

Corporate Risk Register

To: Audit and Accounts Committee

Meeting Date: 31st October 2024

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 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 the Corporate Risk Register.

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1. Creating a greener, fairer and more caring 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 seven of the Council's ambitions.

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.

2. Corporate Risk Register Updates

- 2.1 The full updated Corporate Risk Register can be found at Appendix 1 to this report. On the risk matrices, "RA" denotes the Council's maximum risk appetite of 15, which is a set maximum appetite for all risks. Where risk owners have identified a target risk below this risk appetite level, this is denoted with a "T".

2.2 Corporate Risk Register Overview

2.2.1 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 as discussed at the July meeting of Strategy, Resources and Performance Committee, 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, October 2024

Risk	Residual Risk Score Mar 24	Residual Risk Score June 24	Residual Risk Score Oct 24	Direction of Travel (RAG)	Last Review
1. Risk that the Council's arrangements for safeguarding vulnerable adults fail.	15	15	15	→	24/09/24
2. Risk of failure of the Council's arrangements to safeguard vulnerable children and young people.	15	15	15	→ (static)	12/09/24
3. Risk that the Council does not have enough budget to deliver agreed short and medium term corporate objectives.	12	12	16	↑ (worsening)	08/10/24
4. Risk that a serious incident occurs, preventing services from operating and /or requiring a major/critical incident response.	12	12	12	→ (static)	11/09/24
5. Risk of serious failure of corporate governance.	10	10	10	→ (static)	12/09/24
6. Risk that the Council's workforce is not able to meet business need.	15	15	15	→ (static)	17/10/24
7. Risk of failure to deliver key Council services.	10	10	10	→ (static)	13/09/24
8. Risk that the Council is a victim of cyber crime.	15	15	15	→ (static)	11/09/24
9. Risk that the Council fails to comply with Information Governance legislation and industry standards	12	12	12	→ (static)	06/09/24

10. Risk of failure of key contracts.	12	12	12	→ (static)	11/09/24
11. Risk of failure of collaborative working.	12	12	12	→ (static)	11/09/24
12. Risk that Cambridgeshire County Council is not adequately prepared for the risks of the changing climate.	16	16	16	→ (static)	10/09/24

2.2.2 For this reporting cycle, the residual risk score for Risk 3 (“Risk that the Council does not have enough budget to deliver agreed short and medium term corporate objectives”) has increased from a score of 12 in June to a score of 16 in October. The Executive Director of Finance and Resources has confirmed that this is due to the continued increase in the Dedicated Schools Grant (DSG) High Needs deficit.

2.2.3 Whilst the Council is in the Department for Education (DfE) Safety Valve programme, the ongoing increase in Education, Health and Care Plans (EHCPs) has not seen the in-year deficit reduce as forecast. The accounting treatment of this deficit nationally has been subject to a statutory override for a number of years. This allows local authorities to hold DSG deficits in a separate, unusable reserve, and means that the deficit is not counted against the local authority’s usable reserves and does not affect the authority’s financial sustainability assessments.

2.2.4 Currently, this statutory override is due to lift on the 1st April 2026 and there has been no decision to extend. If this override is lifted and the deficit increases, the Council could face a draw on revenue balances in excess of its reserves. The Council is therefore reviewing its actions to assess further action to reduce the deficit and lobbying Government for clarity on the override position.

2.3 New Risks / Risks De-Escalated from the Corporate Risk Register:

2.3.1 There have been no new risks added to the Corporate Risk Register since the previous report in July 2024, and no risks have been de-escalated from the corporate risk register.

2.3.2 Since the previous report, risk 5, “failure of corporate governance” has been re-named “serious failure of corporate governance”, to reflect the focus is on aspects of the risk which have the potential for a significant impact on the organisation.

2.4 Key Actions Implemented:

2.4.1 A number of actions incorporated in the Action Plans for the Corporate Risk Register have been closed since the previous report in June 2024. In particular, the following key actions have been marked as complete by Corporate Risk Owners:

- The Council has adopted the Local Government Association’s (LGA) model code of conduct for Members, as recommended.

The Land and Property Strategy was approved by the Committee in March 2024, addressing Climate and nature challenges. Future refreshes will continue to reflect

these considerations.

3. Other Risk Management Updates

3.1 Corporate Leadership Team (CLT) Risk & Assurance Meeting:

3.1.1 A meeting of the CLT Risk & Assurance group took place on 17th September. The meeting included an update from the Policy and Strategy team on work to review and risk-assess the Council's corporate partnerships to inform the recording of Risk 11 on the Corporate Risk Register (the risk of "Failure of Collaborative Working"). The following key updates are brought to the attention of the Committee:

i. *Risk Registers Review*

3.1.2 The meeting included a review of the Corporate Risk Register as well as all risks with a residual risk score of "15" or higher from Directorate Risk Registers. In particular discussions highlighted questions around how health and safety risks are recorded both at corporate and directorate risk register level and a range of actions to manage health and safety risk to be captured on risk registers. It was agreed that this would include some assurance testing across the Council to verify that risk assessments are in place for all the areas where this would be expected. It was also agreed that an item on health and safety risk would be included on the agenda for the next Leadership Team meeting.

3.1.3 Discussions also covered some risks around facilities management and property compliance. While the new Property database and the implementation of the corporate landlord model will assist in addressing these risks, there are some legacy issues relating to property budgets and the cost of maintenance, as well as some services still undertaking their own lettings of property or equipment. These risks are held on the Directorate Risk Register and a review is considering the extent to which they should be reflected in the Corporate Risk Register.

ii. *Other Key Decisions*

3.1.4 The CLT Risk Group also agreed a series of updated Risk Appetite Statements for inclusion in the Risk Management Toolkit which is provided to officers. These statements provide officers managing risk with a guide to the Council's appetite for risk across different types of activities (such as commercial and contracts, cyber security, environment and climate etc.) and set out the optimal risk position (i.e. the level of risk with which the organisation aims to operate) in each of Cambridgeshire's areas of principal risk. The Toolkit will now be updated to reflect this decision and the updated Appetite Statements will be shared with the Corporate Risk Group and more widely on Camweb.

3.1.5 The CLT Risk and Assurance Group also reviewed an options appraisal that had been prepared regarding risk management systems. The Council has been given notice on the risk management system it currently uses, which is shared with Milton Keynes, and a review of alternative systems was undertaken taking into account key considerations around cost, functionality, implementation time, and commitment length. In the short term it was agreed that commissioning a stand-alone instance of the current system was the preferred system as it was the most cost-effective option which would create minimal disruption, but would also give greater flexibility to change systems in future if desired.

Alongside implementing this proposal in the short term, the Council will continue to review other options for delivery, including the possibility of using a third-party developer to create a bespoke version of the POWA system (already used within the Council for project management) with the capability to record the Council's corporate and directorate risk registers.

3.2 Risk Strategy Implementation Update:

3.2.1 The Internal Audit & Risk Management team is progressing the actions from the updated Corporate Risk Strategy shared with Committee in July 2024. Key action updates since our last update in July include:

- *Action: Internal Audit & Risk Management will develop a risk management eLearning module that can be made available to all staff. This will particularly include guidance on how to escalate risks between different management levels/risk registers. Once this is completed, it will be publicised internally via the intranet and to targeted staff including budget managers."*

The training has been developed in draft and is currently with the Learning and Development team to create the eLearning module.

- *Action: "Appoint to new Corporate Risk Manager role in 2024/5 to develop greater capacity and resilience in corporate risk management support."*

An applicant has accepted the post of Corporate Risk Manager and pre-employment checks are currently ongoing.

4. Significant Implications

4.1 Finance Implications

Not applicable.

4.2 Legal Implications

Not applicable.

4.3 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.

4.4 Equality and Diversity Implications

Not applicable.

5. Source Documents

5.1 Corporate Risk Register – Appendix 1

5.2 [Cambridgeshire County Council Risk Strategy 2023 – 6](#)