Report to Overview and Scrutiny Committee

Subject: **Corporate Risk Management Review 2026/27**

Date: **16 November 2026**

Author: **Chief Finance and Section 151 Officer**

1. Purpose of the Report

To provide Members with assurance on the operation of the Council's revised Risk Management Framework and to update Members on the Council's corporate risk profile for the current four-month reporting period.

Recommendations:

That Members:

- Note the operation of the revised Risk Management Framework, the current corporate risk position and the controls and mitigating actions identified within the Corporate Risk Register.

2. Background

In March 2024, Cabinet approved a new Risk Management Framework following a recommendation from the Audit Committee. The framework has driven changes to risk management processes across the organisation and has supported a more consistent approach to the identification, assessment, control and reporting of risk.

An internal audit of the risk management process undertaken in August 2025 provided substantial assurance over the design of the arrangements and moderate assurance over their effectiveness. A further review of the framework was completed in December 2025, taking account of the audit findings, experience of operating the arrangements and the changing environment in which the Council is working.

The Accounts and Audit Regulations 2015 require the Council to maintain a sound system of internal control, including effective arrangements for the management of risk. These arrangements are particularly important as the Council enters a period of significant change arising from Local

Government Reorganisation and delivers the priorities set out in the Gedling Legacy Plan for 2026–28.

A review of the Council's governance arrangements concluded that closer alignment was required between the oversight of risk, budget and performance. A single Budget, Performance and Risk Board has therefore been established. The new combined officer board reviews these interdependent areas together, supports timely escalation to the Senior Leadership Team and strengthens the link between delivery of priorities, financial management, performance and risk.

Reporting arrangements have also been aligned with the budget monitoring cycle and will operate on a four-monthly basis. The revised Risk Management Framework reflects these governance and reporting changes and retains the Audit Committee's role in providing independent assurance on the effectiveness of risk management and the associated control environment.

3. Corporate Risk Register

The Corporate Risk Register has been reviewed by the Budget, Performance and Risk Board and the Senior Leadership Team to ensure that it reflects the principal risks currently facing the Council, including Local Government Reorganisation and other external factors. The number of corporate risks has reduced from 13 to 10. Related risk headings have been combined where this supports clearer ownership and more effective oversight; ICT and data security are now considered together, and performance is linked with projects and priorities.

A specific corporate risk has been added for Local Government Reorganisation. Although the Government has paused the current LGR process, it remains appropriate to retain this risk on the Corporate Risk Register because of the continuing uncertainty, the potential for the programme to resume or change, and the associated implications for the Council's capacity, resources, service delivery and future planning. The former standalone capacity risk has been removed because capacity is more appropriately recognised and managed as a potential cause or consequence across a number of other risks, including LGR. A new compliance risk has been introduced to bring together the Council's exposure to health and safety, procurement, data protection and other statutory and regulatory requirements.

The environment risk has also been broadened to cover external environmental and socio-economic events that may affect the Council, including climate change, emergency planning incidents, wider economic pressures and international conflict. These changes provide a more focused corporate register and support proportionate monitoring of the risks most likely to affect delivery of the Gedling Legacy Plan.

While the report seeks to indicate movements since the previous reporting period, direct comparison is not straightforward because the Corporate Risk Register has been revised and a number of risks have been added, removed, combined or redefined. The movements reported below should therefore be treated as indicative and considered alongside the changes in the scope and composition of each risk.

Overall risk position for the reporting period: Of the 10 corporate risks reviewed, one has increased in score, four have decreased and five remain unchanged. Overall, the corporate risk profile is considered to be stable, with the principal changes relating to the risks set out below. The Budget, Performance and Risk Board will continue to monitor the position and ensure that any further changes, emerging issues or required mitigating actions are identified and escalated appropriately.

Individual corporate risk updates:

Risk 1 Financial Resilience – The financial resilience risk has increased for the period April to July 2026. Period 1 budget monitoring identified a number of significant pressures which are currently being assessed. Delays in the receipt of anticipated capital receipts have reduced the investment income available to support the revenue budget. In addition, expenditure on the transformation programme may need to be met from revenue resources rather than capital receipts, creating further pressure. The Medium Term Financial Plan is being reassessed to determine the scale of any additional efficiencies required to maintain a balanced position over the medium term. While most departmental financial risks remain within accepted levels, specific pressures relating to fuel costs and leisure income, together with the wider uncertainty around the Medium Term Financial Plan, have increased the overall risk assessment.

Risk 3 Partnerships, Contracts and Shared services – The scope of this risk has been revised to focus specifically on partnership arrangements and contracted-out services, rather than wider procurement and contract management activity. The residual risk score has reduced from 9 in the previous report to 4 in Period 1. This reflects the narrower scope of the revised risk and the established performance management arrangements across key contracts and shared services, including defined performance indicators and regular monitoring.

Risk 5 Legislative Changes – The residual risk score has reduced from 6 at the end of Quarter 4 to 4 in Period 1. The reduction reflects a delay to part of the Simpler Recycling implementation programme and the decision not to proceed with the proposed food waste trial at this stage. These changes have reduced the immediate implementation and resource pressures, while preparations for the remaining requirements continue to be monitored.

Risk 6 Digital and Data – ICT and data risks have been combined into a single Digital and Data risk. The new combined risk has a residual score of

6. While the former ICT risk has reduced from 9 to 6, the former data risk was already scored at 6; the new score therefore reflects the revised scope of the combined risk but is not significantly different from the previous overall position.

Riak 7 Priorities, Projects and Performance (3Ps) – This combined risk has a residual score of 6, compared with a score of 9 for the former capacity and service delivery risk. The revised risk provides a broader assessment of the Council's ability to deliver its priorities, maintain performance and manage key projects. During Period 1, actions in the Annual Delivery Plan were largely completed, key projects remained on target and performance was satisfactory overall. Service capacity remains under review, with recruitment activity continuing in specific areas, including Revenues.

Risk 9 Compliance – This new corporate risk brings together a range of statutory and regulatory compliance matters, including health and safety, procurement and other legislative requirements. The risk assessment has decreased from the score of 9 previously reported for the former Health and Safety risk, reflecting improvements made during Period 1. Targeted training has been delivered to operational staff and further accredited training is planned for Period 2. Recent external inspections have provided additional assurance, with broadly positive findings and a small number of improvement actions identified. Delivery of these actions and the wider compliance position will continue to be monitored through the Council's established governance arrangements.

Risk 10 Local Government Reorganisation – This is a new corporate risk, introduced to provide clear oversight of the uncertainty and potential organisational impacts arising from Local Government Reorganisation. Although the Government has paused the current process, the risk has been included because future proposals or changes in timing could affect the Council's capacity, workforce, governance, financial planning, service delivery and ability to deliver the Gedling Legacy Plan. Keeping LGR on the Corporate Risk Register ensures that these impacts, together with the Council's preparedness and mitigating actions, remain subject to regular review and escalation.

The Council's overall risk appetite remains Moderate: tending towards exposure to only modest levels of risk in order to achieve acceptable outcomes. Each risk is assessed individually and, where justified by the benefits to be achieved, a higher level of residual risk may be accepted. Any such position should be transparent, supported by clear ownership and controls, and subject to appropriate review and escalation.

The updated Corporate Risk Register for the four-month period April – July 2026 is attached at Appendix 1. It sets out the gross and residual risk scores, the relationship to the Council's risk appetite, existing controls, identified control gaps and planned mitigating actions. The scoring matrix and corporate risk definitions are provided at Appendices 2 and 3.

4. Financial Implications

None arising directly from this report.

5. Legal Implications

The Accounts and Audit Regulations 2015 require the Council to maintain a sound system of internal control, including effective arrangements for the management of risk. This report supports the Audit Committee in discharging its assurance role under the Council's revised Risk Management Framework.

6. Equalities Implications

None arising directly from this report, although EIA of all risks should be considered as part of any actions identified and controls in place.

7. Carbon Reduction/Environmental Sustainability Implications

None arising directly from this report. Climate change, emergency planning events and wider environmental impacts are considered within the expanded external environment and socio-economic corporate risk.

8. Local Government Reorganisation

Although the Government has paused the current Local Government Reorganisation process, significant uncertainty remains about the future shape, timing and scope of reform. It is therefore considered appropriate to retain LGR as a corporate risk so that the Council can continue to monitor potential impacts on governance, capacity, financial planning, workforce, service delivery and delivery of the Gedling Legacy Plan. The Budget, Performance and Risk Board will keep the risk and associated mitigating actions under review and will respond to any further Government announcements or changes in circumstances.

9. Appendices

Appendix 1 – Corporate Risk Register Monitoring – four-month period ending [insert date]

Appendix 2 – Risk Management Scoring Matrix

Appendix 3 – Corporate Risk Definitions

Statutory Officer Approval

Approved by: **Chief Financial Officer**
Date: **12 October 2026**

Approved by: **Monitoring Officer**

Date:	**12 October 2026**

Appendix 1

Corporate Risk Register Monitoring Period 1 (April to July 2026)

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk	Trend	Description	Further Action	Period 1 Review
CR001	Financial Resilience	12	4	9	↑	This refers to the ability of the Council to meet its financial commitments and/or the scale and pace of budget cuts. This relates to income and expenditure and includes internal budgetary pressures, savings/growth considerations, external economic changes etc.	Refresh the Medium-Term Financial Plan for 2026/27 onwards by November 2026. Set the 2027/28 budget and updated medium-term plan by February 2027; Agree further efficiencies for delivery by February 2027; Complete the Financial Services restructure and remaining recruitment by December 2026; Continue the review of the full cost of the trade waste service during 2026/27; Complete the remaining transfers from Citrix-based systems to web-based systems by December 2026.	The financial resilience risk has increased for the period April to July 2026. Period 1 budget monitoring identified a number of significant pressures which are currently being assessed. Delays in the receipt of anticipated capital receipts have reduced the investment income available to support the revenue budget. In addition, expenditure on the transformation programme may need to be met from revenue resources rather than capital receipts, creating further pressure. The Medium-Term Financial Plan is being reassessed to determine the scale of any additional efficiencies required to maintain a balanced position over the medium term. While most departmental financial risks remain within accepted levels, specific pressures relating to fuel

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk	Trend	Description	Further Action	Period 1 Review
								costs and leisure income, together with the wider uncertainty around the Medium-Term Financial Plan, have increased the overall risk assessment.
CR002	Environmental and socio-economic impacts	12	4	9		This refers to the environmental/socio-economic impact on the public – it could be related to virus type illnesses or environmental incidents such as flooding which impact on health or related to events which have an impact on the natural environment such as pollution/contamination. It also relates to incidents which have an economic/social impact which are outside the Council's	Complete the review and testing of business continuity plans by 30 September 2026; Review and update the Carbon Management Plan actions by 4 September 2026; and undertake a flood recovery exercise in October 2026.	Global conflicts may affect fuel prices and other costs, although no material impact was identified during Period 1. Business continuity plans are scheduled for review and testing to maintain organisational preparedness. Periods of hot weather did not cause significant service disruption; appropriate measures were implemented for operational and office-based staff. Carbon management actions will be reviewed and updated in Period 2, alongside further work on flood resilience and an exercise to test preparedness. The overall risk level remains unchanged, reflecting continuing external uncertainty and the national threat level.

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk	Trend	Description	Further Action	Period 1 Review
						control for example, war, or emergency incidents such as power outage.		
CR003	Partnerships, Contract and Shared Services	9	2	4		This refers to both the risks regarding partnership / shared service activities and the risks associated with the contracted delivery of services to the agreed cost and specification taking into account capacity, reputational risk and governance.	Continue delivery of the social value objectives in the Carlton Active contract; Maintain KPI and performance monitoring for the WISE contract; review procurement arrangements with the shared service provider by September 2026; Complete the partnership register review by October 2026.	The scope of this risk has been revised to focus specifically on partnership arrangements and contracted-out services, rather than wider procurement and contract management activity. The residual risk score has reduced from 9 in the previous report to 4 in Period 1. This reflects the narrower scope of the revised risk and the established performance management arrangements across key contracts and shared services, including defined performance indicators and regular monitoring.
CR004	Infrastructure/Assets	12	2	6		This looks at the loss, protection and damage of physical assets and takes into account the need to	Progress the Asset Management Action Plan and, following appropriate consultation, the disposal of assets presenting identified	Condition surveys of operational assets and temporary accommodation were completed in Period 1, providing a clearer

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk	Trend	Description	Further Action	Period 1 Review
						maintain, protect, insure and plan for unexpected loss.	risks by November 2026; continue the Front Street demolition programme; complete the Civic Centre fire-door replacement programme by October/November 2026; progress works arising from condition surveys in line with the agreed timetable; and review Property Services staffing capacity by September 2026.	evidence base for assessing and managing asset-related risks. The risk score remains unchanged, but implementation of the resulting action plan is expected to support a reduction in future periods. Cabinet approved the Asset Management Strategy and Action Plan, establishing a clear framework for asset management and disposal. The Front Street demolition contract has been awarded, preparatory works are under way and arrangements are being progressed for disconnection from utilities. The risk remains elevated because of the closure of pool facilities at Calverton and Arnold. Property Services also continues to experience capacity pressure following an unsuccessful recruitment exercise for the Service Manager role; interim agency support is in place while the structure is reviewed.

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk	Trend	Description	Further Action	Period 1 Review
CR005	Legislative Changes	9	1	4	↓	This refers to changes to current law leading to additional workloads, organisational changes and financial impacts etc.	Complete project plans for the trade waste and food waste elements of Simpler Recycling by October 2026; Prepare an implementation plan for Martyn's Law by October 2026; Complete the review of Planning Committee arrangements and associated guidance by 31 October 2026; Prepare for forthcoming employment rights legislation by December 2026.	The residual risk score has reduced from 6 at the end of Quarter 4 to 4 in Period 1. The reduction reflects a delay to part of the Simpler Recycling implementation programme and the decision not to proceed with the proposed food waste trial at this stage. These changes have reduced the immediate implementation and resource pressures, while preparations for the remaining requirements continue to be monitored.
CR006	Digital and Data	16	4	6	–	This relates not only to the impact of Internal technology failure but also changing technological demands and the ability to meet the pace and scale of change. It also covers our ability to ensure data security	Review records of processing activities by September 2026; review records retention policies by October 2026; implement changes to the Freedom of Information and complaints system by October 2026; and review ICT policies by January 2027.	This is a new combined Digital and Data risk, bringing together the former ICT and data risks. The combined risk has been assessed at 6. The former ICT risk has reduced from 9 to 6, while the former data risk remains at 6; the new score therefore reflects the revised scope of the combined risk but is not significantly different from the previous overall position. Significant transformation activity

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						and compliance with Information legislation.		took place in Period 1, including development of the complaints process within the customer relationship management system for implementation in the autumn, and the introduction of new bulky waste and missed-bin processes. Further work is required to update information records and retention policies and to strengthen the consistent use of data protection impact assessments.
CR007	Priorities, Projects and Performance	9	2	6		This relates to the effective management and delivery of the Legacy Priorities including key projects and the ability to ensure performance of our services.	Complete the Carlton Active Business Plan by November 2026 and complete succession-planning process mapping by December 2026.	This combined risk has a residual score of 6, compared with a score of 9 for the former capacity and service delivery risk. The revised risk provides a broader assessment of the Council's ability to deliver its priorities, maintain performance and manage key projects. During Period 1, actions in the Annual Delivery Plan were largely completed, key projects remained on target and performance was satisfactory overall. Service capacity remains under review, with recruitment

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk	Trend	Description	Further Action	Period 1 Review
								activity continuing in specific areas, including Revenues.
CR008	Fraud/bribery/Misconduct	12	2	6		Relates to improper actions committed against the Council either internally or by third parties. Including frauds, bribery, money laundering and misconduct e.g., theft, falsification of timesheets.	Implement the Anti-Fraud and Corruption Strategy and supporting action plan, including updated fraud risk assessments for key services; a gap analysis of current arrangements by January 2027; strengthened third-party due diligence by February 2027; and an ongoing programme of fraud awareness and training throughout 2026/27.	Departmental fraud risks have been identified and are monitored within the overarching corporate fraud risk. Higher-risk areas include procurement and employee-related controls, which are being managed through established policies and procedures and the actions set out in the Anti-Fraud and Corruption Strategy. Matters identified during Period 1 were addressed in accordance with the Council's zero-tolerance approach. The overall fraud risk remains unchanged; implementation of the action plan is expected to strengthen controls and support a reduction in risk over time.
CR009	Compliance	12	4	6		This assesses organisational compliance across a range of statutory requirements	Deliver procurement training by October 2026; continue reviewing HR policies in preparation for employment rights legislation; complete	This new corporate risk brings together a range of statutory and regulatory compliance matters, including health and safety, procurement and other legislative

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk	Trend	Description	Further Action	Period 1 Review
						including Health and safety at Work, Asset Management, Procurement, GDPR and Equality Act.	IOSH Managing Safely training for relevant depot staff between September 2026 and January 2027; provide toolbox talks for frontline staff on accident and incident reporting by September 2026; and complete the programme to update parks risk assessments.	requirements. The risk assessment has decreased from the score of 9 previously reported for the former Health and Safety risk, reflecting improvements made during Period 1. Targeted training has been delivered to operational staff and further accredited training is planned for Period 2. Recent external inspections have provided additional assurance, with broadly positive findings and a small number of improvement actions identified. Delivery of these actions and the wider compliance position will continue to be monitored through the Council's established governance arrangements.
CR010	Local Government Reorganisation	9	4	6		This risk relates to the organisations preparedness and delivery of local Government Re-organisation including the assessment of	Establish terms of reference for the internal Local Government Reorganisation Board to support effective governance, delivery of agreed actions and resource planning; continue monthly staff briefings; monitor	The Managers' Toolkit is being used in team meetings, and the Local Government Reorganisation Board will review its use to provide assurance that staff receive consistent information alongside the regular staff briefings. Communication with staff and

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk	Trend	Description	Further Action	Period 1 Review
						impacts on capacity, reputational impact and effective engagement with Workforce, residents and Members.	capacity risks and provide timely information and support to employees; maintain effective Council representation on the central programme boards; and keep the contracts register up to date.	Members has continued through scheduled briefings and updates. Following the Government's announcement in July, the Council identified increased capacity pressures associated with supporting the reorganisation programme and maintaining effective representation on the central partnership boards. These pressures continue to be monitored and managed through the Council's internal governance arrangements.

APPENDIX 2 - RISK MANAGEMENT SCORING MATRIX AND RISK APPETITE

	Minor/Non-Disruptive Impact (1)	Moderately Disruptive Impact (2)	Serious Consequences (3)	Major Consequences (4)
Very Likely (4)	4 (Yellow)	8 (Orange)	12 (Red)	16 (Red)
Probable (3)	3 (Yellow)	6 (Orange)	9 (Orange)	12 (Red)
Possible (2)	2 (Green)	4 (Yellow)	6 (Orange)	8 (Orange)
Unlikely (1)	1 (Blue)	2 (Green)	3 (Yellow)	4 (Yellow)

Risk Levels	Colour
Negligible Risk	Blue
Low Risk	Green
Modest Risk	Yellow
Medium Risk	Orange
High Risk	Red

APPENDIX 3 – RISK DEFINITIONS

LIKELIHOOD

4	**Very Likely** >90%	• Event expected to occur. Has occurred and will continue to do so without action being taken. • Indication of imminent occurrence • There are external influences which are likely to make our controls ineffective
3	**Probable** 60-90%	• There is a moderate exposure to the risk. • Reasonable to expect event to occur within a year. • Has occurred in the past. • Is likely to occur within the Council's planning cycle. • There are external influences which may reduce effectiveness of controls
2	**Possible** 30-60%	• There is a low exposure to the risk. • Little likelihood of event occurring - 1 in 10 years • There is a potential for external influences which may reduce effectiveness of controls
1	**Unlikely** 0-30%	• Extremely remote • Not expected to occur but may do so in exceptional circumstances - 1 in 100 years. • There are few or no external influences which may reduce effectiveness of controls

IMPACT

Score	Description	Indicative Guidelines
4	**Major Consequences**	The consequence is so bad that urgent action must be taken to improve the situation or prevent it worsening. External support from the Government or other agencies is likely to be needed: • Catastrophic loss, delay, or interruption to services • Level of financial loss, additional costs, or loss of assets which the Council is unable to resource without additional Government/External support. • One off event which would de-stabilise the Council over several years. • The risk will cause the objective not to be reached, causing damage to the organisation's reputation. • Will attract medium to long-term attention of legislative or regulatory bodies. • Major complaints • Significant adverse media interest • Death or life-threatening injury
3	**Serious Consequences**	The consequences are sufficiently serious to require attention by Cabinet and/or full Council:

		• Loss of key assets or services for an extended time period. • Longer term impact on operational efficiency or performance of the Council or crucial service areas • Financial loss, additional costs or loss of assets which would need a Council decision as the scale of the loss would be outside the Council's budget & policy framework. • The risk would destabilise the Council in the short term. • The intended objectives are unlikely to be met leading to negative impact on the Council's reputation and a significant number of complaints. • Will lead to attention for regulators and External Auditors for a significant time. • Major accident/injuries (but not life-threating)
2	**Moderate/ Disruptive**	The consequence is sufficient to require attention by Leadership Team and cannot be managed within a Service Area • Significant loss, delay, or interruption to a service. • Medium term impact on operational efficiency or performance • Financial loss, additional costs or loss of assets that is within the Council's budget & policy framework but needs a Statutory Officer decision, Leadership Team decision, Cabinet decision or needs to be drawn to Cabinet's attention. • The risk will cause some elements of the objective to be delayed or not achieved, causing potential damage to the organisation's reputation. • May attract medium to short term attention of legislative or regulatory bodies. • Significant complaints • Serious accident / injury (but not life threatening)
1	**Minor/Non-Disruptive**	The consequences can be dealt with as part of the normal day-to-day business by the Team Manager and the Head of Service: • Minor loss, delay, or interruption to services • Short term impact on operational efficiency or performance • Negligible financial loss • The risk will not substantively impede the achievement of the objective, causing minimal damage to the organisation's reputation. • No or minimal external interest. • Isolated complaints • Minor accident / injury