

Corporate Risk Register

To: Strategy and Resources Committee

Meeting Date: 28th March 2023

From: Chief Executive

Electoral division(s): All

Key decision: No

Forward Plan ref: Not applicable

Outcome: Good risk management - including the identification of risks and triggers as well development of mitigating actions - should inform decision making and areas for improvement, lead to better overall management of the Council's business, and protect the Council's assets, workforce, finances and services.

Recommendation: The Committee is recommended to note and comment on the corporate risk register.

Officer contact:

Name: Mairead Claydon

Post: Head of Internal Audit & Risk Management

Email: Mairead.Claydon@cambridgeshire.gov.uk

Tel: 01223 715542

Member contacts:

Names: Councillors L Nethsingha and E Meschini

Post: Chair/Vice-Chair

Email: lucy.nethsingha@cambridgeshire.gov.uk;
elisa.meschini@cambridgeshire.gov.uk

Tel: 01223 706398

1. Background

- 1.1 Risk Management is the process by which the Council understands and proactively considers the principal uncertainties and overall risks facing the organisation. Through effective risk management, we aim to optimise success by minimising threats. The objective is to ensure that risks that might impact upon the Council achieving its plans are identified and managed on a timely basis and in a proportionate manner. The Accounts & Audit (England) Regulations 2015 require the authority to have a sound system of internal control which includes effective arrangements for the management of risk.
- 1.2 Under the Council's constitution, the Strategy & Resources Committee (S&R Committee) is responsible for the development and oversight of the Council's risk management and strategy. The Audit & Accounts Committee also has important functions in relation to risk, including considering the effectiveness of the risk management arrangements and associated control environment and to seek assurances that appropriate action is being taken in response to risk.
- 1.3 Risk is inherent in our delivery of high-quality public services. The volatility, complexity and ambiguity of the Council's operating environment continues to increase, and taxpayers rightly expect transparency and accountability from the Council in managing the impacts of risk. We are committed to managing risk so that we enhance strategic planning and prioritisation and achieve our objectives with agility. The benefits of risk management include:
- Taking timely and proportionate action to prevent risks occurring or to manage effectively
 - Development and delivery of robust and effective action plans and enhancements to the governance of the organisation
 - Ensuring that decision makers are fully aware of any key risk issues associated with proposals being considered at the point of decision making
 - Demonstrating openness and accountability
- 1.4 The risk management approach adopted by the Council is based on identifying, assessing, managing and monitoring risks at all levels across the Council. Risk registers operate at three tiers across the organisation: (a) service/project specific, (b) directorate, and (c) corporate.
- 1.5 This covering report is provided to the Corporate Risk Register (CRR) attached at Appendix 1.

2. Risk Management Update

- 2.1 Since the previous update to Committee, the Corporate Leadership Team (CLT) have implemented a new series of regular CLT Risk & Assurance meetings, to enable more in-depth scrutiny of the Corporate Risk Register (CRR). Three of these meetings have now taken place, on the 4th October, 5th January and 8th March.
- 2.2 In addition to reviewing the CRR, at these meetings CLT have undertaken 'deep dive' reviews of a sample of directorate risk registers, including the assurances that are being

relied upon by individual Executive Directors and risk owners that confirms the recorded key controls are proportionate, effective, and operating well in practice. CLT have also received papers from individual Executive Directors regarding specific risk issues within their remit.

- 2.3 At these meetings, CLT have also received copies of Risk Assurance Reports from the Internal Audit & Risk Management team, in relation to Risk 11 (“Failure of Key Partnerships or Contracts”) and Risk 9 (“The Council is a victim of Cyber Crime”). This new Risk Assurance Review process aims to review and challenge individual risks on the Council’s Corporate Risk Register, and to provide an independent assurance over the control of the risk; the expected outcome is for the risk owner to update the risk on the CRR and to develop an Action Plan to further strengthen corporate control of the risk, based on findings and recommendations from the review.
- 2.4 Current corporate restructuring has also led to some changes in risk management processes at a directorate level. Due to the restructure in the former People’s Services, the Directorate Risk Register (DRR) for People’s is in the process of being split out into two separate DRRs, one for Adults and one for Childrens’ services. The new Strategy & Partnerships Directorate is also developing a new DRR that builds on existing DRRs from across the former Customer & Digital Services and Business Improvement & Development directorates.

3. Corporate Risk Register

- 3.1 The following section gives a summary of each corporate risk detailing the owner, date last reviewed, a brief overview of the risk, raw and residual risk alongside narrative supporting change in scoring, an impact statement, any significant changes since the previous report to Committee and actions in progress to further mitigate risk.
- 3.2 As can be seen, since the last review by S&R Committee, there have been some significant updates to the CRR. This includes a new risk (Risk 12, “Climate Change”). This risk is distinct from other risks captured in the CRR, as a risk which is largely without the Council’s direct control, as well as being very long term in nature; as such, the residual risk score associated with Risk 12 remains at 16, which is above the Council’s normal risk appetite. This new risk on the corporate risk register is intended to capture the Council’s response in seeking to manage and mitigate against the risk of climate change and its potential impacts on the Council and the wider county.
- 3.3 Other key changes include splitting an existing risk (Risk 11, “Failure of Key Partnerships or Contracts”) into two separate risks covering the failure of key contracts (Risk 11) and the failure of key partnerships (Risk 13). CLT have also agreed to de-escalate Risk 7 (“Insufficient infrastructure to deliver the Council’s services”) from the CRR and instead hold this risk as part of Directorate Risk Registers.
- 3.4 Full details of the risks, including the key controls in place to manage each risk, are provided in the complete Corporate Risk Register (CRR) at Appendix 1 of this report.

1 The risk that the Council's arrangements for safeguarding vulnerable ADULTS fail

Owner: Executive Director of Adults

Last Review: February 2023

Risk Overview

Abuse of adults in the community can occur anywhere and can take many forms. To best mitigate the risk of abuse occurring and to support individuals where abuse has occurred, there are a range of safeguarding measures in place.

Residual Risk

	August 2022	February 2023	Narrative
Raw Risk	25	25	No Change
Residual Likelihood	3	3	No Change
Residual Consequence	5	5	No Change
Residual Risk	15	15	No Change

Impact Statement

Serious harm, including death; long term mental challenges; legal, financial, and reputational consequences; intervention; loss of trust in Council.

Significant Changes since Previous Report

None

Ongoing Actions and dates for implementation

None

2 The risk of failure of the Council's arrangements to safeguard vulnerable CHILDREN & YOUNG PEOPLE

Owner: Executive Director of People Services

Last Review: February 2023

Risk Overview

Abuse and harm of children and young people in the community can occur anywhere and can take many forms. To best mitigate the risk occurring and to support individuals where abuse or harm has occurred, there are a range of safeguarding measures in place.

Residual Risk

	August 2022	February 2023	Narrative
Raw Risk	25	25	No Change
Residual Likelihood	3	3	No Change
Residual Consequence	5	5	No Change
Residual Risk	15	15	No Change

Impact Statement

Serious harm, including death; long term mental challenges; legal, financial, and reputational consequences; intervention.

Significant Changes since Previous Report

None

Ongoing Actions and dates for implementation

- Corporate response to Ofsted focused visit (31st March 2023)
- DSG HNB Safety Valve (31st March 2023)
- Children's Safeguarding Rapid Review (31st March 2023)
- Children's Workforce Programme (30th September 2023)
- Children's Placement Sufficiency (31st December 2023)

3 The risk that the Council does not have enough budget to deliver agreed short and medium- term corporate objectives

Owner: Service Director: Finance and Procurement (Section 151 Chief Financial Officer)

Last Review: February 2023

Risk Overview

The financial uncertainties facing the Council may significantly impact upon the ability to fully deliver its strategic objectives. The requirement to deliver a balanced budget in the short and medium term will likely result in increasingly difficult spending decisions that may further impact the delivery of key services.

Residual Risk

	March 2022	August 2022	Narrative
Raw Risk	25	25	No Change
Residual Likelihood	4	3	Reduced to reflect balanced budget proposal
Residual Consequence	4	4	No Change
Residual Risk	16	12	Decreased Likelihood

Impact Statement

Council being unable to deliver key services in line with strategic objectives; increased likelihood of other corporate risks occurring; issuing of Section 114 notice and consequential emergency budget; intervention; inability to deliver statutory responsibilities; reputational.

Significant Changes since Previous Report

At the meeting of the CLT Risk & Assurance Group on the 5th January 2023, it was proposed by the Service Director of Finance & Procurement to reduce the likelihood score for this from 4 to 3, to reflect the fact that a balanced budget had been proposed. This was agreed.

Outstanding Actions and dates for implementation

- Submission of revenue and capital plans into Safety Valve Process (7th October 2022)
- Capital Programme Board and RIT full scrutiny and supervision of proposal and savings plan development (30th November 2022)

4 The risk that a serious incident occurs, preventing services from operating and/or requiring a major incident response.

Owner: Executive Director of Strategy and Partnerships

Last Review: February 2023

Risk Overview

Disruption can be caused by a high impact major event or major incident occurring. This could include the effect of climate change, such as flooding or air quality, a pandemic or civil unrest.

Residual Risk

	August 2022	February 2023	Narrative
Raw Risk	25	25	No Change
Residual Likelihood	3	3	No Change
Residual Consequence	4	4	No Change
Residual Risk	12	12	No Change

Impact Statement

Disruption to key infrastructure and services across the County, potentially over an extended period and involving more than one incident; serious injury or harm to citizens and/or employees; inability to meet legislative or statutory requirements; increase in service demand; reputational damage.

Significant Changes since Previous Report

This risk has been updated with the input of the Emergency Planning Team in February 2023. This review highlighted some additional potential triggers to the risk, including officer non-compliance with the Business Continuity Planning process, and capacity within the Emergency Planning Team to support Business Continuity work. Testing of service and corporate Business Continuity plans was previously listed as a control for this risk; however testing is not currently underway and will not be re-started until the current review of Council-wide Business Continuity planning is completed, at the end of September. This has therefore been removed as a current control, and the intention to re-start testing is reflected in the Action Plan.

Outstanding Actions and dates for implementation

- Power Outages Working Group (31st March 2023)
- IT Disaster Recovery Exercise (31st March 2023)
- Corporate review of Business Continuity Plans (30th September 2023)
- Business Continuity Pan Testing (1st April 2024)

5 The risk of failure of Corporate Governance

Owner: Director of Law and Governance and Monitoring Officer

Last Review: February 2023

Risk Overview

The Council is required to maintain a sound system of corporate governance which facilitates the exercise of its functions and the management of risk. Failure of the Council's corporate governance could impact the organisation's ability to deliver key services and meet its statutory obligations.

Residual Risk

	August 2022	February 2023	Narrative
Raw Risk	25	25	No Change
Residual Likelihood	2	2	No Change
Residual Consequence	5	5	No Change
Residual Risk	10	10	No Change

Impact Statement

Harm to citizens; National government intervention/challenge; criminal or civil action against the Council; S114 Notice or Public Interest Report; reputational harm.

Significant Changes since Previous Report

This risk was previously titled "The Council does not deliver its statutory or legislative obligations". Following review of Risk 8 ("Failure to deliver key Council services") in

February 2023, it was identified that the wording of these two risks was very similar and could create confusion.

As Risk 5 has historically been owned by the Monitoring Officer and focused on the corporate governance controls in place to ensure that the Council delivers its obligations, it was proposed to re-name this risk 'failure of corporate governance'. This should provide a clear distinction between the two risks and ensure that CLT maintains oversight of the management of governance risk.

Outstanding Actions and dates for implementation

- Corporate response to the Covid Public Enquiry (31st March 2023)
- Monitoring Officer review of the Scheme of Delegation (31st March 2023)
- Self-assessment of the effectiveness of the Audit & Accounts Committee (30th September 2023)
- Appointment of independent members to the Audit & Accounts Committee (30th September 2023).

6 The risk that the Council's workforce is not able to meet business need

Owner: Assistant Director: Human Resources

Last Review: February 2023

Risk Overview

Insufficient or ineffective human resource management could result in the inability to deliver key services or implement council strategy; inability to deliver major projects & programmes; inability to meet stakeholder expectations

Residual Risk

	August 2022	February 2023	Narrative
Raw Risk	25	25	No Change
Residual Likelihood	3	3	No Change
Residual Consequence	5	5	No Change
Residual Risk	15	15	No Change

Impact Statement

Failing to comply with statutory and legislative requirements; low morale and negative impact on wellbeing; inability to recruit staff with the necessary knowledge & experience; reputational.

Significant Changes since Previous Report

With CLT agreement, the risk title has been changed from "The Council's human resources are not able to meet business need" to "The Council's workforce is not able to meet business need". The risk has also undergone a range of more minor updates including changes in triggers and likelihood factors, and particularly to reflect

new controls in place including the new e-Recruitment system and ongoing recruitment project, as well as improved reporting on a range of workforce issues.

Outstanding Actions and dates for implementation

- New People Strategy (31st May 2023)
- Updated Values & Behaviours Framework (31st October 2023)
- New Learning & Development Framework (31st October 2023)
- Children's Workforce Improvement Programme (31st March 2024)

7 The risk of insufficient infrastructure to deliver the Council's services

Owner: Executive Director of Place and Sustainability
Last Review: February 2023

Risk Overview

The Council requires sufficient and appropriately maintained community infrastructure in order to deliver key services. This includes the health and safety of users.

Residual Risk

	August 2022	February 2023	Narrative
Raw Risk	25	N/A	Risk de-escalated to Directorate risk registers (see below).
Residual Likelihood	3	N/A	
Residual Consequence	4	N/A	
Residual Risk	12	N/A	

Impact Statement

Negative impact on transport, economic, environmental, and social outcomes; increased borrowing requirements; pressure on maintenance budgets; unsustainable or reduced growth; growth that is not inclusive.

Significant Changes since Previous Report

At the January meeting of the CLT Risk & Assurance group, there was discussion regarding the scope of this risk and whether it should be expanded to cover a much wider range of infrastructure, such as IT infrastructure, placement sufficiency, property assets etc., in addition to infrastructure delivery and funding from within the Place & Sustainability service. It was agreed to review this risk in conjunction with the Executive Director of Place & Sustainability.

Following this review, it was proposed to remove this as a stand-alone risk from the Corporate Risk Register, instead reflecting it as a trigger to what is currently Risk 8, "Failure to deliver key Council services". There will instead be individual infrastructure sufficiency risks within Directorate Risk Registers, for each of the services outlined above. Any of these individual infrastructure risks could then be escalated up to the Corporate Risk Register in its own right, if CLT agreed that the

risk had increased to the point where this was necessary. This would avoid having a risk on the CRR where risk ownership was very diluted across a number of different directors.

Outstanding Actions and dates for implementation

N/A

8 The risk of failure to deliver key Council services

Risk owner: Chief Executive

Last Review: February 2023

Risk Overview

Inability to deliver key council services, to the required quality, that meets statutory and legislative requirements and citizens expectations

Residual Risk

	August 2022	February 2023	Narrative
Raw Risk	25	25	No Change
Residual Likelihood	2	2	No Change
Residual Consequence	5	5	No Change
Residual Risk	10	10	No Change

Impact Statement

Vulnerable adults, children and young people at increased risk of harm, poor health, and social outcomes and/or not reaching the educational; and independence potential; intervention, reputational.

Significant Changes since Previous Report

This risk was previously jointly owned by the Executive Director of Place and Sustainability and the Executive Director of People Services; however it is now owned by the Chief Executive, in recognition of the fact that this is the key overarching risk for the County Council.

Following this change of ownership, this risk was reviewed in February 2023 by the Chief Executive. This has resulted in a wide range of updates to the risk triggers, likelihood factors, controls etc. This has included a recognition that this risk may be triggered by the realisation of any of the other risks on the CRR; and the inclusion of key corporate controls regarding business and service planning, performance management, and demand forecasting.

Outstanding Actions and dates for implementation

- Consultation and Restructure within Strategy & Partnerships Directorate (30th June 2023) and People's Services (30th June 2023)
- Review of corporate approach to Business Planning and Strategic Framework (31st December 2023)
- Redevelopment of the Performance Framework (31st December 2023)

9 The risk that the Council is a victim of Cyber Crime

Owner: Executive Director of Strategy and Partnerships

Last Review: February 2023

Risk Overview

There is increasing and constant threat of attack on the Council's digital & technical infrastructure from malicious sources.

Residual Risk

	August 2022	February 2023	Narrative
Raw Risk	25	25	No Change
Residual Likelihood	2	2	No Change
Residual Consequence	5	5	No Change
Residual Risk	10	10	No Change

Impact Statement

Regulatory breach subject to Information Commissioner action, reputational harm to the Council and disclosure of private information; Inability or degradation in the ability of Council staff and public; network; credentials and/or data being made available to unauthorised third parties; financial ransom to recover access, reinstallation and restore operations and release of confidential data.

Significant Changes since Previous Report

None

Outstanding Actions and dates for implementation

None currently; this is in the process of being updated by the IT service following the issue of the draft Risk Assurance Report for Risk 9 from Internal Audit & Risk Management.

10 The risk that the Council fails to comply with Information Governance legislation and industry standards

Owner: Director of Law and Governance and Monitoring Officer

Last Review: February 2023

Risk Overview

A lack of oversight and control of information management may lead to information being mis-handled

Residual Risk

	August 2022	February 2023	Narrative
Raw Risk	25	25	No Change
Residual Likelihood	3	3	No Change
Residual Consequence	4	4	No Change
Residual Risk	12	12	No Change

Impact Statement

Data subjects suffer loss, detriment and distress as result of poor management of data; Legal action/Information Commission Officer involvement.; damage to the reputation of the council and adverse publicity; Complaints.

Significant Changes since Previous Report

This risk has been fully refreshed by the Information Governance team, with the particular aim of drawing a clear distinction between the controls relating to this risk regarding information governance and data protection, and the more IT-focused Risk 9 ("The Council is a victim of cyber attack).

Outstanding Actions and dates for implementation

- Awareness and Communications exercise (31st March 2023)
- Completion of NHS Data Security & Protection toolkit (30th June 2023)
- Implement learning from incidents (31st March 2023)
- Mandatory training (30th June 2023)
- Review of Information Governance policies (31st March 2023)

11 The risk of failure of key contracts

Owner: Service Director: Finance and Procurement (Section 151 Chief Financial Officer)

Last Review: February 2023

Risk Overview

The failure of key partners/contractors or ineffective contract management arrangements may result in key services and major projects not being delivered or not being delivered within required time and budget envelope.

Residual Risk

	August 2022	February 2023	Narrative
Raw Risk	25	25	No Change
Residual Likelihood	3	3	No Change
Residual Consequence	4	4	No Change
Residual Risk	12	12	No Change

Impact Statement

Best value not being achieved; loss of monies; negative impact on capital/revenue budget; interruption to outcomes and service delivery; reduced quality, health & safety concerns; reputational.

Significant Changes since Previous Report

This risk was previously titled 'Failure of key partnerships and contracts'. Following the CLT Risk & Assurance meeting in January 2023, it was agreed that this should be split into two risks, one around partnerships and one around contracts. This risk has therefore been re-named to focus solely on contract risk, and elements relating to partnership working have been removed and shifted to the new risk 13 (see below).

Following a Risk Assurance review of this risk by Internal Audit & Risk Management in autumn 2022, the risk was comprehensively updated and refreshed and a number of actions to strengthen the risk were captured in the Action Plan. The majority of these actions have now been completed, including the development of a new Contract Management toolkit and guidance, the implementation of mandatory procurement eLearning for staff, updates to the Procurement Guide for staff, and updates to Business Continuity Plan templates to ensure officers identify business critical contracts or partnerships and plan for the risk of supplier collapse or failure.

Outstanding Actions and dates for implementation

- Implement the new Sustainable Procurement Strategy (31st March 2023)
- This Land Ltd next steps (31st May 2023)

12 The risk of Climate Change

Owner: Executive Director: Place & Sustainability
Last Review: February 2023

Risk Overview

Climate change has the potential to have major long-term negative impacts on both the County Council and the wider county of Cambridgeshire. This includes risks regarding the health, social and economic stability of the Council and its residents and partner organisations.

Residual Risk

	August 2022	February 2023	Narrative
Raw Risk	N/A	25	New risk
Residual Likelihood	N/A	4	New risk
Residual Consequence	N/A	4	New risk
Residual Risk	N/A	16	New risk

Impact Statement

Failure to deliver statutory functions; major business disruption; reputational damage; legal challenge; failure to deliver the Climate Change & Environment Strategy

Significant Changes since Previous Report

This is a new addition to the CRR. This risk is distinct from other risks captured in the risk register in being a risk which is largely without the Council's direct control, as well as being very long term in nature; as such, the residual risk score associated with Risk 12 remains at 16, which is above the Council's normal risk appetite.

Outstanding Actions and dates for implementation

- Delivery of the Climate Change & Environment Action Plan (31st March 2023)
- Delivery of the Enabling Net Zero programme of work (31st March 2023)
- Delivery of CPCA Action Plan areas led by Cambridgeshire County Council (31st March 2023)
- Integration of climate and environment into Procurement Strategy and frameworks (31st March 2023)
- Corporate Asset Management Strategy (31st March 2023)
- Climate/environment integrated into CCC operations and systems (31st March 2023)
- Identification of annual targets to report progress and risk position (31st March 2023)
- Engagement and awareness campaign (31st March 2023)
- Market Development/Net Zero Hub (31st March 2023)
- Performance Management Data to fill data provision gaps (31st March 2023)
- Funding and Financing for Net Zero (31st March 2023)

13 The risk of failure of collaborative working

Owner: Executive Director: Strategy & Partnerships
Last Review: February 2023

Risk Overview

The Council's ability to deliver its objectives and key services is in many cases heavily dependent on its relationship with partner organisations. Failure of effective collaborative working with partners and stakeholders may result in Council

objectives, services and major projects not being delivered, or not being delivered within required time and budget envelope.

Residual Risk

	August 2022	February 2023	Narrative
Raw Risk	N/A	25	New risk
Residual Likelihood	N/A	3	New risk
Residual Consequence	N/A	4	New risk
Residual Risk	N/A	12	New risk

Impact Statement

Best value not being achieved; loss of monies; negative impact on capital/revenue budget; interruption to outcomes and service delivery; reduced quality of services; reputational damage; failure to fulfil statutory duties.

Significant Changes since Previous Report

Following the CLT Risk & Assurance meeting in January 2023, it was agreed that Risk 11 ('Failure of Key Partnerships or Contracts') should be split into two risks, one around partnerships and one around contracts. Elements relating to partnership working and collaboration have been moved and shifted to this new risk 13.

Outstanding Actions and dates for implementation

- Review and update Partnerships Advice & Guidance Document (30th June 2023)
- Fact-finding exercise to map the Council's key partnerships (30th June 2023)
- Develop a Collaborative Working Strategy (31st December 2023)

4. Alignment with corporate priorities

- 4.1 Environment and Sustainability
- 4.2 Health and Care
- 4.3 Places and Communities
- 4.4 Children and Young People
- 4.5 Transport

Good risk management - including the identification of risks and triggers as well development of mitigating actions - should inform decision making and areas for improvement, lead to better overall management of the Council's business, and protect the Council's assets, workforce, finances and services.

5. Significant Implications

5.1 Resource Implications

All of the risks listed in the corporate risk register could potentially lead to significant financial implications if realised. There are direct impacts on our resources in relation to the partnership/contractual risks and the risk about sufficiency of budget.

5.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

5.3 Statutory, Legal and Risk Implications

This report overviews the Council's risk management arrangements. The objective is to ensure that risks that might impact upon the Council achieving its plans are identified and managed on a timely basis and in a proportionate manner. The Accounts & Audit (England) Regulations 2015 require the authority to have a sound system of internal control which includes effective arrangements for the management of risk.

5.4 Equality and Diversity Implications

There are no significant implications within this category.

5.5 Engagement and Communications Implications

There are no significant implications within this category.

5.6 Localism and Local Member Involvement

There are no significant implications within this category.

5.7 Public Health Implications

There are no significant implications in this category.

5.8 Environment and Climate Change Implications on Priority Areas

There are no significant implications in this category.

6. Source documents

6.1 Corporate Risk Register (copy provided as Appendix 1 to this document)

6.2 Annual Governance Statement

[Statement of accounts - Cambridgeshire County Council](#)