

Corporate Risk Register

To: Audit and Accounts Committee

Meeting Date: 26 March 2026

From: Chief Executive

Electoral division(s): All

Key decision: No

Forward Plan ref: Not Applicable

Executive Summary: Good risk management - including the identification of risks and triggers as well as development of mitigating actions - should inform decision-making, 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 the Corporate Risk Register.

Officer contact:

Name: Mairead Claydon
Post: Head of Internal Audit and Risk Management
Email: Mairead.Claydon@cambridgeshire.gov.uk

1. A healthy, fair and sustainable Cambridgeshire

- 1.1 Risk Management is the process by which the Council understands and proactively considers the principal uncertainties and overall risks facing the organisation. The objective is to ensure that risks which might impact upon the Council achieving its plans are identified and managed on a timely basis and in a proportionate manner. As such, effective risk management contributes to the achievement of all twelve of the Council's priorities.

2. Background

- 2.1 The Accounts and Audit (England) Regulations 2015 require the authority to have a sound system of internal control, which includes effective arrangements for the management of risk.
- 2.2 Under the Council's constitution, the Strategy, Resources and Performance Committee (S,R&P Committee) is responsible for the development and oversight of the Council's risk management and strategy. The Audit and 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.
- 2.3 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.
- 2.4 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. This report provides an update on the Council's Corporate Risk Register.

3. Corporate Risk Register Updates

- 3.1 A copy of the current Corporate Risk Register is attached to this report as Appendix 1, except for Risk 8 'Risk that the Council is a victim of Cyber Crime', which is attached as a separate confidential Appendix.

3.2 Please note, on the risk matrices, “A” denotes the Council’s risk appetite; this has been updated after review by the Corporate Leadership Team (CLT) and the updated approach includes:

- Tolerable risk appetite: Cambridgeshire County Council has defined its maximum risk appetite as not accepting a residual risk score of 16 or more as measured on the corporate Risk Scoring Matrix. This therefore represents the maximum tolerable risk position (i.e. the maximum level of risk with which the organisation is willing to operate).
- Optimal risk appetite: Where risk owners have identified a target risk appetite below this risk appetite level, this is denoted with a “A”

3.3 The following table gives an overview of the current status of the risks on the corporate risk register, including information on the current risk scoring compared to the scores at the previous report to Committee, and the direction of travel for each risk. Please note that the direction of travel for each risk is now shown as a RAG rating: red indicating that the risk has increased; amber indicating no change; and green indicating that the risk has decreased.

Table 1: Corporate Risk Register Overview, January/February 2026

Risk	Residual Risk Score June 25	Residual Risk Score Sept 25	Residual Risk Score Jan 26	Direction of Travel (RAG)	Last Reviewed
1. Risk that the Council’s arrangements for safeguarding vulnerable adults fail.	15	15	15	→ (static)	23/01/2026
2. Risk of failure of the Council’s arrangements to safeguard vulnerable children and young people.	15	15	15	→ (static)	23/01/2026
3. Risk that the Council does not have enough budget to deliver agreed short and medium term corporate objectives.	16	20	12	↓ (decreasing)	19/02/2026
4. Risk that a serious incident occurs, preventing services from operating and /or requiring a major/critical incident response.	12	12	12	→ (static)	16/01/2026
5. Risk of failure of corporate governance.	10	10	10	→ (static)	23/01/2026
6. Risk that the Council's workforce is not able to meet business need.	10	10	10	→ (static)	23/01/2026
7. Risk of failure to deliver key Council services.	10	10	8	↓ (decreasing)	23/01/2026

8.	Risk that the Council is a victim of cyber crime.	15	15	15	→ (static)	06/02/2026
9.	Risk that the Council fails to comply with Information Governance legislation and industry standards.	12	12	12	→ (static)	13/01/2026
10.	Risk of failure of key contracts.	12	12	12	→ (static)	19/01/2026
11.	Risk of failure of collaborative working.	16	16	16	→ (static)	21/01/2026
12.	Cambridgeshire County Council is not adequately prepared for the impacts of the changing climate.	12	12	12	→ (static)	16/01/2026
13.	The Council's governance on Health and Safety is inadequate.	15	15	15	→ (static)	23/01/2026
14.	Lack of effective relationships and governance across the Integrated Care System (ICS) may lead to poorer coordination and worse outcomes for our population.	N/A	16	16	→ (static)	23/01/2026
[NEW] 15.	Non-delivery of SEND statutory timelines, financial risk of the DfE Safety Valve Agreement for Cambridgeshire and increase in DSG spend.	N/A	N/A	20	N/A	26/01/2026

3.4 Changes in Risk Scoring:

3.4.1 Risk 3: "Risk that the Council does not have enough budget to deliver agreed short- and medium-term corporate objectives." has decreased significantly from 20 to 12. The following statement from the risk owner, Executive Director of Finance and Resources was provided:

- "The level of 2025/26 forecast overspend has been significantly reduced due to concerted effort by officers, as such whilst the Financial Transparency Panel will continue, the position reported at Period 10 to Committee can be managed within reserves, and all issues have been addressed for nil impact on future years.
- The Government has announced a High Needs Recovery Grant which will fund around 90% of the Council's DSG deficit in 2025/26 and then more details around future years along similar lines. Whilst we still await the detail this significantly reduces the risk to the Council. The Council currently has an earmarked reserve of £7.5m which will address much of the position remaining with the Council if that is the case. Again as such this has significantly reduced the risk to the Council.
- Government also issued final settlement allocations for 2026-2029, this saw Cambridgeshire's core funding grow assuming 4.99% Council Tax. This gives not only clarity but also funding certainty that again reduces the risk.
- Specific matters such as the position relating to This Land and the Guided Busway are deemed to be improved in financial terms and the provision within the reserves is adequate to cover risk. As a result, the overall council financial risk is reduced."

3.4.2 Risk 7: "Risk of failure to deliver key Council services" has decreased in score from 10 to 8. The following statement from the risk owner, the Chief Executive was provided:

- Following the approval of the Council Business Plan and Budget in February 2026, the Council's refreshed Strategic Framework is now clear and approved, ensuring the ability to provide stronger prioritisation of activity across the Council and inform future business planning decisions in a timely manner.
- The recent reforms to funding for Local Authorities, through the Government's Fair Funding 2.0 Reforms has not had a significant adverse impact upon Cambridgeshire County Council, leading to a more sustainable position and, combined with the recently published Education White Paper and SEND Reforms should address some of the most critical challenges facing the Council both financially and from a service perspective.
- Improvements and embedding of the Council's Performance Management Framework has continued, providing greater scrutiny and oversight of services to ensure that areas where further focus and attention is required can be addressed more effectively.

3.5 New Risks from the Corporate Risk Register

3.5.1 Risk 15, “Non-delivery of SEND statutory timelines, financial risk of the DfE Safety Valve Agreement for Cambridgeshire and increase in DSG spend” has been escalated to the Corporate Risk Register, with the agreement of CLT.

The Executive Director for Children, Education and Families provided the following background detail regarding the escalation of this risk to the Corporate Risk Register:

- “The SEND reforms, initially expected in Autumn 2025, prompted a national conversation to gather perspectives from various stakeholders which concluded in January 2026. The Schools White Paper was published on 23rd February 2026 with a launch of a further consultation with a closing date of 18th May 2026. The government currently allows local authorities to fund SEND costs using the Dedicated Schools Grant (DSG), with future funding responsibility shifting to central government from 2028. However, there is uncertainty regarding the management of historic DSG deficits after this date. Cambridgeshire underwent an Area SEND inspection in early 2025, leading to the creation of an action plan and the adoption of the ‘Inclusion for All’ programme to strengthen inclusion across services. To support these improvements, restructuring and investment in Education and SEND services have been agreed, with integration of related programmes for targeted and universal support. Despite these efforts, the Corporate Leadership Team (CLT) has determined that risk levels should remain unchanged until government reforms are confirmed in 2026”.

3.5.2 The risk management team note that subsequent to the escalation of this risk to the Corporate Risk Register, further information on the government’s planned SEND reforms has become available via the Schools White Paper. The Children, Education and Families Directorate, working with the Assistant Chief Executive’s Service, is in the process of assessing the new information available about planned reforms and the impact of this on the corporate risk. Due to the timescales for publication of this report, it has not been possible to provide further detail at the time of writing.

4. Other Management Updates

4.1 CLT Risk and Assurance Meetings:

4.1.1 The CLT Risk and Assurance group met on the 18th of December 2025 to review new and emerging risks and to continue strengthening oversight of Council wide risks. The meeting included:

- The CLT Quarterly Risk and Assurance Meeting provided an overview of the organisation’s key strategic risks, confirming that while progress is being made in several areas, many core pressures remain unchanged. The Corporate Risk Register was reviewed in full, with directorates reporting broadly stable risk positions. Strengthened assurance was noted around incident management following the establishment of Gold and Silver command structures, though a significant gap remains around IT disaster recovery and cyber security planning, which the group agreed requires further discussion and input from IT. Rising FOI, Subject Access Requests (SAR), and information governance related pressures were also

highlighted as a growing area of concern, as were sustained financial and workforce challenges across major service areas. related pressures were also highlighted as a growing area of concern, as were sustained financial and workforce challenges across major service areas.

- The meeting also considered updates from the Children, Education and Families (CEF) Directorate, which has streamlined its risk profile from 12 to 6 risks following internal review. However, CEF continues to face escalating pressures related to statutory delivery, SEND, and demand led financial pressures. This led to the most significant discussion of the meeting, relating to the risk titled “Unable to Deliver Services Within the Financial Allocation Across CEF.” The group recognised that this risk represents a major and multifaceted threat to service delivery, influenced by Safety Valve negotiations, SEND demand, and wider financial uncertainties. Given its severity, potential for wide ranging operational impact, and increasing political and organisational scrutiny, the group unanimously agreed that this risk should be escalated from the Directorate Risk Register to the Corporate Risk Register, ranging operational impact, and increasing political and organisational scrutiny, the group unanimously agreed that this risk should be escalated from the Directorate Risk Register to the Corporate Risk Register.
- Local Government Reorganisation (LGR) risks were also reviewed, acknowledging that the end of phase one requires a refresh of risk ownership and controls. While no major decisions were taken in this area, CLT noted ongoing challenges around procurement, financial oversight, and maintaining service quality during transition. Several risk ownership changes were agreed across the meeting to ensure alignment with current responsibilities and programme structures.

4.1.2 Overall, the meeting provided assurance that risk management processes remain active and responsive, while also identifying clear areas requiring strengthened corporate oversight—most notably cyber security resilience and the escalated CEF financial delivery risk, which now sits on the Corporate Risk Register due to its strategic significance.

5. Significant Implications

5.1 Finance Implications

The report highlights significant financial risks recorded in the Council’s risk registers. Strong risk management and assurance processes support the Council in maintaining financial resilience, protecting public funds, and ensuring that resources are used effectively to deliver services.

5.2 Legal Implications

The Council’s risk registers include key legal risks, and oversight by the CLT Risk and Assurance group helps ensure compliance to statutory duties and regulatory requirements. This provides assurance that the Council is managing potential legal exposures appropriately and operating within its legal framework.

5.3 Risk Implications

This report and Appendix 1 showing the updated current Corporate Risk Register provide information on the key corporate risk areas currently identified by Cambridgeshire County Council and how these are being managed.

5.4 Equality and Diversity Implications

Risk management within the Council includes consideration of equality and diversity impacts, ensuring that risks are assessed for their effect on different communities and service users. This supports the Council's commitment to fair access, inclusive service delivery, and compliance with equality duties.

6. Source Documents

6.1 Corporate Risk Register - Appendix 1