

Cabinet – 1 April 2026

Principal Risk Register Review

Purpose	For Decision
Classification	Public
Executive Summary	<p>This report updates the Cabinet on the position of the Council's Principal Risk Register. The main updates are as follows:</p> <ul style="list-style-type: none">• All service risk registers have been reviewed to inform any proposed changes to the Principal Risk Register.• All principal risks have been reviewed, with the latest ratings shown in Appendix 1.• Two risks have been removed due to no longer being a key standalone risk to the Council's operation:<ul style="list-style-type: none">○ PR10 – Social Housing Regulatory Compliance○ PR19 – Recruitment and retention of staff (although this has been removed as a standalone risk it has been added into the overview and mitigations of PR9 – Local Government Reorganisation)○ PR15 – Transformation Programme• Two additional risks have been included that have arisen or become apparent in the previous six months:<ul style="list-style-type: none">○ PR15 (re-use of the risk number) - Political Environment○ PR20 – Health & Wellbeing of tenants in temporary accommodation

Recommendations	It is recommended that Cabinet: 1. Consider the Principal Risk Register updates and recommend adoption by Council.
Reasons for recommendation(s)	To meet the requirements of the Council's Risk Management Policy and to ensure that the Council complies with the corporate governance requirements relating to risk management.
Ward(s)	All
Portfolio Holder(s)	Councillor Jill Cleary – Leader / All
Strategic Director(s)	Alan Bethune – Corporate Resources (Section 151 Officer)
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Background

1. Risk management aims to identify the risks that may impact on the Council achieving its objectives. Its purpose is to evaluate, design and implement effective measures to reduce both the likelihood and potential impact of these risks occurring.
2. The Council has a statutory responsibility to have in place arrangements for managing risks under the Accounts and Audit Regulations, which require a sound system of internal control, facilitates the effective exercise of the Council's functions and includes arrangements for the management of risk. As such it features strongly in the Council's Local Code of Practice for Corporate Governance and is one of the primary assurance strands in the Annual Governance Statement, which places significant reliance on a robust risk management framework.

3. The Council's Risk Management Policy was approved by Audit Committee in January 2025. It provides a structured framework to ensure risks and opportunities are reviewed across all Services, Portfolios and Corporately, in a consistent way.
4. In January 2025, the Principal Risk Register was reshaped to focus on the most significant risks encountered by the Council. The risks are strategic and will assist further in the Council achieving the priorities set out in the Corporate Plan.
5. The Council's Principal Risk Register is an important element of the framework and is reviewed and updated every 6 months. The latest review by both EMT and Audit Committee was conducted during February 2026.

Principal Risk Review

6. All Service Risk Registers have been reviewed and updated by the Senior/Service Managers. Where possible, Principal Risks have been aligned to a Service Risk to ensure consistency going forward.
7. All Principal Risks have been reviewed, and the relevant Senior/Service Managers have been consulted on proposed changes.
8. The amended Principal Risk Register can be found at Appendix 1.

Proposed changes to the Principal Risk Register

9. Amended scores are as follows:
 - a. PR4 Business Continuity: Residual risk reduced from 12 to 6
 - b. PR5 Health & Safety: Residual risk reduced from 6 to 4
 - c. PR16 Planning & regulatory system upgrade: Inherent Risk reduced from 16 to 9; Residual risk reduced from 12 to 6
 - d. PR17 Climate & Ecological Emergency: Inherent Risk reduced from 12 to 9; Residual risk reduced from 9 to 6
10. Furthermore, it is proposed to remove the current risk PR15 Transformation Programme given the current focused nature of this workstream in light of the continued and growing progression of LGR activity, and to insert a new risk – Political Environment (using the same PR15 reference).

11. This new Principal Risk is to reflect the need for NFDC to consider the impact on NFDC, including our ability to make decisions, by potential changes to the political landscape across the UK as a whole, incorporating the uncertainty regarding the timing and outcomes of elections at all levels.
12. It is also proposed to remove the current risk PR10 Social Housing Regulatory Compliance as a Principal Risk but retain and monitor at Service risk register level. A mock inspection was commissioned to appraise the service and although scope was controlled it provided good assurance along with some learning that is being applied, all governed by the inspection readiness group.
13. It is further proposed to remove the current risk PR19 Recruitment and Retention of Staff as a standalone and to incorporate into the overall Local Government Reorganisation risk PR9 as the risk directly relates to the uncertainty of LGR and devolution.
14. Risk PR9 Local Government Reorganisation has been broadened to articulate the current three main areas of risk presented by LGR of capacity, finance and staffing. This risk should be expected to continue to evolve and change regularly as the LGR process moves forward.
15. Risk PR20 Health and wellbeing of tenants in temporary accommodation has been added at the request of the Strategic Director Housing & Communities. This risk is already included on the service risk register however it is felt this should be escalated to feature as a principal risk.
16. Other minor amendments to the Principal Risk Register are for clarification, to provide further detail, or to communicate updated information following liaison with the relevant Service Manager, Assistant Director or overall Risk Owner.

Comments from Audit Committee

17. The Principal Risk Register was considered by Audit Committee 13 February 2026.
18. Officers have considered a suggestion from Audit Committee to include the new customer services system within the Principal Risk Register. EMT at their meeting 24 February 2026 determined that this is a project/programme risk that is subject to its own governance and risk arrangements which includes a risk log and separate member overview and therefore has not been included within the Principal Risk Register.

19. Audit Committee requested a further review of the residual risk score for PR17 – Climate and Ecological Emergency suggesting that the score of 3 seemed low. The Service Manager and Risk Owner met and agreed to revise to a 6 / Medium score, with some additional detail added to the overview & mitigation section around NFDC responsibilities as a coastal landowner.
20. Audit Committee also suggested that some additional detail be added in the overview & mitigation section for PR18 – Working Practices to recognise that whilst fairness and parity in working practices is sought across the council, there is also recognition that different roles and services have their own specific requirements necessitating distinct standard operating procedures. This proposal was accepted and updates made.

Corporate plan priorities

21. The recommendations aim to improve the effective execution of all corporate plan priorities by presenting risk mitigation strategies that tackle the overarching vulnerabilities faced by the Council.

Options appraisal

22. An options appraisal is not applicable for this report.

Consultation undertaken

23. Consultation has been undertaken with Senior/Service Managers with responsibility for a Service Risk Register, particularly in areas where changes have been proposed.

Financial and resource implications

24. There are none arising directly from this report, although strong risk management and a solid understanding of risk helps to support robust financial management.

Legal implications

25. Although there are no direct legal implications arising from this report, the identification of principal risks and associated mitigations support a reduced likelihood of the Council failing to meet its statutory legal obligations.

Risk assessment

26. The risk management implications are set out within the content of this report.

Environmental / Climate and nature implications

27. If the climate principal risks are not managed this does bring risk to the council.

Equalities implications

28. There are no direct equality implications from this report.

Crime and disorder implications

29. There are no direct crime and disorder implications from this report.

Data protection / Information governance / ICT implications

30. There are no direct data protection / information governance / ICT implications from this report.

Appendices:

Appendix 1 – Principal Risk Register (February 2026)

Background Papers:

Audit Committee - 27 June 2025:
[Principal Risk Register Review](#)

Audit Committee – 13 February 2026:
[Principal Risk Register Review](#)