



# Title of report: Risk Management Update Quarter 1 2025-26

**Meeting:** Cabinet

**Meeting date:** Thursday 25 September 2025

**Cabinet member:** Cabinet member finance and corporate services;

**Report by:** Director of Finance

**Report author:** Director of Finance

## Classification

Open

## Decision type

Non-key

## Wards affected

All Wards

## Purpose

To provide an update on the status of corporate risks at the end of Quarter 1 2025/26 (June 2025) and provide assurance that risks are being managed effectively across the council.

## Recommendation(s)

That Cabinet:

- a) Approves the updates to the Corporate Risk Register and actions to mitigate identified risks at Quarter 1 2025/26.
- b) Notes the activity to embed the revised risk management strategy to strengthen risk management activity across the council at Corporate, Directorate and Service levels.

## Alternative options

1. Cabinet may choose not to review the council's corporate risks. This is not recommended as risk management is an integral part of the council's governance arrangements and decision-making processes and is fundamental to the successful delivery of strategic objectives.

## Key considerations

2. The revised Risk Management Strategy 2025/26 and Risk Appetite Statement were approved by Cabinet in June 2025. The Strategy sets out the approach and principles of risk management, outlining the council's risk appetite, to inform the management of risks by Members and Officers across the council.
3. The Corporate Leadership Team (CLT) have undertaken a review of the Corporate Risk Register (included at Appendix A) at 30 June 2025 to update risk scores, consider the adequacy of control measures and mitigating actions and identify new threats and opportunities to the delivery of the objectives and priorities of the Council Plan 2024-28.
4. In addition to this quarterly update, CLT and Cabinet continue to monitor risks throughout the year to ensure appropriate and proportionate controls are in place as part of the risk management framework and internal control framework.
5. The revised Corporate Risk Register approved by Cabinet in June 2025 included 8 corporate risks. At Quarter 1, an additional risk has been identified and added to the risk register. Corporate Risk ref. R9 recognises the risk of financial failure of a major supplier to the council, resulting in disruption to the delivery of statutory services or major projects.
6. There have been no changes to the risk scores for the remaining 8 corporate risks during Quarter 1. The scores of each of these risks have been reviewed by the relevant Risk Owner, supported by discussion and oversight by CLT.
7. In addition to the review of the Corporate Risk Register, CLT members are engaged in activity to refresh Directorate level risk registers and embed the revised Strategy across the council.
8. The council's 2025/26 Internal Audit Plan has been reviewed to ensure it is aligned to the refreshed Risk Strategy and risks identified in the Corporate Risk Register. The development of a comprehensive risk-based plan ensures that internal audit activities are focused on the highest-impact risks to the council's objectives.
9. Activity to embed and strengthen risk management arrangements has continued in Quarter 1 as outlined below:
  - i. A consistent Risk Register template to record and monitor individual Directorate, Service and Project risks has been developed with automated links and escalation flags; this template aligns risks to the council's approved Risk Strategy and Risk Appetite Statement.
  - ii. Testing of populated risks registers to confirm functionality and cohesion with the Strategy.
  - iii. A SharePoint site and Teams Challenge has been established to share guidance, training and enable interaction between risk owners.
10. Further activity planned during Quarter 2 includes:
  - i. An audit of risks transferred from previously used registers to the new risk register templates will be undertaken to confirm the completeness of transfer.
  - ii. Moderation of risk scores across Service, Directorate and Project Risk Registers.
  - iii. Review and challenge of control measures and mitigating actions.
  - iv. Delivery of risk management training to the council's Leadership Group in September 2025 with workshop activity to test the application of the Risk Management Strategy and Appetite Statement to decision-making in respect of major projects.
  - v. Update of the council's Risk Management Intranet page.
  - vi. Development of Risk Management dashboard reporting.

## **Community impact**

11. Effective risk management is essential to the delivery of the priorities set out in the Council Plan. Specially, the Council plan commits the council to 'develop a Corporate Risk Strategy to improve the process for managing corporate and directorate risks'.

## **Environmental Impact**

12. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
13. Whilst this is a report for information and will have minimal environmental impacts, consideration has been made to minimise waste and resource use in line with the council's Environmental Policy.

## **Equality duty**

14. The Public Sector Equality Duty requires the Council to consider how it can positively contribute to the advancement of equality and good relations, and demonstrate that it is paying 'due regard' in our decision making in the design of policies and in the delivery of services.
15. The mandatory equality impact screening checklist has been completed for this activity and it has been found to have no impact for equality. It is recognised that each identified individual corporate risk may have its own individual impacts on equalities or assessed as a risk due to its effect on equality. These are monitored as part of the ongoing individual service or project delivery. Effective risk management arrangements will ensure the council complies with its equality duties.

## **Resource implications**

16. There are no specific resource implications from the report itself.

## **Legal implications**

17. Cabinet is responsible for approving the Risk Management Strategy and is accountable for ensuring that a corporate risk register is established and maintained, including details of actions to mitigate identified risks, and that this is regularly monitored.

## **Risk management**

18. This is a report to review the Corporate Risk Register and risk management arrangements at Quarter 1 2025/26.

## **Consultees**

19. None.

## **Appendices**

Appendix A Corporate Risk Register Quarter 1 2025/26.

## **Background papers**

None.