Cabinet – 2 April 2025

Principal Risk and Risk Management Policy Update

Purpose	For Decision
Classification	Public
Executive Summary	The Risk Management Policy (Appendix 1), and Principal Risks (Appendix 2), now included within this report contains the significant risks, as identified by senior and executive council officers in consultation with the Portfolio Holders, in the Council achieving the priorities set out in the 'For people, place, prosperity Corporate Plan 2024-28'
Recommendation(s)	**1) To consider the Principal Risk Register and revised Risk Management Policy and recommend adoption by Council.**
Reasons for recommendation(s)	To assist the council in being aware of risks and making evidence-based decisions, thereby adding value to their processes and outcomes.
Ward(s)	All
Portfolio Holder(s)	Councillor Jill Cleary – Leader / All
Strategic Director(s)	Alan Bethune – Strategic Director Corporate Resources and Transformation (Section 151 Officer) and Paul Whittles Assistant Director - Finance
Officer Contact	James Clarke Insurance and Risk Officer 023 8028 5002 James.Clarke@nfdc.gov.uk

Introduction and background

1.   The Risk Management Policy (Appendix 1) has been created to give clarity of approach to risk management at the Council, and to helpfully define process and roles and responsibilities. This gives a structured approach to ensure risks and opportunities are reviewed across all Services, Portfolio's and Corporately, in a consistent way.

2.   The Council's Principal Risk (Appendix 2) has been reshaped to truly focus on the highest level of risk to the Council. The risks listed will assist further in the Council achieving the priorities set out in the 'Community Matters Corporate Plan 2020-24'.

3.   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.

4.   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.

5.   The Risk Management Policy and Principal Risk Register have been developed through collaboration among senior and executive council officers to ensure a cohesive approach to identifying and documenting these risks. A thorough review was conducted by The Audit Committee in January, their feedback has been considered.

Risk Management Policy

6.   Developing and improving public services requires opportunities to be taken whilst managing the risks involved. In recent years all sectors of the economy have focused on management of risk as the key to making organisations successful. It enables organisations to deliver their objectives whilst protecting the interests of their stakeholders. New Forest District Council is dedicated to providing its stakeholders with the best possible service.

7.   The effective management of risk is central to providing a safe and healthy environment in which to live and work and it allows the

Council to make the most of opportunities, whilst understanding and minimising the risks, where possible. This policy sets out how New Forest District Council manages its risks, and what we aim to do in the future to maintain our high standards in this area.

Principal Risk Register

8.   Appendix 2 presents the Principal Risk Register, which identifies the most significant risks encountered by the council. This section evaluates and scores these risks while outlining proposed mitigation strategies. The recommended actions for risk mitigation are closely aligned with the available portfolio resources and, in some cases, depend on collaboration with partners to successfully achieve the council's objectives.

9.   A live and relevant document focused on risk principal approach for our council provides crucial benefits. It maintains up-to-date information that accurately reflects the specific risks and challenges unique to the district. By presenting this information in a concise format, stakeholders can swiftly identify and understand the key risk factors and mitigation strategies. This clarity facilitates more effective decision-making and allows the council to respond proactively to emerging risks, ultimately strengthening the overall risk management framework and ensuring the district's resilience.

Corporate plan priorities

10.   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

11.   Principal risks are essential for the council's effective risk management. Without this register, we may face significant operational, financial, and reputational challenges, highlighting the need for proper prioritisation. The Risk Management policy update will further strengthen our framework by incorporating best practices and aligning with current regulations to address potential threats proactively.

Consultation undertaken

12.   Internal consultation with Assistant and Strategic Directors and Chief Executive and The Audit Committee.

Financial and resource implications

13. 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

14. If the legal principal risks are not managed this does bring risk to the council.

Risk assessment

15. The Principal Risk Register is evidence of the risk assessment for the highest level of risk.

Environmental / Climate and nature implications

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

Equalities implications

17. There are no equality implications arising directly from this report.

Crime and disorder implications

18. There are no crime and disorder implications arising directly from this report.

Data protection / Information governance / ICT implications

19. There are no data protection, information governance or ICT implications arising directly from this report.

Appendices:	**Background Papers:**
Appendix 1 – Risk Management Policy	None
Appendix 2 – Principal Risk Register	

New Forest
DISTRICT COUNCIL

Risk Management Policy

2025

Contents

1. Introduction

This policy outlines the approach the Council takes with regards to its responsibility to manage risks and opportunities using a structured, focused and proportional methodology. Risk management is integral to all policy and project planning and operational management throughout the Council and integrates with our corporate governance and performance management.

This approach to risk management actively supports the achievement of the agreed actions, projects and programmes included as set out in the Council's adopted Corporate Plan.

The Council believes that risk needs to be managed rather than avoided and that consideration of risk should not stifle innovation and creativity.

2. Risk Management Policy Statement

We consider risk management to be a fundamental function that supports and aligns with our vision, values, and strategic objectives. This encompasses our commitment to operating in an effective and efficient manner while fostering confidence within our community. Acknowledging that risk is inherent in all our activities, our policy mandates the proactive identification, assessment, and management of significant risks. We strive to embed risk management into all operations and initiatives at New Forest District Council. It is essential that risk management is integrated into every process, project, and strategic decision, including procurement and contracting. We will ensure that our partnerships and third-party relationships adhere fully to the Council's Risk Management Policy.

Our approach to risk management must be tailored to our organisation, reflecting our size and the diverse nature of our operations while leveraging our skills and capabilities to their fullest potential. Risk management is most effective when functioning as an enabling tool, necessitating a consistent, well communicated, and formalised process across New Forest District Council. Defining the acceptable level of risk exposure, will provide clarity regarding which risks may threaten New Forest District Council's ability to achieve its objectives.

The risk management policy statement, along with its supporting documentation, establishes an integrated framework that empowers New Forest District Council to manage risk effectively. By implementing our risk management policy, we assure all stakeholders that risk identification and management are pivotal in the execution of our Corporate Plan priorities and related objectives. We will engage, empower, and assign ownership to all staff members in the identification and management of risks. Risk management activities will receive ongoing support and oversight from senior management through regular discussions and appropriate actions.

This includes comprehensive and routine evaluations of significant risks, assessment of mitigation strategies, and the implementation of actions to reduce risks to an acceptable level where possible. Effective risk management will be an integral component of both strategic and operational planning, as well as the day-to-day operations.

3. Risk Appetite

The council's risk appetite is characterised as moderate, emphasising a cautious approach that limits exposure to certain levels of risk. This strategic stance is designed to ensure that the council can achieve satisfactory outcomes while maintaining stability and fostering long-term sustainability in its decision-making processes.

The council's current overall risk appetite is categorised as MODERATE (refer to the table below for definitions). This classification indicates that the council is receptive to innovative approaches and is willing to explore options that may present substantial rewards, even when accompanied by higher levels of risk. Nevertheless, the council prefers safer delivery methods that entail a lower risk, particularly for services mandated by statute.

Risk Appetite Definitions	
Avoid	No appetite. Not prepared to take risk.
Adverse	Prepared to accept only the very lowest levels of risk, with the preference being for ultra-safe delivery options, while recognising that these will have little or no potential for reward/return.
Cautious	Willing to accept some low risks, while maintaining an overall preference for safe delivery options despite the probability of these having mostly restricted potential for reward/return.
Moderate	Tending always towards exposure to only modest levels of risk in order to achieve acceptable outcomes.
Open	Prepared to consider all delivery options and select those with the highest probability of productive outcomes, even when there are elevated levels of associated risk.
Hungry	Eager to seek original/creative/pioneering delivery options and to accept the associated substantial risk levels in order to secure successful outcomes and meaningful reward/return.

4. Risk Management Roles and Responsibilities

The key roles and responsibilities are outlined below:

<u>Council</u>

Consider and adopt the Council's risk management strategy and framework and any amendments/updates as recommended from time to time by the Council's Audit Committee.

<u>Cabinet</u>

Oversee the Principal Risk Register and the proposed risk mitigation plans, ensuring effective implementation.

Stay informed about the risk management implications associated with decision-making.

Audit Committee

Advocate for the robust adherence to the Risk Management Policy and Principal Risk Register, emphasising the need for rigorous oversight and thorough evaluation.

Deliver independent assurance to the Council regarding the sufficiency and effectiveness of the risk management framework and the associated control environment, underscoring the challenges inherent in maintaining high standards of risk oversight.

Executive Management Team (EMT)

Provide corporate leadership of risk management throughout the Council.

Agree an effective Council-wide framework for the management of risks and opportunities.

Advise Members on effective risk management and ensure Members receive relevant risk information.

Ensure that the Council complies with the corporate governance requirements relating to risk management.

Own the Council's Principal Risk Register and ensure that risks are reviewed as part of the wider Council's performance arrangements.

Monitor the implementation of key mitigation plans and controls assurance programmes.

Ensure processes are in place to report any perceived new/emerging (key) risks or failures of existing control measures.

Service and Senior Managers

Ensure that risk management, within their areas of responsibility, is implemented in line with the Council's Risk Management Policy.

Own their Service Risk Registers and identify cross-cutting risks as well as risks arising from their areas of responsibility; prioritising and initiating mitigating actions.

Ensure regular review of the Risk Registers as part of wider Council performance, report risk to Management and EMT on any perceived new and emerging risks, or failures of existing control measures.

Promote and share good practice across service areas.

Challenge risk owners and actions to ensure that controls are operating as intended.

Insurance and Risk Officer

Lead on the development and manage the implementation of the Risk Management Policy behalf of the Council.

Undertake full reviews of the Council's Principal Risk Register and approach and update accordingly and present any revisions to EMT, Audit Committee, Cabinet and Council for endorsement.

Use a range of resources to analyse management information to support recommendations for improvements to risk management policies and procedures.

5. Corporate Responsibility – The Three Lines of Defence

The three lines of defence concept is widely known among the insurance, audit and banking sectors as a risk governance framework. The concept can be used as the primary means to demonstrate and structure roles, responsibilities and accountabilities for decision making, risk and control to achieve effective risk management, governance and assurance.

The following table is an example of the three lines of defence concept:
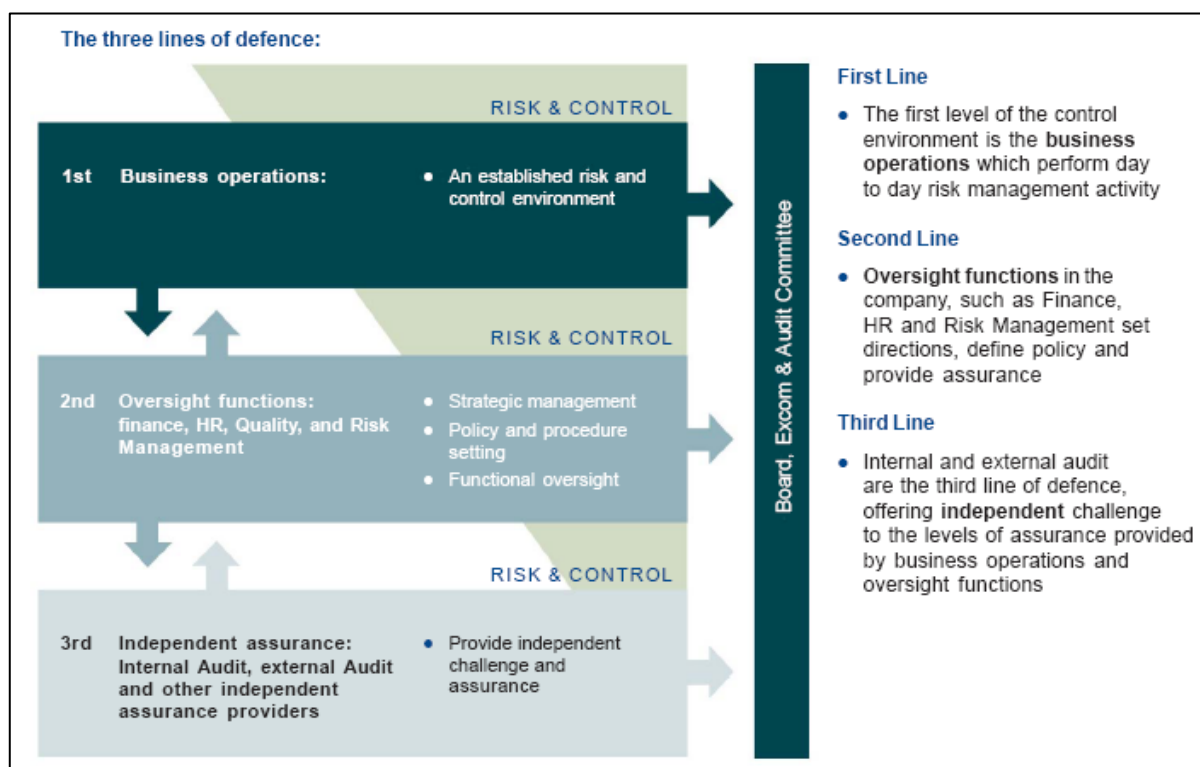
First line of defence

As the first line of defence, Service/Senior Managers own and manage risks within their service area. They are also responsible for implementing appropriate corrective action to address, process and control weaknesses. Policies and procedures support Service/Senior Managers in setting best practice in their areas of responsibility. In addition, they report any perceived new and/or emerging risks or, failure of control measures to their Strategic or Assistant Director.

Service/Senior Managers are also responsible for maintaining effective internal controls and managing risk on a day-to-day basis. They identify, assess, control and manage risks ensuring that their services are delivered in accordance with the Council's aims and objectives.

Second line of defence

The second line of defence relates to the strategic direction, policies and procedures provided by the Council's corporate functions (e.g. Finance, Legal Services, Procurement and HR). These teams are responsible for defining policies, setting direction, ensuring compliance and providing assurance.

Each department will have members of staff that belong to professional bodies, for example ACCA, which gives assurances that these corporate functions focus on delivering best practice for the council.

Third line of defence

Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve the Council's operations. It helps the Council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The aim of the Internal Audit work programme is to provide assurance to management, in relation to the business activities, systems or processes under review that the framework of internal control, risk management and governance is appropriate and operating effectively; and risks to the achievement of the Council's objectives are identified, assessed and managed to a defined acceptable level.

Such risks are identified through senior management liaison and Internal Audit's own assessment of risk. inspectors and regulators also provide assurance on the management of risk and delivery of objectives.

External Audit provide an independent review of the Council's Annual Financial Report, including the Annual Governance Statement. They provide overall assurance on the accuracy of the Council's financial reporting, and provide commentary on keys areas, such as Value for Money.

Audit Committee

The Committee is tasked with overseeing the financial affairs of the Council. Its responsibilities include reviewing the Council's accounts and overseeing both internal and external audit activities. Additionally, the Committee monitors the development and implementation of risk management and governance policies within the Council, as well as policies related to whistle-blowing, anti-fraud, corruption, and bribery. It also oversees Treasury Management activities, approves the Council's Annual Governance Statement, and ensures compliance with various published standards and controls.

5. How do we identify risks?

The Bow Tie Risk Analysis is a professional risk management tool designed to visualise and manage risks effectively. The diagram consists of a central risk event, with potential causes illustrated on the left and consequences on the right, resembling a bow tie. Preventive controls are identified alongside the causes, while mitigating controls accompany the consequences.

In risk management, "controls" are measures implemented to reduce the likelihood of a risk occurring or to minimise its impact when it does, and they can be classified as preventive, or corrective. Conversely, "mitigating controls" are specifically designed to address and reduce the severity of identified risks after they have been assessed. While all mitigating controls are a subset of controls, their primary focus is on reactive measures, such as insurance policies or emergency response plans, aimed at lessening the consequences of potential incidents.
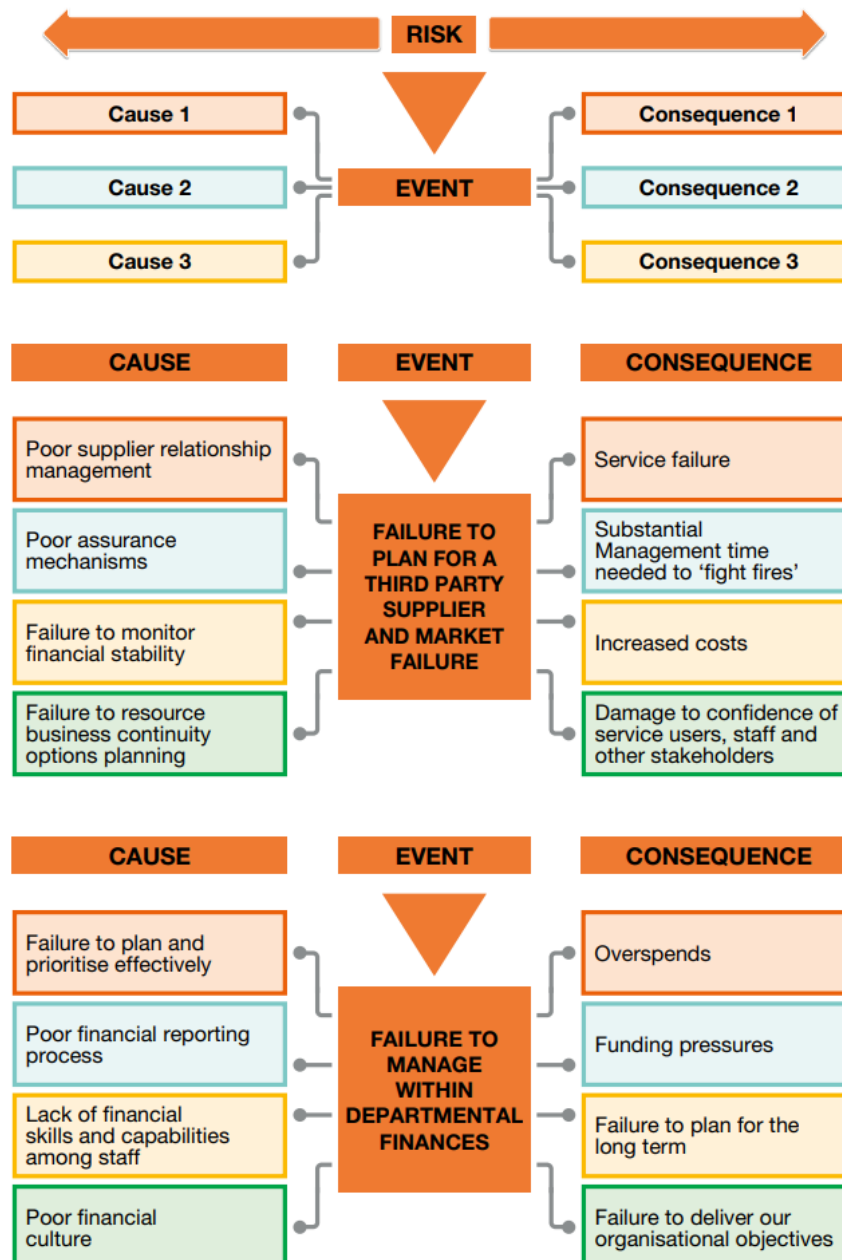
6. How Do We Evaluate Risks?

The Council evaluates its identified risks on a four-point scale on the likelihood or probability of the risk occurring and the impact caused should the risk occur being rated between low and significant.

A risk matrix is a key tool used to analyse the likelihood and impact of a risk. The Council uses a 4X4 risk matrix, with the score determined by multiplying the 'likelihood' score with the 'impact' score.

Scoring risks allows them to be compared with other risks and enables risk owners to prioritise and allocate more resources to those risks posing the greatest threat to the Council's objectives.

The Council has chosen to divide the rating into RAG bands as shown on the example risk map below:

	I M P A C T			
	Low (1)	Moderate (2)	Major (3)	Significant (4)
Highly Likely (4)	4	8	12	16
Likely (3)	3	6	9	12
Unlikely (2)	2	4	6	8
Highly Unlikely (1)	1	2	3	4

Impact Rating

The following table provides the definitions which should be used when determining whether a risk would have a Low, Moderate, Major or Significant impact.

Impact is defined as the impact to the organisation should the risk materialise.

Each potential risk area should be considered and the highest impact scored should be the score (1-4) that is used to define the overall impact score.

	Low (1)	Moderate (2)	Major (3)	Significant (4)
Financial	Less than £20,000	£20,000 or over and less than £130,000	£130,000 or over and less than £500,000	£500,000 plus
Service Provision	Minor effect	Slightly reduced	Service suspended short term/reduced	Service suspended long term Statutory duties not delivered
Health and Safety	Minor Injury	Broken bones/illness Lost time, accident or occupational ill health	Loss of life/major illness – major injury incl broken limbs/hospital admittance. Major ill health	Major loss of life/large scale major illness
Morale	No effect	Some hostile relationship and minor non cooperation	Industrial action	Mass staff leaving/unable to attract staff
Reputation	No media attention / minor letters	Adverse local media	Adverse national publicity	Remembered for years
Government Relations	One off single complaint	Poor assessment(s)	Service taken over temporarily	Service taken over permanently

Likelihood Rating

Likelihood is the chance of a risk materialising.

It is unlikely that in many cases the probability of a risk occurring can be calculated in a statistically robust manner, the following table can however be used as a guide to inform the judgement made:

Likelihood	Probability
Highly Unlikely (1)	0% to 10% chance of occurring
Unlikely (2)	11% to 40% chance of occurring
Likely (3)	41% to 70% chance of occurring
Highly Likely (4)	71% to 100% chance of occurring

Principal risks are typically viewed from a broader perspective, providing an overview of the most significant risks that could impact the council's strategic objectives, while service risk registers focus on specific risks associated with individual services or functions. To ensure alignment between these two approaches, a reference to the Principal Risk Register will be included within each service risk register, fostering a comprehensive risk management framework that consistently monitors and addresses key risks at both the strategic and operational levels. In this context, the inherent risk score represents the level of risk in a situation before any controls are applied, whereas the residual risk score indicates the risk that remains after mitigation measures have been implemented.

7.   How We Respond To Risks?

Once a risk has been identified, the Council need to decide and agree what it is going to do about it. The recognised approaches to controlling risks are described as the five key elements or 5 T's; Tolerate, Treat, Transfer, Terminate and Take the opportunity. These are described in more detail below. It is generally accepted that where a risk can be reduced through some form of treatment or mitigation in a cost-effective fashion then it is good to do so.

As a general principal once a risk has been identified, consideration needs to be given to the five T's and that the chosen approach is seen as being cost-effective so that the control of the risk is not disproportionate to the expected benefits.

The five T's are:

Treatment   By far the greatest number of risks will be addressed in this way by using appropriate control counter measures to constrain the risk or reduce the impact or likelihood to acceptable levels. Examples include strategy, process, people or systems' improvement.

Transfer   For some risks the best response may be to transfer them and this might be done by transferring the risk to another party to bear or share the risk: e.g. through insurance, contracting or entering into a partnership. Risk can never be fully transferred.

Tolerate   Where it is not possible to transfer or treat the risk, consideration needs to be given to how the consequences are managed should they occur. This may require having contingency plans in place, for example, Business Continuity Plans which create capacity to tolerate risk to a certain degree.

Terminate   Some risks will only be treatable, or containable to acceptable levels by terminating the activity that created them. It should be noted that the option of termination of activities may be severely limited in local government when compared to the private sector; a number of activities are conducted in the local government sector because the associated risks are so great that there is no other way in which the output or outcome, which is required for the public benefit, can be achieved. This option can be particularly important in project management if it becomes clear that the projected cost/benefit relationship is in jeopardy.

**Take the
Opportunity**   This option is not an alternative to those above; rather it is an option which should be considered whenever tolerating, transferring or treating a risk. There are two aspects to this. The first is whether or not at the same time as mitigating threats; an opportunity arises to exploit positive impact. For example, if a large sum of capital funding is to be put at risk in a major project, are the relevant controls judged to be good enough to justify increasing the sum of money at stake to gain even greater advantages? The second is whether or not circumstances arise which, whilst not generating threats, offer positive opportunities. For example, a drop in the cost of goods or services frees up resources which can be re-deployed.

The council would ideally prefer not to accept a level of risk that is considered excessively high, as it could jeopardise the safety and well-being of our community, as well as our financial stability and operational effectiveness. Consequently, we are committed to implementing measures to reduce or manage these risks effectively. However, we must acknowledge that there are certain circumstances or unique situations wherein our ability to mitigate risks may be limited, leaving us with few options to address the inherent challenges involved.

8.   Risk Reporting

Risk management is a dynamic process, and it is vital that Dashboards are kept up to date.

New risks will be identified, and some will be managed and removed. Risks need to be reviewed and reported upon to identify if risks are changing and their impact on the Council's objectives and to gain assurance that risk management is effective. The assessment of likelihood and impact levels for existing risks/opportunities will need to be updated to take into account the management actions undertaken, and contingency arrangements will need to be reviewed in response to changing internal and/or external events.

Regular Review of Service Risk Registers and the Principal Risk Register are to be undertaken considering the following points:

- Does the current risk score reflect the risk's likelihood and impact at this point in time?

- Is the control environment still sufficient?

- Are the identified controls effective?

- Are there any assurances that can be provided to validate the controls effectiveness levels?

- Is the information shared with officers and are they amending and refining their actions in light of any changes?

Each service area is required to maintain a Service Risk Register, which serves as a comprehensive tool for documenting and managing risks from a service perspective, facilitating the effective delivery of their service plans. Every three months, the Insurance and Risk Officer will ask Service and Senior Managers to review their respective risks. It is the responsibility of these managers to ensure that any necessary updates are completed on their Service Risk Registers by the specified deadline. This review process will also identify any risks that need to be escalated to the Principal Risk Register for oversight by the Executive Management Team (EMT). Additionally, urgent issues identified outside of the regular reporting cycles must be reported immediately by the service areas to the EMT for prompt attention.

The Executive Management Team (EMT) will conduct a review of the Principal Risk Register, determining whether to add or remove risks as necessary. The Principal Risk Register will be formally updated every six months. Additionally, there will be a quarterly review every three months, and any material issues that arise will be reported to EMT. This process ensures that actions regarding the principal risks are thoroughly evaluated. Following their review every six months, EMT will recommend the findings (report produced by Insurance and Risk Officer) to Audit Committee and the Cabinet before submitting them to the Council for approval. This approach establishes a focused and strategic method for risk mitigation while effectively capitalising on opportunities as they arise.

Historic versions of Service Risk Registers and Principal Risk Registers will be archived with every revision. If there is a business need to review these documents, they will be maintained in accordance with the council's Corporate Retention and Destruction Policy.

9. Document history

Name of policy	Risk Management Policy
Purpose of policy	Key stakeholders must understand their role or responsibilities within the risk management process, and how risk should be managed across the Council.
Policy applies	Corporately
First issued	2022
Latest update	2025
Update overview	Reworded risk management statement Section 3 added for Risk Appetite Updated the wording to section 4 which referenced dashboards and anything considered out of date. Three lines of defence diagram updated. Added a diagram for Stating risks: causes, events and consequences within section 5 Added a paragraph to section 6, this is identical to the one used in the Risk Appetite Statement. Added two paragraphs explaining current arrangements for risk reporting. All text has been updated to Verdana Pro and Verdana in line with the agreed corporate format.

10. Definitions

Term	Definition
RAG Bands	Red, Amber or Green – Categories of Risk Ratings
EMT	Executive Management Team
PR	Principle Risks

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For people, place and prosperity
Principal Risk Register 2024 - 2028 ● January 2025

New Forest
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Ref	Risk Title	Corporate Plan Theme	Risk Owner	Risk Rating	Risk Score	Risk Event	Overview and Mitigation
Operations							
PR1	Cyber Security	Transformation Priority 4: Designing modern and innovative services	Strategic Director Corporate Resources & Transformation Section 151 Officer	High	12	Malicious attack results in significant loss of sensitive data and/or significant disruption to Council operations	The Council continues to respond to the increasing cyber threat by completing a programme of work coordinated by its consulting Chief Information Security Officer, with a view to achieving external accreditation in due course.
PR2	Emergency Planning	Transformation Priority 4: Designing modern and innovative services	Strategic Director – Housing & Communities	Medium	6	An inadequate emergency planning response violates the Council's obligations under the Civil Contingencies Act and undermines both responsibilities and effective results.	The Council is collaborating with the Hampshire Resilience Forum to ensure effective preparedness for response, along with other partners at both national and local levels. Starting in April, we will establish a new relationship with Southampton as we transition away from Hampshire County Council (HCC), which will lead to the introduction of a new role. Currently, the Local Resilience Forum (LRF) is not functioning as intended, and we are engaging with MP's and external parties.

Ref	Risk Title	Corporate Plan Theme	Risk Owner	Current Risk Rating	Risk Score	Risk Event	Overview and Mitigation
PR3	Homelessness	People Priority 3: Meeting housing needs	Strategic Director – Housing & Communities	Medium	6	Inability to fulfil our legal obligations to the homeless (and/or to utilise our statutory authority to assist them) in a timely, effective, and efficient manner could negatively affect our financial position. This poses health and safety risks related to homelessness, as well as reputational risks, and could lead to another increase in homelessness.	To address the extraordinary demand, urgent efforts are being made to increase temporary accommodation options, while medium-term plans outlined in the Housing strategy are in progress. Funding has been increased.

Ref	Risk Title	Corporate Plan Theme	Risk Owner	Current Risk Rating	Risk Score	Risk Event	Overview and Mitigation
PR4	Hampshire County Council - Political Environment	All	Chief Executive	Medium	6	Hampshire County Council elections scheduled for May 2025 could have a substantial impact on the New Forest District Council by changing the political balance and shifting funding priorities. A change in leadership might result in decreased support for vital services such as transportation and education. Furthermore, differing political agendas could impede collaboration with the county, affecting community involvement and potentially leading to a breakdown in services for our residents. There is a possibility that these elections may be postponed until May 2026.	NFDC is part of a wider Hampshire elections planning group and have also set up internal elections planning should the May elections proceed. There may be other elections such as the Mayoral election in 26, and possible byelections as a consequence of a deferral of the HCC elections so resources will still be required. In terms of service changes, HCC will need to set a balanced budget and officers will engage with any service change proposals that impact New Forest residents.

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New Forest
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Ref	Risk Title	Corporate Plan Theme	Risk Owner	Current Risk Rating	Risk Score	Risk Event	Overview and Mitigation
PR5	Business Continuity	All	Strategic Director – Housing & Communities	*(Red)*	12	Ineffective business continuity response enables an event to seriously disrupt Council operations	The Council acknowledges a resource shortfall and will conduct a review of its business continuity arrangements in 2025. This review will focus on adapting to changes in working patterns and the digital environment, as well as emphasising operational resilience rather than responding to specific events. The Council is well positioned to respond effectively.
Legal & Regulatory							
PR6	Health and Safety	People Priority 2: Empowering our residents to live healthy, connected and fulfilling lives	Chief Executive	Medium	8	A serious health and safety incident occurs	Implementation of the Council's H&S management system, including proactive monitoring arrangements and competent external advice overseen by the Corporate Health and Safety function.
PR7	Information Governance	All	Assistant Director Governance & Monitoring Officer	Medium	8	A serious data breach occurs and/or other significant instance of non-compliance with data legislation	Implementation of the Council's GDPR action plan continues overseen by the Council's Data Protection Officer and supported by the Information Governance team.

Principal Risk Register 2024 - 2028 ● January 2025

Ref	Risk Title	Corporate Plan Theme	Risk Owner	Current Risk Rating	Risk Score	Risk Event	Overview and Mitigation
PR8	Safeguarding	People Priority 1: Helping those in our community with the greatest need	Strategic Director – Housing & Communities	Medium	6	A safeguarding incident occurs which, through action or omission by the Council, might otherwise have been prevented	Under the supervision of the Hampshire Safeguarding Boards, the Community Safety Team remains engaged in safeguarding issues, supported by Designated Safeguarding Reporting Officers (DSROs). They implement effective processes and training programs in housing, ensuring a comprehensive approach to safeguarding measures.
PR9	Legal & Governance	All	Assistant Director Governance & Monitoring Officer	Medium	6	Legal & governance activity takes place which is not in the best interests of the Council and its stakeholders and/or is in breach of legislation	Legal and governance processes are enhancing. However, some residual risks remain. We make it a priority to seek appropriate specialist legal advice when necessary, staying aware of when it's needed.
PR10	Local Government Reform / Devolution	All	Chief Executive	High	12	The publication of the 'white paper'. We will work closely with our local authority partners to carry out specific actions and make sure our internal communications remain clear and effective.	It is anticipated that extensive programme management will take place, and the Government have outlined that they will be undertaking consultation and NFDC will be invited to respond. There is financial provision being proposed to support the work that will follow.

Ref	Risk Title	Corporate Plan Theme	Risk Owner	Current Risk Rating	Risk Score	Risk Event	Overview and Mitigation
PR11	Social Housing Regulatory Compliance	People Priority 3 – meeting Housing Needs	Strategic Director – Housing & Communities	Medium	6	Self-referral to Regulator of Social Housing. Non-compliant Inspection grading Reputational damage. Fine. H&S incident. Complaints and Disrepair claims.	Consumer Standard Gap Analysis and Action plan, Performance monitoring, Policy and Strategy reviews, reporting to EMT, Scrutiny Panel, Cabinet and Council. Tenant Engagement and Scrutiny
Financial							
PR12	Income and Financial Position	Transformation Priority 3: Being financially responsible	Strategic Director Corporate Resources & Transformation Section 151 Officer	Medium	6	Income volatility / poor finance settlement / extreme event causing significant financial challenge	With the transformation program in progress and ongoing reviews of the MTFP, the council is fully committed to ensuring both immediate and future financial stability.

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Ref	Risk Title	Corporate Plan Theme	Risk Owner	Current Risk Rating	Risk Score	Risk Event	Overview and Mitigation
PR13	Fraud	Transformation Priority 3: Being financially responsible	Strategic Director Corporate Resources & Transformation Section 151 Officer	High	9	While the risk of internal fraud is low, the potential for external fraud remains a significant concern. This underscores the necessity for the Council to prioritise external fraud prevention strategies, ensuring that safeguards are in place to protect against outside threats and vulnerabilities. Lessons learned emphasise the importance of vigilance and proactive measures to mitigate these external risks effectively.	The Council's approach is set out in the Anti-Fraud and Corruption Strategy supported by an action plan overseen by Internal Audit & the Executive Management Team

Ref	Risk Title	Corporate Plan Theme	Risk Owner	Current Risk Rating	Risk Score	Risk Event	Overview and Mitigation
PR14	Procurement	Transformation Priority 3: Being financially responsible	Strategic Director Corporate Resources & Transformation Section 151 Officer	Medium	6	Procurement activity takes place which is not in the best interests of the Council and its stakeholders and/or is in breach of legislation	Central procurement processes have become more agile and resilient, and contract oversight is enhancing. However, some residual risk remains with the Services. It is essential to initiate contract management and tender processes well in advance.
Major Projects							
PR15	Hardley Depot	Place Priority 1: Shaping our place now and for future generations	Strategic Director Corporate Resources & Transformation Section 151 Officer	Medium	6	The new depot has not been completed within the required timeframe and is not operationally available.	The short-term financial exposure is increasing as the programme progresses.

Ref	Risk Title	Corporate Plan Theme	Risk Owner	Current Risk Rating	Risk Score	Risk Event	Overview and Mitigation
PR16	Waste Strategy Implementation	Place Priority 3: Caring for our facilities, neighbourhoods and open spaces in a modern and responsive way	Strategic Director of Place, Operations and Sustainability	Medium	8	The ineffective transition from black plastic bags to waste bins can lead to significant operational impacts, including increased littering and improper bin usage, which may drive up disposal costs and create health hazards. Additionally, these issues can lead to potential legal repercussions and loss of funding. The reputational risks associated with a failed transition may strain community trust in the Council and heighten operational challenges.	An effective communication strategy is essential for informing the community and facilitating the successful implementation of the new waste management system. It is important for members to engage more broadly with the community regarding this significant service change.

Ref	Risk Title	Corporate Plan Theme	Risk Owner	Current Risk Rating	Risk Score	Risk Event	Overview and Mitigation
PR17	Transformation Programme	Transformation Priority 4: Designing modern and innovative services	Strategic Director Corporate Resources & Transformation Section 151 Officer	Medium	8	Effective development and delivery of our digital and people strategies is crucial for achieving our Corporate Plan goals. Failure to implement these initiatives properly may create a disconnect between our strategic objectives and daily operations, hindering efficiency and overall performance. Alignment among stakeholders is essential to prevent misalignment.	Programme governance embedded and regular Cllr oversight through the Resources and Transformation O&S panel. Need to stay mindful of LGR context and take proportionate action based on this medium-term outlook.

Ref	Risk Title	Corporate Plan Theme	Risk Owner	Current Risk Rating	Risk Score	Risk Event	Overview and Mitigation
PR18	Planning and regulatory system upgrade	Transformation Priority 4: Designing modern and innovative	Strategic Director Corporate Resources & Transformation Section 151 Officer	Medium	8	The planning system may face challenges and potential failures without effective management. This underscores the importance of utilising dependable planning software to promote efficient processes and successful project outcomes, which could also impact the transformation program and regulatory services.	Terms agreed upon for the regulatory planning system and contractual assistance regarding the present situation.

Ref	Risk Title	Corporate Plan Theme	Risk Owner	Current Risk Rating	Risk Score	Risk Event	Overview and Mitigation
Reputation							
PR19	Climate and Ecological Emergency	Place Priority 2: Protecting our climate, coast, and natural world	Strategic Director of Place, Operations and Sustainability	Medium	6	The Council is making efforts to address climate change-related challenges, such as promoting biodiversity, improving waste management, and implementing sustainable development practices, but there is still more work to be done to fully meet the demands of our unique environment and community.	Implementation of the Council's Climate and Ecological Emergency Action Plan continues.

Ref	Risk Title	Corporate Plan Theme	Risk Owner	Current Risk Rating	Risk Score	Risk Event	Overview and Mitigation
People							
PR20	Working practices	Transformation Priority 2: Being an employer of choice		High	12	With a large in-house workforce providing such a variety of diverse services, application of local working practices in comparison to standard terms and conditions could result in inconsistencies across the workforce	A thorough staff consultation has been undertaken recently in Waste Services to advise of proposed terms and conditions changes in readiness for the new waste service. A recent review of Essential User Allowances has also recently been undertaken and is nearing conclusion.

Note:

Categories

Must be assigned to either:

- Financial
- Legal & Regulatory
- Major Projects
- Operations
- People
- Reputation

Theme:

People Priorities	Code
Priority 1: Helping those in our community with the greatest need	PE1
Priority 2: Empowering our residents to live healthy, connected and fulfilling lives	PE2
Priority 3: Meeting housing needs	PE3
Place Priorities	
Priority 1: Shaping our place now and for future generation	PL1
Priority 2: Protecting our climate, coast, and natural world	PL2
Priority 3: Caring for our facilities, neighbourhoods, and open spaces in a modern & responsive way	PL3
Prosperity Priorities Code	
Priority 1: Maximising the benefits of inclusive economic growth and investment	PR1
Priority 2: Supporting our high-quality business base and	PR2

economic centres to thrive and grow	
Priority 3: Championing skills and access to job opportunities	PR3
Transformation Priorities	
Putting our customers at the heart	PT1
Being an employer of choice	PT2
Being financially responsible	PT3
Designing modern and innovative services	PT4

Risk owner

Must be assigned to either:

- Chief Executive
- Strategic Director
- Statutory Officer

Current Risk Rating / Risk Score

Risk Score	Risk Level
9-16	**High Risk**
4-8	**Medium Risk**
1-4	**Low Risk**