

## POLICY REVIEW AND DEVELOPMENT PANEL REPORT

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|-----------------|--|---|----|
| REPORT TO:      | Audit Committee                                  |   |    |
| DATE:           | 23 March 2026                                    |   |    |
| TITLE:          | Corporate Risk Management Report                 |   |    |
| TYPE OF REPORT: | Monitoring                                       |   |    |
| PORTFOLIO(S):   | Leader of the Council                            |   |    |
| REPORT AUTHOR:  | Debbie Ess – Senior Corporate Governance Officer |   |    |
| OPEN/EXEMPT     | Open   | WILL BE SUBJECT TO A FUTURE CABINET REPORT: | No |

### Corporate Risk Management Report

|  |                                  |         |      |
|--|----------------------------------|---------|------|
| PURPOSE OF REPORT/SUMMARY:   |                                  |         |      |
| The Corporate Risk Management Report provides members with an update of the corporate risk register as at February 2026.   |                                  |         |      |
| KEY ISSUES:  |                                  |         |      |
| The Executive Leadership Team (ELT) have reviewed the corporate strategic and operational risks and agreed to amend the scores for the following risks:  |                                  |         |      |
| R3   | Facilitating and enabling growth | 20      | ↓ 12 |
| R15  | Devolution                       | On hold |      |
| R18  | Hunstanton sea defences          | 12      | ↑ 20 |
| R6 Data Management and security - ELT are looking to review this risk and split this into the two distinct risks – R6 Data Management and R19 Cybersecurity.   |                                  |         |      |
| Whilst it is recognised that the risks are linked there are different distinct actions that are needed to reduce the risks associated in these areas. There has been much progress made in terms of cybersecurity, and work in relation to data management is work in progress, this will be better reflected at the next time of reporting. |                                  |         |      |
| OPTIONS CONSIDERED:  |                                  |         |      |
| Not applicable.  |                                  |         |      |
| RECOMMENDATIONS:   |                                  |         |      |
| Members are requested to note the update.  |                                  |         |      |
| REASONS FOR RECOMMENDATIONS:   |                                  |         |      |
| In order to ensure the council meets its statutory obligations to ensure that it has 'effective arrangements in place for the management of risk'.   |                                  |         |      |

## 1 Introduction

- 1.1 The Risk Management Policy and Strategy covering this reporting period was reviewed by Audit Committee and Cabinet prior to Full Council approval in January 2026.
- 1.2 The Terms of Reference for the Audit Committee include responsibility for monitoring the management of risk.
- 1.3 This update provides information about a variety of matters in the council's risk environment.

## 2 Review of the corporate risk register

- 2.1 This report presents the current status of the council's strategic and operational risks as at February 2026. These overarching risks that may affect the strategic direction of the council have been reviewed and updated by ELT.
- 2.2 The Council's risk scoring mechanism is based on a 5x5 matrix and is comparable with best practice in other similar organisations. The risk matrix provides a comprehensive assessment and understanding of risk likelihood and impact. The matrix results in a numerical score that combines the impact of the risk occurring with the likelihood of it happening.
- 2.3 A summary of the key changes:

- a. R3 Facilitating and enabling growth – The inability of the council to facilitate and enable the market to deliver the council's growth agenda. This failure may reduce investment in infrastructure, inward investment, job opportunities, new housing and commercial development therefore impacting on communities and businesses.

Key controls are in place to reduce the level of risk from high (20) to medium (12). Engagement by the council with projects including Town Deal, King's Lynn, Hunstanton and Southgates masterplans are key actions linked to the 2025-2027 corporate action plan.

- b. R15 Devolution – Impact of the Devolution process, particularly on access to investment / support, and ability to have a meaningful role in shaping the new Strategic Authority.

ELT have agreed to place this risk on hold following the government's change of decision to hold Norfolk county elections.

- c. R18 Hunstanton sea defences – Significant capital works are required to be undertaken to the Hunstanton sea defences to maintain the existing flood defences to prevent failure.

The increased risk score from medium (12) to high (20) reflects the emergency works needed to repair an unexpected sinkhole that has emerged on the promenade creating a large void. These works are essential to ensure the area is safe for public use.

2.4 All risks are referenced on the risk scoring matrix.

| Risk Scoring Matrix |                     | IMPACT        |       |          |       |         |
|---------------------|---------------------|---------------|-------|----------|-------|---------|
|                     |                     | 1             | 2     | 3        | 4     | 5       |
|                     |                     | Insignificant | Minor | Moderate | Major | Extreme |
| LIKELIHOOD          | 5<br>Almost Certain | G             | A     | R        | R     | R       |
|                     | 4<br>Likely         |               | G     | A        | R     | R       |
|                     | 3<br>Possible       |               | G     | G        | A     | R       |
|                     | 2<br>Unlikely       |               |       | G        | G     | A       |
|                     | 1<br>Rare           |               |       |          |       | G       |

2.5 An updated strategic and operational risk summary is available at Appendix A, providing members with an overview of the corporate risk register.

### 3 Corporate Priorities

3.1 The Corporate Risk Register is aligned with the Corporate Strategy 2023-2027 agreed in November 2023, and the 2025-2027 Action Plan adopted in July 2025.

### 4 Policy Implications

4.1 The updated register reflects emerging policy development related to Local Government Reorganisation and Devolution.

### 5 Financial Implications

5.1 The Corporate Risk Register is designed to assist senior management to identify and manage any financial implications identified through normal operations.

### 6 Personnel Implications

6.1 None.

### 7 Statutory Considerations

7.1 Account and Audit Regulations 2015 - s3(c) and the Accounts and Audit (Amendment) Regulations 2024. The council must ensure that it has 'effective arrangements for the management of risk'.

### 8 Equality Opportunity Considerations

8.1 None

### 9 Risk Management Implications

9.1 The council has in place a Risk Management Policy and Strategy.

9.2 The Corporate Risk Register records high level risks which pose a threat or opportunity to the council's objectives. It is a tool used by Corporate Leadership Team to help manage risk across the authority and is a key document within the governance controls applied within the council.

**10 Environmental Implications**

10.1 The risk register includes a number of climate change and environmental risks such as risks R5 - Continuity of service and R10 - Climate change mitigation and adaptation.

**11 Recommendations**

11.1 Members are requested to note the report.

**12 Declarations of Interest / Dispensations Granted**

12.1 None.

## Strategic Risk Summary

| Ref | Risk title and description  | Risk Owner  | Target Risk Score | Previous Risk Score | Current Risk Score | Risk Direction |
|-----|---|-------------|-------------------|---------------------|--------------------|----------------|
| R1  | <b>Financial sustainability</b><br>Inability to manage the council finances and mitigate reduced financial resilience as government funding reduces and demand increases.   | M Drewery   | 12                | 20                  | 20                 | ↔              |
| R2  | <b>Significant programmes/projects</b><br>Impact on the delivery of council services caused by the failure of a major programme or project. A major programme/project being any project that can cause significant financial, legal, reputational or compliance issues or prevent the council from delivering a strategic priority or key objective.  | K Blakemore | 6                 | 12                  | 12                 | ↔              |
| R3  | <b>Facilitating and enabling growth</b><br>The inability of the council to facilitate and enable the market to deliver the council's growth agenda. This failure may reduce investment in infrastructure, inward investment, job opportunities, new housing and commercial development therefore impacting on communities and businesses.   | K Blakemore | 9                 | 20                  | 12                 | ↓              |
| R8  | <b>Reputation management</b><br>The risk that the council's reputation is damaged by major service failure, failure to respond to a significant incident(s), governance issues, dispute with a key partner, failure to deliver the corporate strategy.  | K Blakemore | 6                 | 12                  | 12                 | ↔              |
| R10 | <b>Climate change mitigation and adaptation</b><br>Inability to mitigate and adapt to climate change - increased coastal erosion and flooding and failure to meet net zero target with consequent reputational issues.  | K Blakemore | 9                 | 12                  | 12                 | ↔              |
| R15 | <b>Devolution</b><br>Impact of the Devolution process, particularly on access to investment / support, and ability to have a meaningful role in shaping the new Strategic Authority.  | K Blakemore | 12                | 12                  | On hold            |                |
| R16 | <b>Local Government Reorganisation</b><br>Impact of Local Government Reorganisation, particularly capacity, ability to deliver "business as usual" services, staff recruitment and retention, resource availability and ability to take long-term decisions. The long-term impact of implementing Local Government Reorganisation which could result in reductions in service and service standards for residents and businesses. | K Blakemore | 12                | 20                  | 20                 | ↔              |

## Operational Risk Summary

| Ref | Risk title and description   | Risk Owner  | Target Risk Score | Previous Risk Score | Current Risk Score | Risk Direction |
|-----|--|-------------|-------------------|---------------------|--------------------|----------------|
| R4  | <b>Community Cohesion</b><br>The risk that some communities within the borough could feel excluded, disengaged or unable to access available services and opportunities including, rural, deprived, minority and vulnerable communities and local businesses etc. Services and opportunities to include health, wellbeing, early intervention and prevention. Immediate and longer term economic and societal impact of a global pandemic on BCKLWN communities. | M Parkinson | 12                | 20                  | 20                 | ↔              |

| Ref | Risk title and description   | Risk Owner              | Target Risk Score | Previous Risk Score | Current Risk Score | Risk Direction |
|-----|--|-------------------------|-------------------|---------------------|--------------------|----------------|
| R5  | <b>Continuity of service</b><br>The council's inability to effectively respond to a major emergency and maintain that response without affecting essential day to day service delivery. The risk is to both the council as a business continuity issue and to our vulnerable communities.  | K Blakemore             | 6                 | 12                  | 12                 | ↔              |
| R6  | <b>Data management and security – to be revised</b><br>Risk of deliberate or unintentional loss/disclosure of personal, sensitive, confidential or business critical information or breach of information governance legislation.  | M Drewery               | 6                 | 12                  | 12                 | ↔              |
| R7  | <b>Corporate Governance</b><br>The risk of failures in systems of governance within the council, within council owned/influenced organisations and partnerships and other collaboration arrangements, leading to governance issues, fraud and corruption, failures in management systems, poor policy and decision making.   | E Hodds                 | 6                 | 12                  | 12                 | ↔              |
| R9  | <b>Organisational change</b><br>Ensuring that the council, its members and its workforce have the skills, resources, ability and capacity to adequately respond to current and future organisational change meaning the council is able to deliver its services in the most efficient and effective manner.  | K Blakemore & M Drewery | 6                 | 12                  | 12                 | ↔              |
| R11 | <b>Statutory compliance</b><br>Risk of failing to implement and maintain statutory compliance management systems. E.g. health and safety, service related legal obligations  | E Hodds                 | 6                 | 12                  | 12                 | ↔              |
| R12 | <b>Council owned companies</b><br>Managing performance, finances, liabilities and the relationship between the Council and its wholly owned companies in accordance with the governance agreements.  | E Hodds                 | 6                 | 8                   | 8                  | ↔              |
| R13 | <b>Contract/Supply failure</b><br>Managing contracts with key suppliers to ensure the continued delivery of an effective service and ensure delivery of the council's priorities and objectives.   | E Hodds                 | 6                 | 12                  | 12                 | ↔              |
| R14 | <b>Cost of living</b><br>The cost of living crisis caused by rapidly rising inflation (energy, food, household items, etc) and interest rates may result in more families and households experiencing poverty and unemployment, which may lead to increased levels of service demand on the Council and place additional pressure on front-line services, staff and councillors.   | M Parkinson             | 6                 | 12                  | 12                 | ↔              |
| R17 | <b>H&amp;S Compliance of Property Assets</b><br>Non-compliance could result in service disruption, increased costs, or risk to staff and public safety. The council must demonstrate compliance in the property portfolio across all the council's property assets irrespective of service area for the core H&S areas: fire, gas, legionella, lifts, asbestos, electrical testing (fixed and PAT). This also needs to include vacant properties, green space and partnership working. | M Parkinson             | 9                 | 12                  | 12                 | ↔              |
| R18 | <b>Hunstanton sea defences</b><br>Significant capital works are required to be undertaken to the Hunstanton sea defences to maintain the existing flood defences to prevent failure  | M Parkinson             | 6                 | 12                  | 20                 | ↑              |

**IMPACT**

**LIKELIHOOD**

| Risk Scoring Matrix |                | 1             | 2     | 3          | 4   | 5       |
|---------------------|----------------|---------------|-------|------------|---|---------|
|                     |                | Insignificant | Minor | Moderate   | Major                                       | Extreme |
| 5                   | Almost Certain | G             | A     | R          | R<br>1, 4, 16                               | R       |
| 4                   | Likely         |               | G     | A<br>8, 15 | R   | R<br>18 |
| 3                   | Possible       |               | G     | G          | A<br>2, 3, 5, 6, 7, 9, 10<br>11, 13, 14, 17 | R       |
| 2                   | Unlikely       |               |       | G          | G<br>12                                     | A       |
| 1                   | Rare           |               |       |            |   | G       |

|                         |   |
|-------------------------|---|
| <b>High<br/>15-25</b>   | Risks scored at this level represent a high threat to the delivery of council objectives and service delivery and should be treated as a priority, action is required to reduce the rating to a score within tolerance or removed. Reporting on progress will be required to CLT/ Audit Committee/Cabinet until risk level is reduced to tolerance.   |
| <b>Medium<br/>10-12</b> | Risks scored at this level represent a medium threat to the delivery of council objectives and service delivery, proportionate mitigation and regular monitoring required. These risks can be managed at operational/service level but regular management review of assurance on control effectiveness should occur. Routine reviews should also be carried out to ensure there is no change. |
| <b>Low<br/>5-9</b>      | Risks scored at this level represent a low threat to the delivery of council objectives and service delivery. Review required to ensure risk score does not change/increase, however these risks can be managed operational/service level.  |
| <b>Very Low<br/>0-4</b> | Risks scored at this level represent an insignificant threat to the delivery of council objectives and service delivery. No further action is required.   |