Agenda Item No:	8
Committee:	**Audit and Risk Management Committee**
Date:	**28th July 2025**
Report Title:	**Corporate Risk Register Review**

1 Purpose / Summary

1.1 To provide an update to the Audit and Risk Management Committee on the Council's Corporate Risk Register.

2 Key Issues

2.1 The Council's Risk Management Strategy ensures the effective maintenance of a risk management framework by:-

- o embedding risk management across core management functions;
- o providing tools to identify and respond to internal and external risk;
- o linking risks to objectives within services and regularly reviewing these.

2.2 The Audit and Risk Management Committee has asked that the Council's Corporate Risk Register is reviewed and presented to it quarterly.

2.3 The latest Corporate Risk Register (**Appendix A**) is attached to this report.

3 Recommendations

3.1 The latest Corporate Risk Register is agreed as attached at Appendix A to this report.

Wards Affected	All
Forward Plan Reference	N/A
Portfolio Holder(s)	Cllr Chris Boden – Leader and Portfolio Holder for Corporate Governance
Report Originator(s)	Stephen Beacher – Head of ICT, Digital & Resilience
Contact Officer(s)	Paul Medd – Chief Executive Peter Catchpole –Corporate Director & Chief Finance Officer Stephen Beacher – Head of ICT, Digital & Resilience
Background Paper(s)	Previous reviews of the Corporate Risk Register: minutes of Audit and Risk Management Committee

1 Background / Introduction

1.1 This is the latest quarterly update in respect of the Corporate Risk register.

2 Considerations

2.1 The Council has seven considerations when considering risk:-

- o Performance – can we still achieve our objectives?

- o Service delivery – will this be disrupted and how do we ensure it continues?

- o Injury – how do we avoid injuries and harm?

- o Reputation - how is the Council's reputation protected?

- o Environment – how do we avoid and minimise damage to it?

- o Financial – how do we avoid losing money?

- o Legal – how do we reduce the risk of litigation?

2.2 Members and Officers share responsibility for managing risk:-

- o Members - have regard for risk in making decisions

- o Audit and Risk Management Committee – oversee management of risk

- o Corporate Management Team – maintain strategic risk management framework

- o Risk Management Group – Lead Officers across the Council promote risk management and a consistent approach to it

- o Managers – identify and mitigate new risks, ensure teams manage risk

- o All staff – manage risk in their jobs and work safely.

2.3 Risk is scored by impact and likelihood. Each have a score of 1-5 reflecting severity. The overall score then generates a risk score if no action is taken, together with a residual risk score after mitigating action is taken to reduce risk to an acceptable level.

2.4 The level of risk the Council deems acceptable is the "risk appetite". The Council accepts a "medium risk appetite" in that it accepts some risks are inevitable and acceptable whereas others may not be acceptable.

2.5 Managers consider risks as part of the annual service planning process. Each service has a risk register with the highest risks being reported at a strategic level, forming the Corporate Risk Register. The Corporate Management Team, supported by the Risk Management Group, ensures that the highest risks are regularly reviewed and mitigating action undertaken.

2.6 The Corporate Risk Register is very much a "living document"; the Audit and Risk Management Committee reviews it quarterly.

2.7 Where exceptional new risks present themselves, they can be referred to Audit and Risk Management Committee urgently as appropriate.

2.8   Risk appetite has been considered. The Council takes a medium risk appetite, accepting that the current climate in Local Government is subject to great change and that some risks are necessary in order for the Council to move forward and continue to deliver high quality, cost-effective services.

As a result of this, in some instances it is not possible to significantly reduce residual risk. Having said this, some decisions may need to be made in a timely manner and this could increase risk appetite accordingly. The Council's overall risk appetite should be reviewed regularly.

2.9   Risk awareness is embedded across the Council and it is important that risk awareness and management is integral to the Council's culture. To achieve this, risk awareness and training are important.

2.10   It is important that Members have regard for risk when considering matters and making decisions at Council, Cabinet and Committees. In addition, Audit and Risk Management Committee must take a strategic overview of risk and consider the highest risks to the Council as set out in the Corporate Risk Register.

3   Changes to the Corporate Risk Register

3.1   The Risk Register has been reviewed by the Corporate Risk Management Group and Corporate Management Team.

3.2   Mitigating actions and progress have been updated.

3.3   Commentary regarding all risks and action being taken to ensure current risks are minimised has been updated in the Risk Register.

3.4   All updates are highlighted in green.

3.5   The register also includes some narrative around the Risk Management Process (at section 2); the Monitoring and Escalation Framework (at section 4); the Risk Appetite and tolerance levels; and a heat map showing all the residual risks at page 28.

3.6   In this updated register, an historical administrative error on risk 3 has been corrected and the residual likelihood has been amended to a 3 instead of a 4.

4   Next Steps

4.1   Officers will continue to bring a reviewed and updated Corporate Risk Register to Audit and Risk Management Committee on a regular basis.

5   Conclusions

5.1   The risk management process provides assurance for the Annual Governance Statement, which is substantiated by reports from the Council's External Auditors in their issuance of an unqualified audit opinion.

5.2   Regular review (and updating as appropriate) of the Risk Management Strategy and Corporate Risk Register will further build the assurance required above.

Corporate Risk Register

Reviewed and updated July 2025

1 Introduction

1.1 This is the latest Corporate Risk Register. Please refer to the Council's Corporate Risk Strategy for further information about how the Council approaches risk management. Actions and comments for each risk have been revised and <mark style="background-color:#00ff00">other changes are highlighted in green</mark>.

2 Risk Management Process

2.1 Risk Management is designed to identify what could affect the achievement of objectives, and to plan a proportionate response.

2.2 The Council's approach to Risk Management is documented within the Risk Management Framework. It aims to ensure that risks are identified for both strategic and operational activity. This includes:

- corporate and service priorities;
- project management;
- decision-making and policy setting; and
- financial and performance monitoring and planning.

2.3 The Risk Management Framework provides tools to manage risks for the different types of system and control environment, such as the Corporate Risk Register to capture and summarise significant and strategic risks; team risk registers which help inform service planning and actions; risk and hazard identification documents are shared with management as appropriate during audit reviews; and health and safety risk assessments which are updated annually by teams.

2.4 The frequency and mechanism for monitoring risks reflects the type of monitoring system, and the pace of changing circumstances, for example:

o Project risks will be recorded in project risk registers and are reviewed frequently throughout the project's life.

o Operational risks are identified through audit and inspection work and are assigned dates and ownership.

o Operational risks are identified through service planning and are linked to the service plan actions. These are typically monitored monthly through team meetings as part of the Councils Performance Management framework.

2.5 The Annual Governance Statement records governance actions, which are reviewed biannually as good practice. The Corporate Risk Register comprises strategic and significant risks. The register can both inform and reflect risks recorded in other risk management systems. It may refer to more detailed analysis of risks, presented to committees, such as the Medium-Term Financial Strategy. Appropriately, mitigation may be linked to specific actions recorded and monitored through service plans, or committee forward plans.

2.6 Risks are categorised and scored according to their impact and likelihood. This activity allows managers, to prioritise resources to mitigate them. Strategic and significant risks are defined by the Councils risk appetite.

2.7 The outcomes of this process are reported to the Audit and Risk Management Committee at least twice each year in the form of the attached Corporate Risk Register.

2.8 The review of the Risk Management Framework, Policy and Strategy, will be reported to the Audit and Risk Management Committee at least annually. The Risk Management process, and register, will provide assurance for the Annual Governance Statement.

3. How Risks Are Scored

3.1   The Council has adopted a consistent scoring mechanism for all risk identification, as it enables risks identified from other systems to be escalated to the Corporate Risk Register.

3.2   The probability - "likelihood", and effect - "impact", of each risk must be identified in order to help assess the significance of the risk and the subsequent effort put into managing it.

3.3   The risk score is calculated by multiplying the impact score by the likelihood score:

IMPACT	
Score	Classification
1	Insignificant
2	Minor
3	Moderate
4	Major
5	Catastrophic

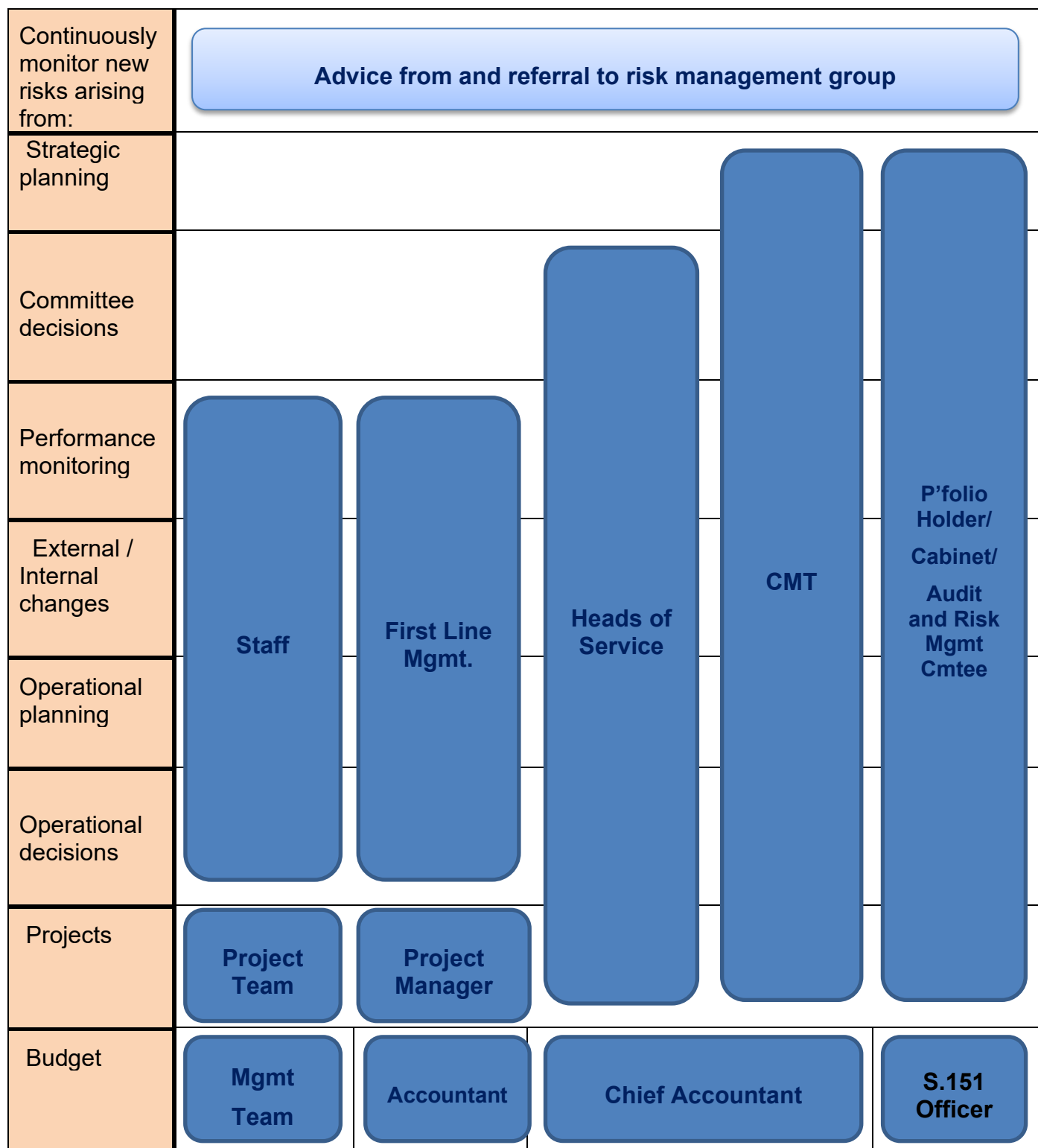| LIKELIHOOD	
Score	Classification
1	Highly unlikely
2	Unlikely
3	Possible
4	Probable
5	Very likely

IMPACT x LIKELIHOOD = RISK SCORE

3.4   The impact and likelihood of risks is scored with regards the below levels:-

Score	1	2	3	4	5
Criteria	Insignificant impact	Minor impact	Moderate Impact	Major Impact	Catastrophic Impact
Performance	Objectives still achieved with minimum extra cost or inconvenience	Partial achievement of objectives with compensating action taken or reallocation of resources.	Additional costs required and or time delays to achieve objectives – adverse impact on PIs and targets.	Unable to achieve corporate objectives or statutory obligations resulting in significant visible impact on service provision such as closure of facilities.	Unable to achieve corporate objectives and/or corporate obligations.
Service Delivery	Insignificant disruption on internal business – no loss of customer service.	Some disruption on internal business only – no loss of customer service.	Noticeable disruption affecting customers. Loss of service up to 48 hours.	Major disruption affecting customers. Loss of service for more than 48 hours.	Loss of service delivery for more than seven days.
Physical	No injury/claims.	Minor injury/claims (first aid treatment).	Violence or threat or serious injury/claims (medical treatment required).	Extensive multiple injuries/claims.	Loss of life.
Reputation	No reputational damage.	Minimal coverage in local media.	Sustained coverage in local media.	Coverage in national media.	Extensive coverage in National Media.
Environmental	Insignificant environmental damage.	Minor damage to local environmental.	Moderate local environmental damage.	Major damage to local environment.	Significant environmental damage attracting national and or international concern.
Financial	Financial loss < £200,000	Financial loss >£200,000 <£600,000	Financial loss >£600,000 <£1,000,000	Financial loss >£1,000,000 <£4,000,000	Financial loss >£4,000,000
Legal	Minor civil litigation or regulatory criticism	Minor regulatory enforcement	Major civil litigation and/or local public enquiry	Major civil litigation setting precedent and/or national public enquiry	Section 151 or government intervention or criminal charges

4.   Monitoring and Escalation Framework

4.1   The following diagram illustrates the key stakeholders for different classification of risk management:

Continuously monitor new risks arising from:	Advice from and referral to risk management group				
Strategic planning				CMT	P'folio Holder/ Cabinet/ Audit and Risk Mgmt Cmtee
Committee decisions			Heads of Service		
Performance monitoring	Staff	First Line Mgmt.			
External / Internal changes					
Operational planning					
Operational decisions					
Projects	Project Team	Project Manager			
Budget	Mgmt Team	Accountant	Chief Accountant		S.151 Officer

5.0 Risk Appetite and Tolerance Levels

5.1 Risk appetite and tolerance is the amount of risk an organisation is prepared to accept, or be exposed to at any point in time. It can indicate where action is required to reduce risk to an acceptable level, plus opportunities for positive outcomes which can be monitored.

5.2 The Council has adopted the approach and definitions used by CIPFA and the Institute of Risk Management:

Risk Appetite

"The amount of risk an organisation is willing to seek or accept in the pursuit of its long-term objectives".

An example may be consideration of the funds or resources that an organisation is prepared to invest in a venture where success is not guaranteed but that would yield benefits.

Risk Tolerance

"The boundaries of risk taking outside which the organisation is not prepared to venture in the pursuit of its long-term objectives".

An example may be a Treasury Management Strategy that rules out certain types of investment options.

5.3 Typically an individual's perception of an acceptable risk is the same irrespective of which definition is used. Differences may occur where risks cannot be controlled or completely eliminated. For example, political and legislative change is an external driver which cannot be fully mitigated. In this instance the risk tolerance, and ability to manage the risk, may be greater than risk appetite.

5.4 It is recognised that the tolerance or appetite is subjective, and may change according to the environment, internal and external drivers. Consequently, it is important, regardless of the terms used, that everyone has a consistent approach to risk taking to prioritise resources effectively.

5.5 The Councils risk appetite is set by the Corporate Management Team (CMT) and is reviewed periodically. This provides guidance to everyone on acceptable levels of risk taking, to encourage a consistent approach to risk management.

5.6 Different risk appetites can be illustrated on a five-by-five matrix as three levels: high, medium and low. The Council is risk aware and the current level is determined by CMT as medium. This provides guidance that any inherent risk scored at 15 or greater is to be considered for the Corporate Risk Register.

5.7 Once controls are in operation the risks can be scored again to illustrate the residual risk.

6. The Corporate Risk Register at a Glance

6.1 Please see below for a summary of current risks and their scores. More detail follows in section 7 of this document, in which the individual risks are ordered by severity of current risk, in descending order.

Ref	Risk	Risk if no action			Change	Current risk			Change	Page in register
		Impact	Likelihood	Score		Impact	Likelihood	Score		
25	Financial Impact due to External Factors (Funding changes which make the Council unsustainable / failure of external investment institutions)	5	5	25	⟷	4	5	20	⟷	9
27	Natural Disaster / Pandemic (The Council's ability to cope with a natural disaster / pandemic)	5	5	25	⟷	4	4	16	⟷	10
26	Financial Management (Failure to achieve savings targets / capital funding strategy / the Council's commercialisation and investment strategy)	5	5	25	⟷	4	4	16	⟷	11
24	Change in Government Priorities or Legislation (New or amended legislation / change of priorities)	5	5	25	⟷	4	4	16	⟷	12
3	Procurement & Contract Management (Failure of contractors/suppliers working on the Council's behalf)	4	4	16	⟷	4	3	12	⬇	13
6	Cyber Resilience (Loss of ICT provision)	5	5	25	⟷	4	3	12	⟷	14
23	Business Continuity / Disaster Recovery (Response to a localised operational issue)	5	5	25	⟷	4	3	12	⟷	15

22	Resourcing (Service provision affected by organisational change / insufficient staff)	4	5	20	⬌	3	4	12	⬌	16
1	Local Government Reorganisation (LGR)	5	3	15	⬌	4	3	12	⬌	17
10	Health & Safety (Major health and safety incident)	4	4	16	⬌	3	3	9	⬌	18
11	Fraud (Fraud and error committed against the Council)	5	4	20	⬌	3	3	9	⬌	19
13	Partnership Working (Failure of Governance in major partners, or in the Council, as a result of partnership working)	4	5	20	⬌	3	3	9	⬌	20
19	Communication & Engagement (Poor communications with stakeholders)	4	5	20	⬌	3	3	9	⬌	21
20	Commercial & Investment Strategy (Failure of the Council's commercialisation and investment strategy)	5	4	20	⬌	3	3	9	⬌	22
15	Project Management (Over-run of major Council projects in time or cost)	4	5	20	⬌	3	2	6	⬌	23

7 Corporate Risk Register

Number – Owner	Risk and Effects	Inherent Scores			Mitigation	Residual Scores			Comments / Actions since Last Review
		Impact	Likelihood	Total		Impact	Likelihood	Total	
25 – Peter Catchpole (SW)	**Financial Impact due to External Factors** (Funding changes which make the Council unsustainable / Failure of External Investment Institutions) **Risks:** • Funding changes make Council unsustainable. • Failure of external investment institutions. • The current impact of inflation and how this may present additional pressures to the Council's overall finances. **Effects:** • Economic changes, imposed savings requirements, changes to local government funding systems. • Financial management of NNDR, CTS leads to change in income /spending making Council unsustainable. • Failure of external investment institutions affecting availability of funds or return on investment reducing cash flow and resource availability.	5	5	25	Financial Regulations & Standing Orders; Appropriately trained staff; Professional economic forecasts; Community consultation on service priorities; Council for the Future programme; Political decisions linked to budget strategies; Executive steer of service /capital priorities; Review fees & changes; Budget monitoring; Policy for maximum investment / borrowing levels limits liability; Credit ratings; Financial management; Insurance; Treasury Management Strategy; Using intelligence to model and plan for future changes and risks and move away from reliance on Govt funding to balance our budget; Regular monitoring of current position and reporting to Members; Inclusion in national working groups, modelling and lobbying for funding system; Sharing Council's Efficiency Plan with the Government allows guaranteed multi-year grant settlement raising funding certainty; Partnership working; Pursuing opportunities for external funding; Robust auditing of processes and policies. We closely monitor information received from government and relevant interest groups and sector representatives regarding anticipated changes in the financing of local government. Our Medium-Term Financial Plan articulates the key risks to the Council arising from potential changes in the current arrangements. The MTFP forecasts the gap between the cost of delivering Council services and the resources available, including any planned use of Council reserves. The Council has an agreed Commercialisation and Investment Strategy which will enable the Council to generate additional income. This provides a framework to determine which investment opportunities can be taken forward. Some income-generating investments have been made. However, the challenging economic outlook, particularly in respect of inflation and rising financing costs, is likely to reduce, at least in the short-term, the commercial viability of some planned investments. Each service is required to review and identify any opportunities for transformation, commercialisation and efficiency. The Council has now delivered Phase 2 of the 'Modernising Council Services' programme which is on target to deliver significant savings over the Council's current MTFP period. We have now started delivering the next phase of this transformation programme. It is unclear to what extent government will be able and willing to provide any level of financial support in response to the current economic challenges. To mitigate against significant rises in IDB levies additional funding has been received for 2024-25. The Treasury Management Strategy is subject to review by the Audit and Risk Management Committee prior to being considered and approved by Cabinet and Full Council in February each year. An annual report and a mid-year report are produced during the year for members' consideration in accordance with reporting requirements set out by CIPFA and the Council's treasury management position is regularly reviewed. The Council complies with relevant sector best practice. Defra has yet to set the levels of agreed revenue support for either Food Waste Transitional Funding or Extended Producer Responsibilities (EPR) making budget setting and resource management difficult. Capital funding for food waste implementation in 2026 has been received but raises concerns that it will be sufficient for the transition to weekly food waste collections. The scope of the Transformation team is being reviewed to include support for Local Government Reorganisation and Inspire projects. The General Fund Budget Estimates and Medium-Term Financial Strategy (MTFS) Report, agreed by Cabinet and Council in February, projects a financial shortfall for 2025/26 of £1.432m increasing year on year amounting to around £3.4m by 2027/28. Although there are currently many uncertainties regarding the budget for 2025/26 and the MTFS, there remains a significant structural deficit which the Council will need to address.	4	5	20	

Number – Owner	Risk and Effects	Inherent Scores			Mitigation	Residual Scores			Comments / Actions since Last Review
		Impact	Likelihood	Total		Impact	Likelihood	Total	
27 – CMT (SB)	**Natural Disaster / Pandemic** (The Council's ability to cope with a natural disaster / pandemic) **Risks:** • The Council's ability to cope with a natural disaster, or a pandemic / infectious disease situation. • Failure to maintain robust emergency planning procedures. **Effect:** Natural disaster: malicious or accidental incident affects support required by civilians or disrupts existing Council services.	5	5	25	Business Continuity and Emergency Planning procedures; Regular exercises and joint public sector workshops; Emergency Planning communications strategy; Review of approach with partner organisations as a result of lessons learned; Local Resilience Forum; Working with key partner agencies (Public Health, CPLRF, ARP etc.); Agile working, all relevant staff are enabled to work remotely; Ensure key emergency planning staff attend regular liaison meetings and training. Internal Audit carried out reviews of our Business Continuity and Emergency Planning processes during 2024. The Council retain the use of our four leisure centres for use as rest centre locations. The Council has a rota for 'on-call' senior officers at Gold (strategic), Silver (tactical) and Bronze (operational) levels to respond in the event of an incident. The Council's response to any such situation will complement, and support, that of the CPLRF.	4	4	16	

Number – Owner	Risk and Effects	Inherent Scores			Mitigation	Residual Scores			Comments / Actions since Last Review
		Impact	Likelihood	Total		Impact	Likelihood	Total	
26 – Peter Catchpole (SW)	**Financial Management** (Failure to achieve saving targets / capital funding strategy / the Council's commercialisation and investment strategy) **Risks:** • Failure to achieve required saving targets. • Capital funding strategy failure. **Effects:** • Failure to achieve efficiency savings, or to maximise income. • Failure to achieve performance targets may result in greater than budgeted costs and potential risk of Council not being able to set a balanced budget. • Financial risks of capital funding shortfalls leading to increased burden to the Council. • Potential for marginal deficit in capital programme if future funding is not realised.	5	5	25	Heightened analysis of budgets; Implementing service transformation; Implementing procurement strategy; Corporate plan; Pursue action to increase income streams; Performance Management Framework; Robust workforce planning; Project management; Council for the Future programme; Corporate Asset Team; Monitoring of capital receipts and effect on capital programme; Additional funding opportunities identified and pursued; Project lead monitors site valuations; Marketing and identification of potential land purchases; Flexibility of planning guidance; Robust control of Corporate Transformation Plan; Regular progress reports and assurance to Members; Forward planning and horizon scanning; Asset Management Plan; Asset Disposal Strategy. Delivery of Council Efficiency targets continue including delivering planned savings in the Council's annual budget and medium-term financial strategy. The Council has delivered the TA2 transformation programme which has delivered savings over the Council's current MTFP period. A further specific challenge relates to future costs concerning the Port infrastructure and backlog maintenance of the property portfolio. Members are aware that whilst the associated costs are not yet factored into the capital programme and medium-term financial plan the impact is likely to be significant. The options for cost-avoidance and reduction will depend on significant strategic decisions to be taken as part of the budget-setting process. With the Council currently showing an in-year deficit position, we need to focus on all feasible interventions to bring this down considerably. These will include: limiting service budget expenditure to essential items only, withdrawing support for certain overtime and agency worker arrangements, suspending recruitment for certain unfilled roles on the establishment. The Council have a Savings Tracker which includes a list of deficit reduction issues for CMT/MT to consider and agree a way forward at each meeting. The Transformation Team will review their current work programme to focus on the priorities above whilst potentially decommissioning lower-level priority service review activity. Management Team will need to continue putting our efforts behind the following priority areas (not exhaustive): Homelessness; Port; Planning; Transformation/Operating Model (Applications); Staff costs; Environment Act Obligations; Capital Pressures; Debt, The updating of the Financial Regulations will be reviewed, and any changes will have to go through Cabinet and Full Council for approval before publishing. The final budget report for 2025/26 was agreed by Cabinet and Council on 24th February 2025. Members are reviewing priorities since the announcement of LGR. The Investment Strategy is reviewed annually by ARMC. The Accommodation project is currently on hold, awaiting the outcome of Local Government Reorganisation. The General Fund Budget Estimates and Medium-Term Financial Strategy (MTFS) Report, agreed by Cabinet and Council in February, projects a financial shortfall for 2025/26 of £1.432m increasing year on year amounting to around £3.4m by 2027/28. Although there are currently many uncertainties regarding the budget for 2025/26 and the MTFS, there remains a significant structural deficit which the Council will need to address.	4	4	16	The financial outturn for the financial year 2024/25 resulted in a surplus. A tracker has been created to evidence the potential benefits and costs savings from the transformation programme. It also tracks savings realised. An Additional Resource Authorisation Form has been introduced to approve resource by Finance and CMT. An updated debt management policy has been delivered.

Number – Owner	Risk and Effects	Inherent Scores			Mitigation	Residual Scores			Comments / Actions since Last Review
		Impact	Likelihood	Total		Impact	Likelihood	Total	
24 – CMT (PM/AB)	**Change in Government Priorities or Legislation** (New or amended legislation / change of priorities) **Risks:** • Change in legislation. • Change in government priorities. • Significant legal challenge. • Risk of GDPR breach and ICO sanction / fine. • Risk of administrative, or other challenge in relation to the Council's overall governance / acts / omissions. **Effect:** Changes in national political priorities may result in immediate changes that require additional resource to achieve and fail to reflect priorities determined by consultation.	5	5	25	Monitoring Officer; Horizon scanning by Legal / CMT / Management Team; Financial & workforce planning; Membership of professional / Local Govt. bodies aids horizon scanning; Management of change approach to mitigate significant impact to the organisation; Detailed project plans to change implementation; Respond to consultations on new legislation; Insurance; Cabinet reports; Clear corporate planning and regular performance monitoring; Effective service/ financial planning; Respond to national consultation on key policy change; Membership of LGA as a Council Outside Body; Use intelligence to identify impending changes and their effects; Ensure staff trained and procedures changed; Use professional networking to identify best practice for responding to change; We respond to government consultations on changes to legislation / policy to influence its development; Operate in accordance with best practice; Seek specialist external legal advice, where required; Effective working with other local authorities; Understanding and acting on intelligence from LGA, CIPFA, and other local government sources; Resources identified, approved, and implemented without delay; Horizon scanning via professional bodies; Joint/collaborative working. The likelihood of legislative change remains high. We are keeping a watching brief as any changes are announced. We are monitoring expected legislative changes which may arise after the introduction of the Procurement Act which will replace the current EU law-based procurement regulations and lay down new rules and procedures for selecting suppliers and awarding contracts. The Council has in-house senior legal advice as well as through its links with external organisations, such as EM Lawshare and PCC Legal. Specialist external advice will be sought in relation to complex / technically challenging matters, as appropriate. The Elections Bill 2021 includes additional requirements relating to: Voter identification; Postal and Proxy voting measures; Clarification of undue influence; Accessibility of Polls; Overseas Electors; EU Voting and Candidacy Rights; The Electoral Commission; Notional Expenditure; Political Finance; Intimidation: New Electoral sanction; and Digital Imprints. The Government have announced that they will facilitate a programme of local government reorganisation for two-tier areas. They will invite proposals for reorganisation, and take a phased approach to delivery, considering where reorganisation can unlock devolution, where areas are keen to move quickly or where it can help address wider failings. New unitary councils must be the right size to achieve efficiencies, improve capacity and withstand financial shocks. For most areas this will mean creating councils with a population of 500,000 or more, but there may be exceptions to ensure new structures make sense for an area, including for devolution, and decisions will be on a case-by-case basis. Members are reviewing priorities since the announcement of LGR as reported to O&S. The Procurement Act has now come into force. Refresher training has been developed and will be rolled out shortly. The new Employment Bill being proposed by the Government is currently going through the House of Lords. The Bill intends to make provision to amend the law relating to employment rights; to make provision about procedure for handling redundancies; to make provision about the treatment of workers involved in the supply of services under certain public contracts; to provide for duties to be imposed on employers in relation to equality; to amend the definition of "employment business" in the Employment Agencies Act 1973; to provide for the establishment of the School Support Staff Negotiating Body and the Social Care Negotiating Bodies; to amend the Seafarers' Wages Act 2023; to make provision for the implementation of international agreements relating to maritime employment; to make provision about trade unions, industrial action, employers' associations and the functions of the Certification Officer; to make provision about the enforcement of legislation relating to the labour market; and for connected purposes. The impact of its implementation is likely to have a significant on all employers, and will require a review of all associated policies, Codes of Practices, procedures and some additional management training. The Environment Act require weekly food waste collections from all properties from April 2026. The council has a project team delivering these changes. The act also includes changes to waste collection and treatment. Funding for recycling collections through Extended Producer Responsibility, delivery of weekly food waste and Deposit Return Scheme all represent a significant change and present a risk to the authority.	4	4	16	

Number – Owner	Risk and Effects	Inherent Scores			Mitigation	Residual Scores			Comments / Actions since Last Review
		Impact	Likelihood	Total		Impact	Likelihood	Total	
3 – CMT (All Managers)	**Procurement & Contract Management** **Risk:** Failure of contractors / suppliers working on the Council's behalf. **Effect:** Failure of contractor or partners to deliver services or meet agreed performance objectives leads to additional costs or failed objectives.	4	4	16	Procurement processes, including financial aspects, contract standing orders, and equality standards; Creation of robust contracts; Accountability and risk ownership; Service Level Agreements; Contract monitoring; Trained / skilled staff; Project management; Relationship Management; Business Continuity plans; Ensuring contracts have risk registers and mitigation in event of contract failure; Ensuring all contractors have reviewed their business continuity plans; Individual Council services share their own contingency to cover for contractor failure, which forms part of the Business Continuity Plan for each service area; Potential contractors and suppliers are always checked for financial stability and business continuity by the Accountancy / Procurement teams before contracts are let. FDC has arrangements in place to manage / monitor the performance of the Tivoli Grounds Maintenance contract and the Freedom Leisure contract. All other contracts have a full review and governance process in place to ensure ongoing delivery and performance standards. The cost of living and energy crises form a significant challenge to the leisure business. Freedom Leisure and FDC are monitoring the situation closely and are working together to mitigate impact on the services provided to the local community in Fenland. A Contract Management Policy and associated standards and guidance toolkit will be considered to ensure that all contracts are managed in a consistent and compliant manner. This should be available to all contract managers. The Materials Recovery Contract is in place with a competent contractor for the 10,000 tonnes of blue bin recycling materials. The bulking and transfer of this material is in place into 2025. The Procurement Act has now come into force. Refresher training has been developed and rolled out to all staff. The Code of Procurement was agreed by Full Council in December 2024, and the Procurement Strategy was agreed at Full Council in February 2025. Alternative arrangements for the bulking and transfer of recyclable material are now in place.	4	3	12	Following an audit of our Contracts Register in February 2025, the actions identified to be followed up during an audit of procurement have now been completed. An Audit of our preparation for the Procurement Act was completed in 2024/25. This produced a Reasonable Assurance Opinion with 6 Actions.

| 6 – Peter Catchpole (SB/AB) | **Cyber Resilience** (Loss of ICT provision)

Risk:
Breach of ICT security, ICT failure, or cyber-attack, causing loss of service.

Effects:
• Major ICT hardware / software failure, or attack (such as viruses, hacking, or malware) causes disruption to services, or a breach of security.

• Financial penalties due to data loss.

• Reputational damage. | 5 | 5 | 25 | Anti-virus software; Firewalls; Geographically distributed servers; Exercised Disaster Recovery plan; Data backed-up and stored off-site; Redundant power supplies; Clustered / virtual servers; Revised security policies; Service business continuity plans; All staff undertake cyber-security training annually; Effective auditing of systems; Regular penetration testing; Network monitoring.

The Council subscribes to the National Cyber Security Centre's (NCSC) Web Check service that helps public sector organisations identify website threats. This service scans public sector websites to check if they are secure.

Council ICT systems and website are as secure as possible with current anti-malware software and processes up to date. When vulnerabilities are made known by software vendors, software is promptly updated to reduce the risk of malicious attack.

Our ICT infrastructure and processes are accredited against the PSN Code of Connection, PCI DSS, and Cyber Essentials Plus certification.

Independent internal and external penetration testing is carried out annually to demonstrate our processes and security stance are adequate.

A mandatory on-line cyber training course is completed by all staff annually.

A presentation was delivered to members of Audit & Risk Management Committee in February 2025 detailing the cyber threats, the authority's cyber defences, and how we would respond to an incident. This was to increase Members' awareness and understanding before receiving assurance or making challenge. | 3 | 4 | 12 | An internal audit of our preparedness to protect our systems and data was carried out in 2024 and recommendations from this have now been implemented. |

| 23 – Peter Catchpole (SB/MG/AB) | **Business Continuity / Disaster Recovery** (Response to a localised operational issue)

Risks:
• Lack of access to Council premises preventing service delivery.

• Failure of ICT systems.

• Resources become unavailable.

Effects:
• Disruption of service provision.

• The Council has undertaken a condition survey of Fenland Hall and significant repairs are needed.

• Failure to secure and manage data leads to loss / corruption / inaccuracy of data, resulting in disruption to services and breaches of security. | 5 | 5 | 25 | Alarm and security systems; Fire drills; Business continuity plans; ICT disaster recovery plan; Geographically distributed sites; Remote working; Statutory building inspection and checks; Carrying out necessary works to rectify urgent issues; Effective auditing of systems and data held; Data backed-up securely off-site; Regular penetration testing; ICT Disaster Recovery procedures regularly tested; Additional ICT resource has been recruited; Provision of 'drop down' facilities for staff: Resilient internet feed to Fenland Hall; Resilience built into ICT infrastructure, where appropriate; Consideration given when a new system is procured or replaced as to whether it would be more appropriate to host this within the cloud in terms of resilience, capacity, performance, and cost.

The Council has an Information Asset Register of all records it holds in both paper and electronic form. Worked with IT system suppliers and conducted a staff awareness campaign to ensure that staff understand and are compliant with GDPR; Majority of information held by the Council is held with a legal basis for holding (e.g. Elections and Council Tax records); All staff undergo GDPR training.

The likelihood score reflects the global increase of cyber-crime; All Council employees undertake cyber security training; Improved ICT systems provide better/increased opportunities for remote/agile working; Where necessary, staff have the necessary equipment to be able to work away from the office with access to Council systems.

All key / priority services have individual business continuity measures in place to maintain service delivery; The Council has implemented Pay Point, which has enabled our residents to pay their bills (by cash or card) in a much greater number locations across the district. | 4 | 3 | 12 | Service business continuity plans will be reviewed over the coming months and all updates completed by the end of September 2025. |

| 22 – CMT (SA/All Managers) | Resourcing (Service provision affected by organisational change / insufficient staff)

Risks:
• Service provision affected by organisational change, or insufficient staff, to provide Council services.

• Increased competition from other employers within the same workforce pool.

• Insufficient leadership and/or management capacity.

Effects:
• Constraints to effective workforce planning may lead to poor standards of service, or disruption to service.

• Service transformation can help build resilience but could also lead to a loss of qualified and knowledgeable staff exposing the council to risk of service failure or legal challenge.

• Service provision, or performance, affected by organisational change, industrial action, or staff sickness resulting in complaints, poor performance, or possible further costs. | 4 | 5 | 20 | Learning & development framework / training; Working environment / culture; Staff Committee; Flexible working; Established suite of people policies & procedures; Business continuity plans; Management training; 121s / Springboards / staff development; Service planning process; Access to interim staff; Effective sickness management; Effective governance structures; Audit & Risk Management Committee; Consultation with Management, Trade Union and Staff Partnership group (MTSP); Robust HR management procedures; Regular performance monitoring; Project management processes; Ensure all services have effective workforce plans, which ensure all work is prioritised; Effective succession planning; Effective use of project management approaches / principles when delivering priorities / strategies; Robust management of all organisational change; Culture of council remains effective; Comprehensive programme of health surveillance for groups of employees who work in certain service areas; Trained Mental Health First Aiders; Stress awareness / resilience training; Staff engagement and consultation processes.

All services are required to publish service plans, learning requirements and workforce plans to ensure teams are staffed according to current establishment and to take account of priorities and longer-term trends. All service business continuity plans have been updated to ensure that key, priority and statutory services can be maintained in the event of a significant loss of staff through illness or absence.

Where necessary, staff have the necessary equipment to be able to work away from the office with access to Council systems. Upskilling our managers to assist in the management of a remote workforce and support the wellbeing of their teams.

Even with mitigation in place the challenges of attracting, recruiting and retaining staff is becoming increasingly difficult. As part of the Transformation programme, individual service reviews have commenced and will consider this issue as part of the process.

All organisational changes must be supported by a full rationale and business cases and are considered by senior management; Proposed changes are subject to a consultation process, and then progressed by a wider project group to ensure all service provision issues are considered and managed. This project management approach is maintained for all such changes/programmes, and is supported by communication, engagement and training support for staff groups affected.

The Council has a health and wellbeing programme in place which supports the existing suite of policies, codes of practices and processes, this includes a wide range of support to help promote and encourage their good health and wellbeing.

Actions agreed from the most recent wellbeing survey include:

• All managers will be invited to attend a two-day Mental Health First Aid course.
• All employees will be invited to a half-day Mental Health Awareness course.
• All new employees will be required to attend the training as part of their induction to the Council.

With the announcement of Local Government Reorganisation, it is envisaged that recruitment of vacant posts may be more difficult to fill, and retention of staff may prove to be more of a challenge. This will be closely monitored going forward. | 3 | 4 | 12 | |

| 1 - CMT | **Local Government Reorganisation (LGR)** Programme of local government reorganisation for two-tier areas and neighbouring unitary councils. **Risks:**
• Disruption due to cancellation of LGR programme.
• Difficulty recruiting new staff.
• Difficulty retaining current staff.
• Financial issues if LGR is cancelled or delayed.
• Procurement challenges.
• Normal control and procedures not being followed.
• Impact on partnership arrangements. **Effects:**
• Reduced workforce.
• Budgetary challenges. Reduced ability to negotiate contracts. | 5 | 3 | 15 | The Government have announced that they will facilitate a programme of local government reorganisation for two-tier areas. They will invite proposals for reorganisation, and take a phased approach to delivery, considering where reorganisation can unlock devolution, where areas are keen to move quickly or where it can help address wider failings. New unitary councils must be the right size to achieve efficiencies, improve capacity and withstand financial shocks. For most areas this will mean creating councils with a population of 500,000 or more, but there may be exceptions to ensure new structures make sense for an area, including for devolution, and decisions will be on a case-by-case basis. Members have begun reviewing priorities since the announcement of LGR.

FDC is working in collaboration with partner authorities. A 'workforce' workstream has been created to consider all staffing issues.

Reduced contract lengths could increase costs. The need to negotiate novation clauses in contracts.

The General Fund Budget Estimates and Medium-Term Financial Strategy (MTFS) Report, agreed by Cabinet and Council in February, projects a financial shortfall for 2025/26 of £1.432m increasing year on year amounting to around £3.4m by 2027/28. Although there are currently many uncertainties regarding the budget for 2025/26 and the MTFS, there remains a significant structural deficit which the Council will need to address. | 4 | 3 | 12 | |

| 10 – CMT (SA) | **Health & Safety** (Major health and safety incident)

Risk:
Major health and safety incident.

Effect:
Major health and safety incident at leads to costs for inquiry, disruption to service, and possible prosecution. | 4 | 4 | 16 | Health and Safety Policy / Codes of Practice; Quarterly meetings of Council Health & Safety (H&S) Panel; H&S Management System based on HSG65 (Plan, Do, Check, Act); H&S audits in all services; Specialist H&S Advisor; Corporate wide H&S training; Insurance; Aligned Port health and safety arrangements; Port Management Group and annual independent audit; Robust sickness management processes; Health and safety standing item on relevant team meetings; All services represented on H&S Panel meetings; Ensure equipment inventory and inspections are up to date; Collation of all Service Risk Assessment Registers; All high-risk areas have increased systems of management in place, e.g. Port Safety Management Group; Statutory building / equipment inspection programmes in place. Port Annual External Audit. External independent investigations into certain incidents.

For all major contracts we ensure providers meet all statutory requirements.

A thorough Health and Safety regime at the Council ensures that the residual risk remains carefully managed.

Programme of targeted health and safety refresher training is in place as per service specification.

Health and safety e-learning courses developed and rolled out on the Council e-learning platform.

Health and Safety performance is monitored regularly.

Flu jabs are being provided for employees, and we also provide a Health Cash Plan scheme for staff (at no cost to the Council). | 3 | 3 | 9 | |

| 11 – Peter Catchpole / Carol Pilson | **Fraud** (Fraud and error committed against the Council)

Risk:
Fraud and error committed against the Council.

Effects:
• Potential for fraud, corruption, malpractice, or error, by internal or external threats.

• Immediate financial loss which could harm reputation, and lead to additional costs or penalties. | 4 | 4 | 16 | Anti-fraud & corruption policy / strategy; Financial regulations / Standing orders; Codes of conduct; Appropriately trained staff; Appropriate culture and risk awareness; Segregation of duties; Supported financial management system; Budget monitoring regime; Internal Audit review of systems and controls; Bribery & corruption / fraud risk assessments; Indemnity insurance; Whistle-blowing procedure; Annual Governance Statement; ARP fraud resource; National Fraud Initiative; Increased staff vigilance; Fraud awareness training for managers; Raised profile internally and externally for successful prosecutions.

The Council has assisted with each bi-annual NFI, cross-matching information with records held nationally.

The Fraud team within the Anglia Revenues Partnership (ARP) continue to work on this subject.

Financial regulations will be reviewed to ensure they are up to date and available to all staff.

An updated training programme including fraud awareness is now available to all staff. The Procurement Act has now come into force, and refresher training has been developed and rolled out.

The current code of practice for registering outside interests has been reviewed by Internal Audit in light of the changes within the new Procurement Act.

There will be a new 'due diligence' review for each major procurement carried out (to include conflicts of interest check). | 3 | 3 | 9 | NAFN fraud alerts are shared with FDC for awareness and action, allowing us to be alert to a potential known fraud and to put prevention in place.

An Internal Audit has been undertaken on Declarations of Interest and improvement actions are underway to improve the declarations and register process.

Mandatory on-line training courses have been introduced for all employees and include Anti-Bribery training and a Bribery Refresher course. |

| 13 – Carol Pilson / Peter Catchpole (All Managers) | Partnership Working (Failure of Governance in major partners, or in the Council, as a result of partnership working)

Risk:
Failure of governance in major partners, or in the Council, as a result of partnership working.

Effect:
Partnership governance not adopted or followed leading to unachieved priorities or poor performance by major partner agencies (Cambs. and Peterborough Combined Authority, Anglia Revenues Partnership, CNC Building Control, CCTV). | 4 | 5 | 20 | Cabinet and Overview & Scrutiny; ARP Joint Committee and Operational Improvement Board; Joint risk registers and performance indicators; CNC Joint Members Board; Project plans / performance monitoring; Shared risk registers; PCCA Membership; Assurance that governance models correctly followed, and in the Council's interests; Support Members in governance of partnership bodies; Ensure that the Council's interests are protected as Members of the Combined Authority and as Officers working on joint projects; Ensure all partners have robust business continuity plans in place; GDPR compliance; Robust ICT governance processes; Data protection impact assessments.

The Annual Governance Statement being reported to Audit & Risk Management Committee shows the Council is in a strong governance position.

Scrutiny of key partners and contract monitoring takes place on an annual basis at O&S and Cabinet members sit on boards to ensure the effective delivery of partnership arrangements. | 3 | 3 | 9 | |

| 19 – CMT (DW/SA) | **Communication & Engagement** (Poor communication with stakeholders)

Risk: Poor communications with stakeholders.

Effects:
• Poor communication with stakeholders, or staff, leads to poorly informed direction of resources, or lack of support for change.

• Reputational damage.

• Staff turnover.

• Increased sickness absence. | 4 | 5 | 20 | Regular internal and external publications; Staff and management meetings; Regular staff communication from the Chief Executive; Key stakeholder networks for consultation; Forums for perceived hard to reach groups; Co-ordinated press releases; Comments, Compliments and Complaints monitoring and reporting procedure; Customer Service Excellence accreditation; Consultation strategy; MTSP; Customer Service Excellence (CSE) Action Plan; Staff survey; Wellbeing survey; Public consultations on key issues; 3CS refresher training; "What's Breaking" communication and Vlog updates from the Chief Executive to all staff; Use of social media; Fully updated website.

All change projects are supported by a robust project management approach, which includes a communication programme to ensure that stakeholders are fully informed.

Regular Chief Executive's vlog to provide staff with updates on Council projects, share information about the organisation and its day-to-day business, and to be used as an opportunity to answer questions. | 3 | 3 | 9 | |

| 20 – CMT (PC/SW/DH/AG) | Commercial & Investment Strategy (Failure of the Council's commercialisation and investment strategy)

Risk:
Commercial uncertainties associated with decisions taken as part of the Council's Commercial and Investment Strategy.

Effects:
• Reputational damage.

• Financial loss.

• Impact on services, staff, or community. | 5 | 4 | 20 | Robust oversight and governance arrangements; Expert professional advice; Robust budget management; Thorough project management and business cases process; All governance requirements have been put in place; Fenland Future Ltd (FFL) has been constituted, with all appropriate governance requirements in place; Dedicated external expert resources are identified and procured to support where required; Annual audit on all governance arrangements.

This risk is closely monitored to enable any new actions for mitigation to be identified and put in place.

The Council's Commercial and Investment Strategy has a scoring matrix to inform all potential investment opportunities, which are considered fully by the Investment Board before they are ratified.

Full business cases for all identified opportunities are taken to the Investment Board for consideration. This includes deciding on the delivery methodology. i.e. FDC or FFL and resource required to deliver each project.

FFL's Business Plan is updated each year and approved by the Council's Investment Board in accordance with the articles of association. Project plans setting out the preferred delivery routes for each of FFL's major projects have been prepared and the two sites now have outline planning permission. Work has progressed on the delivery models needed to develop them. | 3 | 3 | 9 | |

| 15 – CMT | **Project Management** (Over-run of major Council projects in time or cost)

Risk: Over-run of major Council projects in terms of time or cost.

Effects:
• Failure to manage projects effectively leads to over-runs of time, or cost, or failure to achieve project aims.

• Reputational damage. | 4 | 5 | 20 | Project Management methodology; Contract standing orders & financial regulations; Service plans; Budgetary control; Management, Cabinet and Portfolio Holder oversight; Forecasting; Horizon scanning; Amended ways of working; Robust project management; Effective risk registers for projects; All projects have a CMT sponsor with experienced management membership; Project management board meetings and oversight; Legal due diligence around grant agreements.

Effective project management remains a Council priority.

Major projects are closely monitored by CMT and Cabinet members and progress is reported to Council via Portfolio Holder briefings.

The Council has now delivered Phase 2 of the Transformation programme which is on target to deliver significant savings over the Council's current MTFP period. We have now started delivering the next phase of this transformation programme.

Governance arrangements around project management have been reviewed and rolled out.

New project management software has been introduced to help manage major projects.

13 officers undertook training on APM Fundamentals Qualification, and a Microsoft Project training module has been delivered across the Council. | 3 | 2 | 6 | |

Heat Map – Residual Risk

LIKELIHOOD SCORE	1	2	3	4	5
5				25 - Financial Impact due to External Factors.	
4			22 - Resourcing.	27 - Natural Disaster / Pandemic. 6 - Cyber Resilience. 26 – Financial Management. 24 - Change in Government Priorities or Legislation.	
3			13 - Partnership Working. 19 - Communications & Engagement. 20 - Commercial & Investment Strategy. 11 - Fraud. 10 - Health & Safety.	23 - Business Continuity / Disaster Recovery. 1 - Local Government Reorganisation. 3 - Procurement & Contract Management.	
2			15 - Project Management.		
1					

IMPACT SCORE

This heat map illustrates where the corporate risks reside within the organisations risk appetite

Risk Appetite

Risk Appetite