance and capacity				
C9: We fail to develop and maintain a financial plan that reflects the potential for reduced income and statutory activity during 2027/28 and beyond.	• Investment in external management accountancy and other technical expertise already put in place • Additional support for CEO in place, interim recruitment underway for vacancies, which will create ability to focus on this • Future Planning Working group ensures board and executive focus on this from early stages throughout and ensuring that we build the relevant work and decisions into Board Advisory Committee and Board schedules. • Early budget reviews to ensure clarity of available options • Annual business plan and research program reviewed by board	Unlikely 2	Severe 5	High 10
C10: We fail to identify and assess appropriate income-generation options, costs and alternative scenarios for the future		Moderate 3	Major 4	High 12
Category D: Governance, decision-making and compliance				
D11 Trustees do not have the right skills, knowledge, information, advice, systems and processes to make effective decisions that comply with the duties of charity trustees and company directors and that are understood internally and externally.	• Ensuring ongoing compliance with good governance and working closely with CEO to shape board agendas and papers to ensure information is available for sound decision making • Staff capacity to manage compliance has been supplemented, compliance schedule and checklist in place and scheme of delegation	Unlikely 2	Severe 5	High 10

Description	Mitigation approaches	Probability	Impact	Score
D12: The board does not make timely decisions due to not being able to have timely or sufficient information when decisions are required or not having timely meetings in response to key external drivers for decisions.	updated by Board Advisory Committee for board approval at March meeting • Future Planning Working Group of board to help support board decision making, including ensuring recent retirement of Treasurer was appropriately assessed for impact and considered by Board Advisory Committee • Future Planning Working Group to consider potential requirements for additional trustee development and/or briefing • Keep in close contact with Healthwatch England as available information emerges • Board discussions on risk Identify the risks, impacts and mitigations to ensure these are appropriately managed. • Board has agreed to appropriate use of the agreed facility for Chair's action where necessary to expedite decisions. • Ad hoc meetings where necessary to enable decision making • Chair and CEO to ensure Board and staff team are engaged and agreed on options and vision • Continued staff briefings and open communication between staff team and board, where any concerns or considerations could be raised with the CEO. • ~~Ensure staff capacity to focus on compliance is under consideration throughout upcoming efforts, and assurance of this is sought at meetings of board.~~	Moderate 3	Significant 3	Medium 9
D13: Board decision-making and/or the rationale for decisions become or appear to become remote or disconnected from staff.		Unlikely 2	Major 4	Medium 8
D14: Board decision-making and/or the rationale for decisions become or appear to become unduly weighted in favour of Healthwatch as an organisation rather than our public benefit.		Rare 1	Major 4	Low 4
D15: Lack of a shared vision of desirable and/or intended outcomes between trustees creates confusion for the staff team and hampers a successful outcome.		Unlikely 2	Severe 5	High 10
D16: The board fails to discharge its ongoing compliance responsibilities as the board of a charity, a company and local Healthwatch organisation, to make relevant decisions transparently or to record decisions and evidence appropriately.		Unlikely 2	Severe 5	High 10
D17: We fail to deal appropriately with data and intellectual property in the event that our statutory functions cease.		Unlikely 2	Severe 5	High 10

Description	Mitigation approaches	Probability	Impact	Score
	• Future Planning Working Group is building and maintaining a timetable based on updates from DHSC and Healthwatch England. Board Advisory Committee has considered the processes and timings that would be involved in the event that we needed to change our governing documents.			
D18: In the event of a planned closure or significant change in organisational form, we fail to comply with our legal and/or constitutional duties concerning the process or to ensure that records and finances are handled in accordance with company and charity law for the requisite periods.		Unlikely 2	Severe 5	High 10