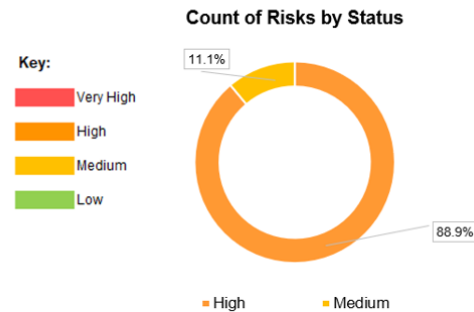
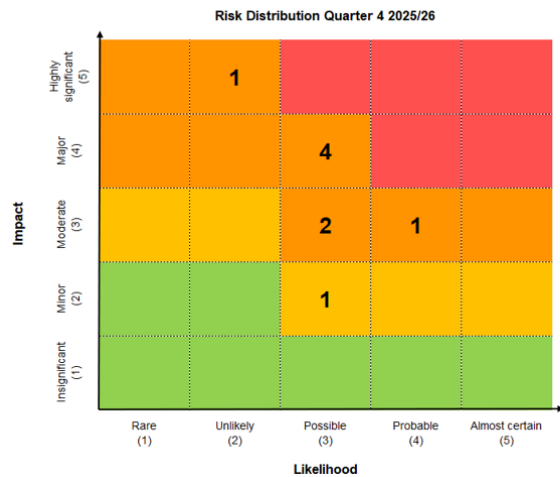


Appendix A: Corporate Risk Register Update at Quarter 4 2025/26

Ref	Corporate Risk	2025/26 Q1 Residual	2025/26 Q2 Residual	2025/26 Q3 Residual	2025/26 Q4 Residual	Current RAG
R1	Failure to discharge duty of care for a vulnerable child or vulnerable adult.	10	10	10	10	High
R2	Demand for client-based services continues to increase resulting in increased budget pressures and poor outcomes for those people in receipt of our services.	12	12	12	12	High
R3	Lack of local special educational needs and disabilities (SEND) placement provision to meet current and future levels of demand.	16	16	12	12	High
R4	Failure to deliver capital and major projects within identified resources and planned timeframes resulting in significant overspend and reduced project outcomes.	9	12	12	12	High
R5	Failure to deliver a sustainable financial strategy that supports delivery of the Council Plan priorities.	9	12	12	12	High
R6	Inability to attract and recruit candidates and retain staff leading to an inability to deliver services.	6	6	6	6	Medium
R7	Inability to respond adequately to a significant emergency affecting ability to provide priority services.	9	9	9	12	High
R8	Risks within the West Mercia community area.	9	9	9	9	High
R9	Risk of financial failure of major supplier.	9	9	9	9	High

Risk rating	Action
Very High	Immediate and significant management action and control required. Continued proactive monitoring of risk.
High	Seek cost effective management actions and controls. Continued proactive monitoring of risk.
Medium	Seek cost effective control improvements. Monitor and review risk regularly.
Low	Seek improvements to controls if cost effective to do so. Monitor and review risk regularly.



Ref	Corporate Risk	Risk Category	Risk Appetite	Control Measures/Mitigating Actions	Inherent Risk Score	Residual Risk Score
R1	<p>Failure to discharge duty of care for a vulnerable child or vulnerable adult.</p> <p>Risk Owner: Corporate Directors: Community Wellbeing, Children & Young People</p>	<p>Strategic Delivery - Council Plan Priority: PEOPLE</p> <p>(Exception 1: Safety and wellbeing of residents)</p>	<p>Exception 1: Averse Limited appetite to risk. The council is responsible for providing services to those who need it most, including vulnerable adults and children and operates rigorous safeguarding measure to ensure the health and safety of residents. The council will continually seek to avoid activities that present a threat to the safety of the public and will do everything possible to prevent the loss of life.</p>	<p>Services for Adults There are clear processes in place for same-day triage of safeguarding concerns raised and action is taken for those at greatest risk. Outcomes are monitored by frontline managers with senior management oversight. All staff access training aligned to their job roles and responsibilities. The Principal Social Worker (PSW) led practitioner forums provide further support and embed practice for staff working with vulnerable adults. Daily case discussions take place and established processes for escalation are in place across the service. The Deprivation of Liberty Safeguards (DoLS) Service follows the Association of Directors of Adult Social Services (ADASS) guidance for case prioritisation. Continuous professional development for staff and providers, additional legal support and constant review and prioritisation of cases waiting for assessment is undertaken. Safe and well checks are undertaken for those at high risk. There are duty arrangements in place to cover emergencies and any urgent work required. Oversight and assurance of multi-agency safeguarding practice is delivered by the Herefordshire Safeguarding Adults Board (HSAB). The Complex Adult Risk Management (CARM) process has been reviewed and strengthened. There is an established process of 'Team Around Me' and 'Breaking the Cycle' forums with partners to ensure a joined-up approach by agencies to support adults with multiple complex vulnerabilities.</p> <p>Children's Services Children's Safeguarding procedures and Practice Standards in place to guide practice.</p>	<p>Likelihood: 3 (Possible)</p> <p>Impact: 5 (Highly significant)</p> <p>Inherent Risk Score = 15</p>	<p>Likelihood: 2 (Unlikely)</p> <p>Impact: 5 (Highly significant)</p> <p>Residual Risk Score = 10</p>

Ref	Corporate Risk	Risk Category	Risk Appetite	Control Measures/Mitigating Actions	Inherent Risk Score	Residual Risk Score
				<p>An audit programme is in place to review compliance with practice standards. There is regular (monthly) supervision of social workers – KPI and Adult review compliance</p> <p>The Better Outcomes Panel is responsible for reviewing children in care placements. The Service Director receives and is the decision maker on all children received into care.</p> <p>Cases with high risk are reviewed within Legal Gateway meeting chaired by Senior Manager and attended by Legal to ensure threshold for proceedings is considered.</p>		
R2	<p>Demand for client-based services continues to increase resulting in increased budget pressures and poor outcomes for those people in receipt of our services.</p> <p>Risk Owner: Corporate Directors: Community Wellbeing, Children & Young People</p>	<p>Strategic Delivery - Council Plan Priority: PEOPLE</p>	<p>Open</p> <p>The council is ambitious in its aim to support children and young people to thrive within highly effective schools and flourishing communities. It seeks out opportunities to collaborate with partners to support residents to live healthy lives within connected and safe communities and is prepared to accept a level of risk to deliver against this priority.</p>	<p>A Budget Resilience Reserve was established in 2024/25 to manage the impact of in-year cost pressures and volatility in demand across social care budgets in 2025/26 and 2026/27. After application of £1.8m in 2025/26, a balance of £5.2m remains in the Budget Resilience Reserve; £1.0m will be available to mitigate cost pressures in social care budgets in 2026/27, £4.2m will be transferred to the Contract Inflation Fund to manage inflation across Directorate budgets.</p> <p>Demand for Adult Services: Demand pressures are managed through a robust 'front-door' prevention strategy including: Promotion of Technology Enabled Care (TEC), Community options via Talk Community model, Monthly review of operational performance data, Pathway Redesign and Structural Reform, Community Brokerage, Case Collaboration and Peer Challenge, Complex Care Pathway Development and a Prevention-focused Culture. Joint working arrangements are in place and the Integrated Care Board (ICB) for complex</p>	<p>Likelihood: 4 (Probable)</p> <p>Impact: 4 (Major)</p> <p>Inherent Risk Score = 16</p>	<p>Likelihood: 4 (Probable)</p> <p>Impact: 3 (Moderate)</p> <p>Residual Risk Score = 12</p>

Ref	Corporate Risk	Risk Category	Risk Appetite	Control Measures/Mitigating Actions	Inherent Risk Score	Residual Risk Score
				<p>care pathway has been established for those with high level needs.</p> <p>Monthly Budget Board meetings are in place to monitor spend and progress in the delivery of savings, and opportunities for income maximisation, is monitored via a dedicated Savings Programme group.</p> <p>Monthly Directorate Budget Reports track spend against budget, identify cost pressures and highlight financial risks.</p> <p>Managing the market work programme will include a redesign of block contract beds to increase capacity.</p> <p>A feasibility review of a council-controlled care capacity for complex/dementia care is underway.</p> <p>As part of the future financial strategy, the Community Wellbeing Directorate will work with an external specialist transformation partner to identify and design transformation initiatives to streamline processes, systems, reduce costs, increase revenue, reduce demand, identify alternative efficient ways of working.</p> <p>Recommendations made following the Care Quality Commission (CQC) Inspection carried out in 2025 will be addressed through a Directorate Improvement Plan. Progress will be monitored and reported throughout 2026/27.</p> <p>Demand for Children's Services: Regular meetings between Service Directors and Finance to monitor budget throughout the year and identify cost pressures in timely manner.</p> <p>There is a strong cultural message from Directorate leadership to ensure Best Value in the delivery of services.</p> <p>The Better Outcome Panel, chaired by the Service Director, oversees placement costs.</p>		

Ref	Corporate Risk	Risk Category	Risk Appetite	Control Measures/Mitigating Actions	Inherent Risk Score	Residual Risk Score
				A Care Placement Sufficiency Strategy has been developed. The Strategy will ensure value for money through sufficiency of safe and appropriate options for young people.		
R3	<p>Lack of local special educational needs and disabilities (SEND) placement provision to meet current and future levels of demand. Risk that the needs of children with SEND cannot be met in Herefordshire and/or Out of County placements will be required, leading to costs exceeding budget and poorer outcomes for children and young people.</p> <p>Risk Owner: Corporate Director Children & Young People</p>	<p>Strategic Delivery - Council Plan Priority: PEOPLE</p>	<p>Open The council is ambitious in its aim to support children and young people to thrive within highly effective schools and flourishing communities. It seeks out opportunities to collaborate with partners to support residents to live healthy lives within connected and safe communities and is prepared to accept a level of risk to deliver against this priority.</p>	<p>The Area SEND inspection was completed in December 2024 and an action plan has been developed to address the areas for improvement identified. A new SEND service manager was appointed in September 2024 to provide additional managerial oversight, scrutiny and direction to this part of the service. Business cases for increased Alternative Provision (AP) are in development to maximise inclusive education and reduce the use and cost of independent provision. The proposed additional provision will be delivered through the capital programme in 2026/27. The Dedicated Schools Grant (DSG) Deficit Management Plan is monitored by the Director of Children's Services (DCS) and S151 Officer as part of monthly Budget Boards. The plan includes detailed financial modelling of the impact of current and planned increases in provision.</p> <p>Following the decision by Government to withdraw funding for a new SEND school in Herefordshire, a top-up to High Needs capital funding of £3.8m over 3 years has been confirmed. Whilst this falls short of what is required to meet demand, this funding will be managed through the capital programme alongside projects noted below.</p> <p>The 2026/27 Capital Programme approved by Council in February 2026 includes investment of £10m (£5m to relocate Pupil Referral Unit, £5m to establish a new Alternative Provision Centre) which will reduce reliance on costly unregistered and out-of-county placements, control budget</p>	<p>Likelihood: 4 (Probable)</p> <p>Impact: 4 (Major)</p> <p>Inherent Risk Score = 16</p>	<p>Likelihood: 3 (Likely)</p> <p>Impact: 4 (Major)</p> <p>Residual Risk Score = 12</p>

Ref	Corporate Risk	Risk Category	Risk Appetite	Control Measures/Mitigating Actions	Inherent Risk Score	Residual Risk Score
				<p>pressures in the High Needs Block of the DSG and reduce home to school transport costs.</p> <p>The High Needs Stability Grant announced in February 2026 will fund 90% of the DSG cumulative deficit at 31 March 2026 reducing the council's liability at the end of the statutory override period. Service and Finance teams are currently developing the council's Local SEND Reform Plan for submission to the Department for Education (DfE) by 19 June 2026. The Plan will set out how we build an inclusive and sustainable SEND system, where children and young people get the right support early, as close to home as possible.</p>		
R4	<p>Failure to deliver capital and major projects within identified resources and planned timeframes resulting in significant overspend and reduced project outcomes.</p> <p>Risk Owner: Corporate Director of Economy & Environment</p>	<p>Strategic Delivery - Council Plan Priority: GROWTH PLACE</p>	<p>Open The council is aspirational and seeks out opportunities to attract investment, drive business growth and development of talent across the county and is prepared to accept a level of risk to deliver against this priority. The council is innovative and pioneering in its commitment to managing the effects of climate change across the county. It has ambitious plans to deliver learning and culture projects and to expand infrastructure, to support economic growth and housing, and is prepared to accept a level of risk to deliver against this priority.</p>	<p>Each major project has an assigned Senior Responsible Officer, a dedicated Project Management Officer Project Manager and a Project Board of relevant representatives from across the council (relevant service area, legal, finance, property services etc) to lead delivery.</p> <p>Additional controls are in place to monitor expenditure in respect of capital and major projects linked to cashflow requirements via monthly Directorate Budget Boards.</p> <p>An external review of capacity and capability of Directorate teams including the Project Management Office and enabling, corporate functions (finance, procurement, legal) has been commissioned to ensure appropriate skills and resources are in place to successfully deliver capital and major projects. Where gaps are identified, additional resources will be allocated.</p> <p>A review of the council's Capital Programme was undertaken as part of development of budget proposals for 2026/27. Projects were</p>	<p>Likelihood: 4 (Probable)</p> <p>Impact: 4 (Major)</p> <p>Inherent Risk Score = 16</p>	<p>Likelihood: 3 (Possible)</p> <p>Impact: 4 (Major)</p> <p>Residual Risk Score = 12</p>

Ref	Corporate Risk	Risk Category	Risk Appetite	Control Measures/Mitigating Actions	Inherent Risk Score	Residual Risk Score
				<p>identified to be removed from the programme and new investment included with a focus on addressing revenue budget pressures including temporary accommodation, homelessness and SEND placement sufficiency.</p> <p>Routine financial monitoring of the capital programme identifies risks to delivery, budget and funding sources to enable development of action plans to respond to risks.</p> <p>Individual Project Assurance Reviews have been undertaken for key projects to support existing risk management activity. The reviews consider programme management, adequacy of project plans, risk management arrangements, capacity and capability of project and technical teams, budget monitoring and reporting and project governance and reporting arrangements. This activity serves to identify areas where governance arrangements and controls can be strengthened.</p>		
R5	<p>Failure to deliver a sustainable financial strategy that supports delivery of the Council Plan priorities. (Including delivery of savings, commercial income, capital receipts and ensuring resources are available to deliver statutory obligations and fund organisational development and transformation.)</p> <p>Risk Owner: Director of Finance (S151 Officer)</p>	Financial	<p>Cautious The council has a cautious appetite level towards legal and compliance risks with robust processes in place to ensure the risk of legal challenge is minimised.</p>	<p>Council set a balanced budget for 2025/26 at its meeting in February 2025. The forecast outturn position against budget is reported on a monthly basis to Directorates and CLT. Effective budget monitoring arrangements are in place via Directorate Budget Boards to monitor delivery of services against agreed budget, achievement of savings and delivery of capital and major projects. Expenditure controls continue in 2025/26 via Directorate Control Panels to challenge and reduce, defer or stop spend above £500. High quality financial reporting is achieved through additional controls to ensure forecasting informed by reliable, timely activity data.</p>	<p>Likelihood: 4 (Probable)</p> <p>Impact: 4 (Major)</p> <p>Inherent Risk Score = 16</p>	<p>Likelihood: 3 (Possible)</p> <p>Impact: 4 (Major)</p> <p>Residual Risk Score = 12</p>

Ref	Corporate Risk	Risk Category	Risk Appetite	Control Measures/Mitigating Actions	Inherent Risk Score	Residual Risk Score
				<p>The Finance Team adhere to statutory deadlines; an unqualified audit opinion was achieved in 2023/24 and 2024/25. Additional controls are in place to monitor expenditure in respect of capital and major projects linked to cashflow requirements via monthly Directorate Budget Boards.</p> <p>The outcome of the Fair Funding Review 2.0 highlights a potential reduction in funding for the council, resulting in a significant budget gap in each of year of the MTFS.</p> <p>Council approved a balanced budget for 2026/27 in February 2026. Information to support the recommended Revenue Budget included an assessment of the adequacy of Earmarked Reserve Balances and robustness of savings proposals.</p> <p>As part of the future financial strategy, the council will work with immediate focus from April 2026 to identify measures to resolve the estimated funding gap over the MTFS period.</p> <p>Existing expenditure controls will continue in 2026/27 alongside oversight of delivery of savings, performance against budget and capital programme.</p>		
R6	<p>Inability to attract and recruit candidates and retain staff leading to an inability to deliver services. Loss of skills knowledge and experience (retention & recruitment) in relation to staffing.</p> <p>Risk Owner: Director of HR and OD</p>	<p>Strategic Delivery - Council Plan Priority: TRANSFORMATION</p>	<p>Open The council is committed to improving the use of technology across its services and will embrace new technologies, test ideas and develop a culture of innovation to improve services and deliver value for money. Transformation and Digital Strategies in place to support deliver of aims.</p>	<p>The council's Workforce Strategy 2024-2028 was approved for implementation in April 2024. The Strategy has been developed to recruit, retain and invest in a skilled and well-trained workforce.</p> <p>A Children & Young People Workforce Strategy, aligned to the Corporate Workforce Strategy with a specific focus on ambitions for staff in the C&YP Directorate, is in place to support permanent recruitment and development of staff internally.</p> <p>The Spirit of Herefordshire recruitment brand has been developed to increase awareness of job opportunities within the council and</p>	<p>Likelihood: 3 (Possible)</p> <p>Impact: 3 (Moderate)</p> <p>Inherent Risk Score = 9</p>	<p>Likelihood: 3 (Possible)</p> <p>Impact: 2 (Minor)</p> <p>Residual Risk Score = 6</p>

Ref	Corporate Risk	Risk Category	Risk Appetite	Control Measures/Mitigating Actions	Inherent Risk Score	Residual Risk Score
				<p>county and provide relevant information to ensure a positive candidate experience and support strong applications.</p> <p>The council offers welcome and retention scheme payments to respond to challenges in the recruitment and retention of qualified and experienced social workers.</p> <p>Through the council's Learning & Organisation (L&OD) team, activity to identify and recruit to new apprenticeship programmes is underway.</p> <p>A leadership development programme (@LeadHC) has been developed and will be launched in 2025/26 to address gaps in the learning and development offer and strengthen leadership skills and capabilities. The Lead@HC Programme will aim to develop inspirational leaders across four themes: Grow, Aspire, Empower, Innovate.</p>		
R7	<p>Inability to respond adequately to a significant emergency affecting ability to provide priority services.</p> <p>Including severe weather, critical damage to council buildings, loss of power or infrastructure, cyber security.</p> <p>Risk Owner: Corporate Leadership Team/Cabinet Members</p>	<p>Legal & Compliance Governance Data & Technology Security Reputational</p>	<p>Cautious</p> <p>The council has a cautious appetite level towards these risk categories with robust processes in place to ensure the impact on service delivery is minimised.</p>	<p>Gold/Silver emergency planning arrangements are in place across the council. Training has been delivered to Gold/Silver level officers in 2025.</p> <p>An Information Directory has been set up to ensure responsible individuals can provide an effective/timely response. Training exercises are planned in 2025/26 with partner agencies to test and review the adequacy of arrangements.</p> <p>The Council's IT Services team operate to ISO27001:2022 and controls are in place to detect and prevent cyber-attacks. The Council participates in cyber alerting arrangements with partners across central and local government. Staff training is an area of priority focus with regular cyber awareness, information handling, and use of systems training forming part of our mandatory all staff development.</p> <p>The council regularly reviews technical controls at the Information Governance</p>	<p>Likelihood: 3 (Possible)</p> <p>Impact: 4 (Major)</p> <p>Inherent Risk Score = 12</p>	<p>Likelihood: 3 (Possible)</p> <p>Impact: 4 (Major)</p> <p>Residual Risk Score = 12</p>

Ref	Corporate Risk	Risk Category	Risk Appetite	Control Measures/Mitigating Actions	Inherent Risk Score	Residual Risk Score
				<p>Steering Group (chaired by the SIRO). These measures include malware protection, patching, and vulnerability scanning. Work is underway to implement a SIEM (Security Information and Event Monitoring) solution to improve threat detection, incident response, and reporting.</p> <p>The council's mandatory training requires all staff to complete an annual course on protecting information and systems {there may be a better name for the training}. The council has introduced regular social engineering testing (eg simulated phishing exercises) to assess workforce cybersecurity awareness and identify vulnerabilities. These exercises are contributing to more targeted training and have established a baseline against which we can monitor improvement across our workforce.</p>		
R8	<p>Risks within the West Mercia community area including:</p> <ul style="list-style-type: none"> • Terrorism • Cyber and fraud • Serious and organised crime (such as people trafficking) • Accidents and system failures (such as power failure or an interruption to water supplies) • Natural and environmental hazards (such as flooding or heatwaves) • Human and animal disease (such as flu pandemics or foot & mouth) • Societal risks (such as riots) <p>Risk Owner:</p>	<p>Legal & Compliance Governance Data & Technology Security Reputational</p>	<p>Cautious</p> <p>The council has a cautious appetite level towards these risk categories with robust processes in place to ensure the impact on service delivery is minimised.</p>	<p>The council is a member of West Mercia Local Resilience Forum (LRF). The member organisations meet regularly to assess the risks of accidents and emergencies and put in place plans to prevent or reduce risks. The LRF has close link to government departments to share information on local risks. Members undertake training and exercises together to prepare for emergencies.</p> <p>The aim of the West Mercia LRF is to ensure there is an appropriate level of preparedness to enable an effective multi-agency response to emergency incidents in the West Mercia area and to get partners working together to ensure that preparations and plans are in place for emergencies.</p> <p>The LRF Community Risk Register is maintained and published by West Mercia LRF. This register aims to localise some of the items included in the National Risk Register.</p>	<p>Likelihood: 3 (Possible)</p> <p>Impact: 4 (Major)</p> <p>Inherent Risk Score = 12</p>	<p>Likelihood: 3 (Possible)</p> <p>Impact: 3 (Moderate)</p> <p>Residual Risk Score = 9</p>

Ref	Corporate Risk	Risk Category	Risk Appetite	Control Measures/Mitigating Actions	Inherent Risk Score	Residual Risk Score
	Corporate Leadership Team/Cabinet Members			Council officers took part in Exercise Pegasus, the UK's largest national pandemic simulation, in September and October 2025. Participants engaged and contributed to a comprehensive workbook to guide future pandemic responses. This whole system approach will ensure that communities will be better protected and supported in times of crisis.		
R9	<p>Risk of financial failure of major supplier resulting in disruption to the delivery of statutory services or major projects.</p> <p>Risk Owner: Corporate Leadership Team/Cabinet Members</p>	<p>Strategic Delivery - Council Plan Priority: PEOPLE, PLACE, GROWTH</p> <p>(Exception 1: Safety and wellbeing of residents)</p>	<p>Exception 1: Averse Limited appetite to risk. The council is responsible for providing services to those who need it most, including vulnerable adults and children and operates rigorous safeguarding measure to ensure the health and safety of residents. The council will continually seek to avoid activities that present a threat to the safety of the public and will do everything possible to prevent the loss of life.</p>	<p>Procurement activity across the council includes financial assessments, credit checks and related due diligence to monitor supplier financial health and quality of service provision. These arrangements are currently under review and will be strengthened to include wider market intelligence to mitigate the risk of potential business failure by a company bidding to contract with the council for goods/services.</p> <p>Proactive relationships and effective collaboration with key suppliers encourage information sharing and joint risk planning to identify potential risks in a timely manner to enable prompt recovery action.</p> <p>Contractual safeguards for major contracts and suppliers including performance metrics, delivery timelines, penalties for delays and terminations arrangements are in place to protect the council's financial and legal interests in the event of business failure.</p>	<p>Likelihood: 3 (Possible)</p> <p>Impact: 4 (Major)</p> <p>Inherent Risk Score = 12</p>	<p>Likelihood: 3 (Possible)</p> <p>Impact: 3 (Moderate)</p> <p>Residual Risk Score = 9</p>