Agenda Item No:	11	
Committee:	**Audit and Risk Management Committee**	
Date:	**22nd July 2024**	
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 the July 2024 update, a number of similar risks have been combined reducing the overall total to 14. The Corporate Risk Management Group felt this would be an acceptable improvement to simplify the Corporate Risk Register as a number of the previous risks were very similar.

3.7 The below detail explains which risks have been combined. Previous risk scores have been combined with the highest combined score being used for the new risk.

1) Previous risk numbers 1 '*Legislative changes*' and 17 '*Legislative changes in national political priorities*' have been combined to create risk 24 '*Change in Government Priorities or Legislation*'.

2) Previous risk numbers 8 '*Funding changes make Council unsustainable*' and 12 '*Failure of external investment institutions*' have been combined to create risk 25 '*Financial Impact due to External Factors*'.

3) Previous risk numbers 4 '*Loss of access to data / systems required for service delivery*' and 7 '*Lack of access to Council premises prevents services being delivered*' have been combined to create risk 23 '*Business Continuity / Disaster Recovery*'.

4) Previous risk numbers 5 '*Insufficient staff to provide Council services*' and 16 '*Service provision affected by organisational change*' have been combined to create risk 22 '*Resourcing*'.

5) Previous risk numbers 9 '*The Council's ability to cope with a natural disaster*' and 21 '*The Council's failure to deal with an infectious disease and/or a pandemic situation*' have been combined to create risk 27 '*Natural Disaster / Pandemic*'.

6) Previous risk numbers 14 '*Failure to achieve required savings targets*' and 18 '*Capital funding strategy failure*' have been combined to create risk 26 '*Financial Management*'.

3.8 In the July 2024 update, the Corporate Risk Management Group have also renamed the remainder of the risks, as below:

1) Risk 3 has changed from '*Failure of contractors / suppliers working on the Council's behalf*' to '*Procurement & Contract Management*'.

2) Risk 6 has changed from '*Breach of ICT security, ICT failure, causing loss of service*' to '*Cyber Resilience*'.

3) Risk 10 has changed from '*Major health and safety incident*' to '*Health & Safety*'.

4) Risk 11 has changed from '*Fraud and error committed against the Council*' to '*Fraud*'.

5) Risk 13 has changed from '*Failure of Governance in major partners or in the Council as a result of partnership working*' to '*Partnership Working*'.

6) Risk 15 has changed from '*Over-run of major Council projects in time or cost*' to '*Project Management*'.

7) Risk 19 has changed from '*Poor communications with stakeholders*' to '*Communications & Engagement*'.

8) Risk 20 has changed from '*Failure of the Council's Commercialisation and Investment Strategy*' to '*Commercial & Investment Strategy*'.

3.9 There is one change in residual risk score in July 2024. This can be seen against risk 26 (Financial Management) where the score has increased from 12 to 16. This has been increased because the savings expected against the transformation programme may not be realised.

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 2024
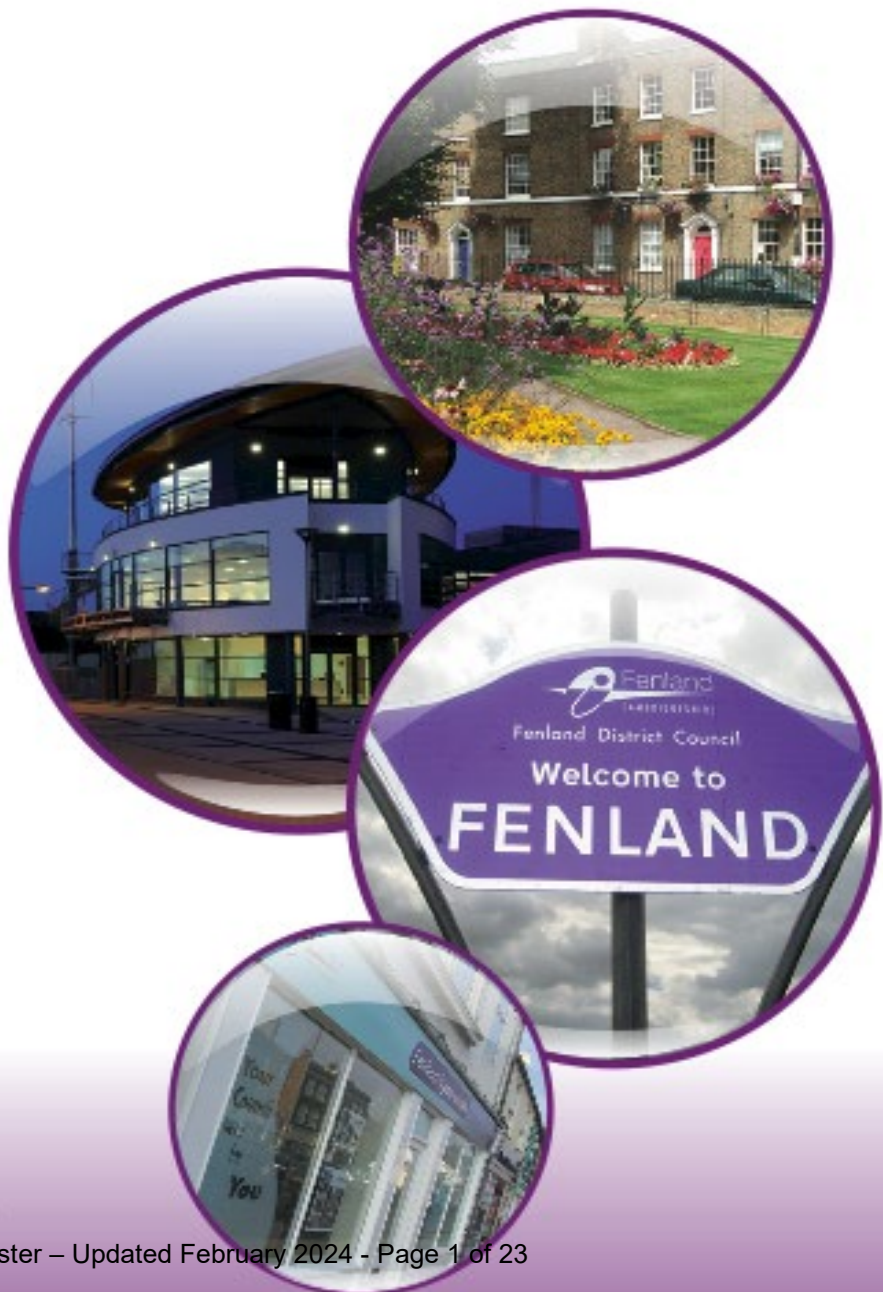
1 Introduction

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>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

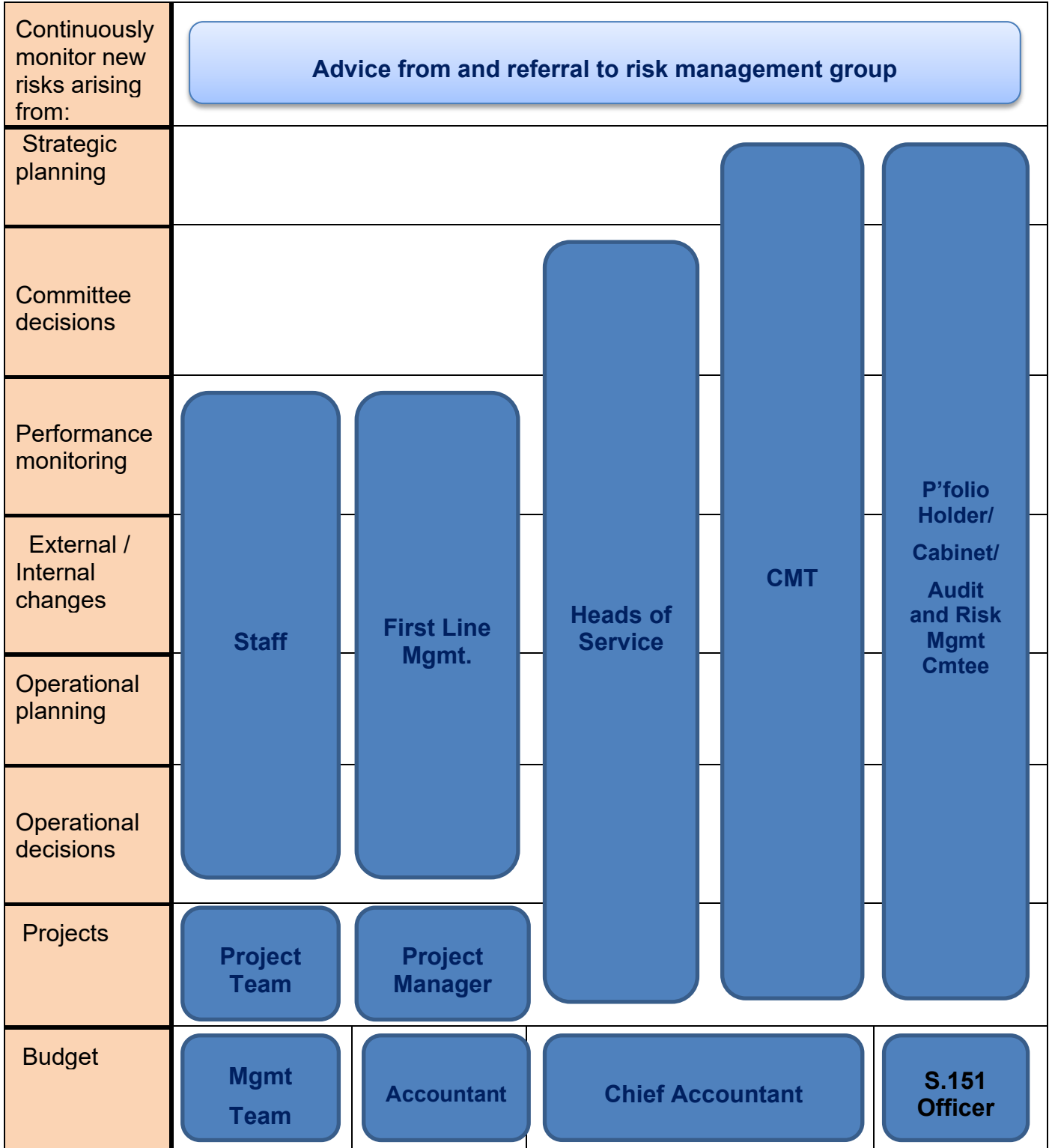| LIKELIHOOD	
Score	Classification
1	Highly unlikely
2	Unlikely
3	Possible
4	Probable
5	Very likely

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:

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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) **This is a new risk which combines the previous risks 8 and 12.**	5		25		4	5	20		9
3	Procurement & Contract Management (Failure of contractors/suppliers working on the Council's behalf)	4		16		4	4	16		10
27	Natural Disaster / Pandemic (The Council's ability to cope with a natural disaster / pandemic) **This is a new risk which combines the previous risks 9 and 21.**	5		25		4	4	16		11
26	Financial Management (Failure to achieve savings targets / capital funding strategy / the Council's commercialisation and investment strategy) **This is a new risk which combines the previous risks 14 and 18.**	5	5	25		~~3~~ 4	4	~~12~~ 16	⬆	12
6	Cyber Resilience (Loss of ICT provision)	5	5	25		4	3	12		13
24	Change in Government Priorities or Legislation (New or amended legislation / change of priorities) **This is a new risk which combines the previous risks 1 and 17.**	5	5	25		3	4	12		14

ID	Risk									
23	Business Continuity / Disaster Recovery (Response to a localised operational issue) **This is a new risk which combines the previous risks 4 and 7.**	5	5	25		4	3	12		15
22	Resourcing (Service provision affected by organisational change / insufficient staff) **This is a new risk which combines the previous risks 5 and 16.**	4	5	20		3	4	12		16
10	Health & Safety (Major health and safety incident)	4	4	16		3	3	9		17
11	Fraud (Fraud and error committed against the Council)	5	4	20		3	3	9		18
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		19
19	Communication & Engagement (Poor communications with stakeholders)	4	5	20		3	3	9		20
20	Commercial & Investment Strategy (Failure of the Council's commercialisation and investment strategy)	5	4	20		3	3	9		21
15	Project Management (Over-run of major Council projects in time or cost)	4	5	20		3	2	6		22

7 Corporate Risk Register

Reference	Risk and effects	Risk if no action			Mitigation	Current risk			Risk Owner	Actions being taken to manage risk	Comments and progress of actions
		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)** **Risk** • 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	• S151/ Chief Finance Officer. • Financial Regulations & Standing Orders. • Appropriately trained staff. • MTFS. • Professional economic forecasts. • Community consultation on service priorities. • Our Council for the Future programme. • Political decisions linked to budget strategies. • CMT efficiency planning. • Modernising Council Services transformation programme. • Introduction of Transformation Agenda 2 (TA2). • Executive steer of service /capital priorities. • Review fees /changes. • Reserves. • Financial Management System. • Budget monitoring. • Policy for maximum investment/ borrowing levels limits liability. • Credit ratings. • Financial management. • Reserves. • Insurance. • Medium Term Financial Strategy. Treasury Management Strategy.	4	5	20	Peter Catchpole **MS/SW**	• 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. • Workforce planning covers all scenarios. • Inclusion in national working groups, modelling and lobbying for funding system after RSG ceases. • Sharing Council's Efficiency Plan with the Government allows guaranteed multi-year grant settlement raising funding certainty. • Shared services and partnership working • Pursuing all opportunities for external funding • Commercial and Investment Strategy. • Effective Treasury Management strategy. 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 Fair Funding Review and Business Rate Retention Scheme are still delayed. 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 is expected in 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.

Reference	Risk and effects	Risk if no action			Mitigation	Current risk			Risk Owner	Actions being taken to manage risk	Comments and progress of actions
		Impact	Likelihood	Score		Impact	Likelihood	Score			
3	**Procurement & Contract Management** **Risk** • Failure of contractors / suppliers working on the Council's behalf. **Effects** • 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 / equality standards. • Contract process – creation of robust contracts. • Accountability and risk ownership documented. • Service Level Agreements. • Contract monitoring. • Trained/skilled staff. • Project management. • Relationship Management. • Business Continuity Plans.	4	4	16	CMT All Mgrs	• Regular monitoring of contracts and performance by Managers. • Ensure that contracts have risk registers and mitigation in event of contract failure. • Ensure all contractors have reviewed and refreshed their business continuity arrangements and plans in light of the pandemic. • Individual Council services share their own contingency to cover for contractor failure, and this is 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 shared services/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. Refresher training on procurement to be delivered to all awarding managers. Process of due diligence checks to be implemented for all relevant contracts and/or suppliers. For the 10,000 tonnes of Dry Mixed Recycling collected each year, from August 2024, the Council will have in place a rolling 6-month contract for the tipping and bulking of the dry mixed recycling collected and needs to make arrangements for a more permanent solution.

Reference	Risk and effects	Risk if no action			Mitigation	Current risk			Risk Owner	Actions being taken to manage risk	Comments and progress of actions
		Impact	Likelihood	Score		Impact	Likelihood	Score			
27	**Natural Disaster / Pandemic** **(The Council's ability to cope with a natural disaster / pandemic)** **Risk** • The Council's ability to cope with a natural disaster, or a pandemic / infectious disease situation. • Failure to maintain robust emergency planning procedures. **Effects** • Natural disaster: malicious or accidental incident affects support required by civilians or disrupts existing Council services.	5	5	25	• Emergency plan. • Emergency planning exercises beyond the district. • Business continuity plans. • Regular exercise and joint public sector workshops for Emergency Planning. • Emergency Planning Communications Strategy. • Review of approach with partner organisations as a result of lessons learned. • Local Resilience Forum. • Additional resources. • Covid Gold group. • Working with key partner agencies (Public Health, CPLRF, ARP etc.) • Supporting delivery of Business grants and self -solation payments. • Agile working, all relevant staff are enabled to work remotely. • Ongoing communications with public and workforce.	4	4	16	CMT **SB**	• Regularly test Emergency Management Plan • Test Service Business Continuity Plans. • Ensure key emergency planning staff attend regular liaison meetings and training. • Ongoing management response group and regular conference call and action planning. • Regularly test Emergency Plan • Test Service Business Continuity Plans. • Ensure key emergency planning staff attend regular liaison meetings and training. • Ongoing management response group and regular conference call and action planning • Support vaccination programmes. • Enduring transmission programmes.	The Council's Emergency Management and Rest Centre Plans have been updated and we have increased and trained the number of volunteer rest centre staff available. Internal Audit have carried out a review of our Business Continuity processes. The Council retain the use of the four Leisure Centres for rest centre locations. The Council has implemented a rota for senior officers to be 'on call' at Gold (Strategic), Silver (Tactical) and Bronze (Operational) levels to respond in the event of an emergency. The Council's response to any such situation will complement and support the coordinated CPLRF and Public Sector response to any such incident.

Reference	Risk and effects	Risk if no action			Mitigation	Current risk			Risk Owner	Actions being taken to manage risk	Comments and progress of actions
		Impact	Likelihood	Score		Impact	Likelihood	Score			
26	**Financial Management** **(Failure to achieve saving targets / capital funding strategy / the Council's commercialisation and investment strategy)** **Risk** • 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 and services by CMT • Implement Service Transformation • Implement Procurement Strategy • Corporate plan • Pursue action to increase income streams. • Performance Management Framework • Budget and performance monitoring • Robust workforce planning and project management • Council for the Future programme • Corporate Asset Team • CMT monitoring of capital receipts/effect on capital programme. • Regular Cabinet review, member with responsibility for assets. • Additional funding opportunities identified and pursued. • Project lead monitors site valuations. • Marketing and identification of potential land purchases, flexibility of planning guidance.	~~3~~ 4	4	~~12~~ 16	Peter Catchpole **MS/SW**	• Robust control of corporate Transformation Plan. • Regular progress reports and assurance to Members. • Organisational and Service transformation programme • Transformation and Recovery Plans • Forward planning and horizon scanning. • Regular high-level monitoring of direction of travel and mitigation required. • Asset Management Plan. • Asset Disposal Strategy.	Delivery of Council Efficiency targets continue including delivering savings planned for in the Council's annual budget and medium-term financial strategy. A significant shortfall between the net budget requirement and resources available still exists over the medium-term. The extent of this gap was re-appraised in autumn 2023 as part of the budget-setting process and was reported to Cabinet and Council in February 2024. The Council has now started delivering the Transformation Agenda 2 (TA2) programme which is expected to deliver significant savings over the Council's current MTFP period and will be critical in enabling the Council to set a balanced budget over the medium-term. As part of the Council's Transformation Programme, the Council has recognised that this is an opportune time to commence a full Accommodation Review, which could contribute significantly to future savings requirements. Hybrid working is now commonplace across the Council resulting in limited occupation of our main office accommodation which presents new possibilities for the Council. The Council has undertaken a condition survey for Fenland Hall which indicates a requirement for significant capital and revenue investment in Fenland Hall. The Council have now undertaken the Accommodation Strategy Outline Business Case and have arrived at two options which need to be considered by members. Whilst some costs will be unavoidable and will need to be built into updated financial forecasts, the timeframe and degree of priority will vary according to which option is taken forward. The Council's capital funding programme is regularly reviewed by Officers and by Cabinet. The current projected funding deficit will be met by borrowing and the relevant annual financing cost has been included in the Council's Medium Term Financial Plan. A significant number of projects are included which will need to be delivered in the short to medium term to address the Council's statutory responsibilities and/or deliver against agreed strategic objectives. A particular challenge exists where grant funding is received prior to going out to tender and then is insufficient to cover the full cost of planned works. The regular project meetings chaired by the Chief Executive ensure there is an ongoing discussion of project financing and consideration given to other funding options and re-scoping of projects. 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 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.

Reference	Risk and effects	Risk if no action			Mitigation	Current risk			Risk Owner	Actions being taken to manage risk	Comments and progress of actions
		Impact	Likelihood	Score		Impact	Likelihood	Score			
6	**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. • Geographically distributed servers. • Tested disaster recovery plan. • Back-ups stored off-site. • Secondary power supply. • Revised security policies. • Service business continuity plans include manual operation. • All council employees undertake cyber-security training annually.	3	4	12	Peter Catchpole **SB/AB**	• Effective auditing of systems and data held. • Data backed-up securely off-site. • Regular penetration testing. • Likelihood of a breach is reduced by above mitigation.	The Council subscribes to the National Cyber Security Centre's (NCSC) Web Check service that helps public sector organisations fix website threats. This service regularly scans public sector websites to check if they are secure. NCSC have advised that the Fenland Council site is secure. Council ICT systems and website are as secure as possible with current anti-attack software and processes up to date. When vulnerabilities are made known by software vendors, software is updated to reduce the risk of malicious attack. The likelihood score reflects the increase globally of cyber-crime. Our ICT infrastructure and processes are accredited against the PSN Code of Connection, PCI DSS, and Cyber Essentials Plus certification. Internal and external independent penetration testing is carried out annually to demonstrate our processes and security stance are adequate. An internal audit of our preparedness to protect our systems and data has recently been completed and recommendations from this are being implemented.

Reference	Risk and effects	Risk if no action			Mitigation	Current risk			Risk Owner	Actions being taken to manage risk	Comments and progress of actions
		Impact	Likelihood	Score		Impact	Likelihood	Score			
24	**Change in Government Priorities or Legislation** **(New or amended legislation / change of priorities)** **Risk** • 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. **Effects** • 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. • Service Manager responsibilities. • Financial & workforce planning. • Membership of professional/ Local Govt bodies aids horizon scanning. • Management of change approach to mitigate significant impact to organisation and its staff. • Detailed project plans to change implementation. • Respond to consultations on new legislation. • Insurance. • Financial planning. • Workforce planning. • Monitoring by CMT and resultant. • 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.	3	4	12	CMT **PM/AB**	• 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 or policy to influence its development. • Dedicated GDPR Officer. • 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. Officers continue to horizon-scan for legislative changes and their effects. 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 Council has a dedicated GDPR Officer, and each service is required to have a dedicated GDPR lead. 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. New procurement legislation is expected in the coming months. unknown. Officers are keeping a watching brief and will update Management team and members when the impacts become known. The Environment Act included changes to waste collection and treatment for implementation from 2025-2027. This will involve changes in how we are funded and what is expected of us as a local authority colleting domestic and commercial waste and recycling. The remaining lack of clarity for Cambridgeshire is part of the risk at present.

Reference	Risk and effects	Risk if no action			Mitigation	Current risk			Risk Owner	Actions being taken to manage risk	Comments and progress of actions
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23	**Business Continuity / Disaster Recovery** **(Response to a localised operational issue)** **Risk** • 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. • Emergency planning network. • ICT disaster recovery and offsite testing. • Relocation procedures - critical and support services. • Geographically distributed sites. • Remote working. • Statutory building inspection and checks. • Corporate Business Continuity Plans. • Carrying out necessary works to rectify urgent issues. • Monitoring the number of staff working from Fenland Hall to ensure the situation doesn't impact service delivery.	4	3	12	Peter Catchpole **SB/MG/AB**	• Effective auditing of systems and data held. • Data backed-up securely off-site. • Regular penetration testing. • Regular review of business continuity plans. • Disaster Recovery testing is undertaken at regular intervals. • Additional ICT resource has been recruited. • Regularly testing of Emergency Plan. • Ensure key emergency planning staff attend regular liaison meetings and training. • Provision of 'drop down' facilities for staff.	An additional internet feed to Fenland Hall has been installed to improve resilience. Resilience has been built into most of our ICT infrastructure. Consideration is 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. The majority of information held by the Council is held with a legal basis for holding such as election and Council Tax records. All staff undergo GDPR training, and opportunities for further Member training in this area are currently being explored. An additional internet feed to Fenland Hall has been installed to improve resilience. The likelihood score reflects the increase globally of cyber-crime. The Council's internet and email protocols have been updated. All Council employees are undertaking Cyber security training. Further resilience has been built into the remote access infrastructure. Emergency plans – ongoing programme of review, testing and training of staff involved in a response. Plans regularly checked and tested with emergency planning exercise conducted at intervals. Improved ICT systems provide better/increased opportunities for remote/agile working. Office-based staff have the necessary equipment to be able to work away from the office, with access to Council systems, which allows us to maintain the delivery of Council services. 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 resident to pay their bills (by cash or card) in a much greater number of more local rural locations across the district.

Reference	Risk and effects	Risk if no action			Mitigation	Current risk			Risk Owner	Actions being taken to manage risk	Comments and progress of actions
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22	**Resourcing** **(Service provision affected by organisational change / insufficient staff)** **Risk** • 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. • MTSP. • 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. • Working environment/culture. • Audit & Risk Management Committee. • Consultation with Management, Trade Union and Staff Partnership group (MTSP). • Flexible working. • Established suite of people policies & procedures. • Management training. • Robust HR management procedures. • Regular performance monitoring. • Project management processes.	3	4	12	CMT **SA / All Mgrs**	• Ensure all services have effective workforce plans incorporated into Service 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. • Business continuity plans for each service. Culture of Council remains effective. • Workforce planning, which includes succession planning for key roles and talent management. • A comprehensive programme of health surveillance for groups of employees who work in certain service areas (e.g. refuse drivers, workshop, port staff, etc.) • 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. Almost all office-based staff have the necessary equipment to be able to work from home, which will maintain the delivery of a significant number of Council services. Other key/priority services have individual Business Continuity measures in place to maintain service delivery. 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. • Upskilling our managers to assist in the management of a remote workforce and support the wellbeing of their teams.

Reference	Risk and effects	Risk if no action			Mitigation	Current risk			Risk Owner	Actions being taken to manage risk	Comments and progress of actions
		Impact	Likelihood	Score		Impact	Likelihood	Score			
10	**Health & Safety** **(Major health and safety incident)** **Risk** • Major health and safety incident. **Effects** • 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.	3	3	9	CMT **SA**	• 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.	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).

Reference	Risk and effects	Risk if no action			Mitigation	Current risk			Risk Owner	Actions being taken to manage risk	Comments and progress of actions
		Impact	Likelihood	Score		Impact	Likelihood	Score			
11	**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 Ord • Codes of conduct • Appropriately trained staff • Appropriate culture and risk awareness • Segregation of duties • Supported financial mgt system • Budget monitoring regime • Internal Audit review of sys /and controls • Bribery & corruption / fraud risk assessments • Indemnity insurance • Whistle-blowing procedure • Annual Governance Statement • ARP fraud resource • National Fraud Initiative	3	3	9	Peter Catchpole / Carol Pilson **PC**	• Increase staff vigilance • Fraud awareness training for Managers • Raise profile internally and externally for successful prosecutions	The Council works with the NFI on assurance to achieve annual compliance. The Council has assisted with each annual National Fraud Initiative, cross-matching information with records held nationally. The Fraud team within the Anglia Revenues Partnership (ARP) continue to work on this area. A fraud awareness training programme for all staff is being finalised and is planned to be delivered virtually. Financial regulations are currently being updated to ensure they are available to new and current staff.

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13	**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. **Effects** • 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, Shared Planning, CCTV).	4	5	20	Cabinet and O&S, bi-annual stakeholder events ensure accountability. • ARP Joint Committee and Operational Improvement Board, Cabinet, O&S, joint risk registers • CNC Joint Members Board, Cabinet plus O&S • Shared Planning Board, Cabinet plus Overview and Scrutiny, joint performance indicators • Project plans / perf' monitoring shared risk registers. • PCCA Membership.	3	3	9	Carol Pilson / Peter Catchpole **All Mgrs**	• 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	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 and Cabinet members sit on Boards to ensure the effective delivery of partnership arrangements.

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19	**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	• Internal and external regular 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	3	3	9	CMT **DW/SA**	• CSE Action Plan. • Staff survey and Wellbeing survey • Public consultations on key issues. • 3cs refresher training • Team meetings • "What's Breaking" communication and Vlog updates from the Chief Executive to all staff. • Use of social media communication mediums • Fully updated website.	The Council's CSE performance is assessed each year by an external expert. The Council has a dedicated project team to ensure ongoing progress against CSE requirements/actions across all service areas to ensure consistent and effective communication to our customers. 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.

Reference	Risk and effects	Risk if no action			Mitigation	Current risk			Risk Owner	Actions being taken to manage risk	Comments and progress of actions
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20	**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.	3	3	9	CMT **PC / MS / DH / AG**	• All governance requirements have been put in place and will be robustly reviewed going forward. • 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 will be 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 was approved by the Council's Investment Board. 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.

Reference	Risk and effects	Risk if no action			Mitigation	Current risk			Risk Owner	Actions being taken to manage risk	Comments and progress of actions
		Impact	Likelihood	Score		Impact	Likelihood	Score			
15	**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; models have changed with remote working but remain effective.	3	2	6	CMT	• Robust project management. • Effective risk registers for projects. • All projects have a CMT sponsor with experienced management membership. • Project Management Board 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 is being introduced to help manage major projects.

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

LIKELIHOOD SCORE

IMPACT SCORE

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

Risk Appetite

Risk Appetite