Chelmsford City Council Audit and Risk Committee

16th September 2026

Risk Management Report – September 2026

Report by:

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Purpose

This report summarises the current position for the Council's Principal Risks.

Recommendations

Audit and Risk Committee are requested to note the contents of this report.

1. Background

1.1. It is the Council's policy to proactively identify, understand and manage the risks inherent in its services and associated with its plans and strategies, so as to encourage responsible, informed risk taking within its risk appetite and reduce exposure to a tolerable level using a justifiable level of resources.

1.2. An effective risk management framework should:

- provide risk information to support decision-making and resource allocation
- improve compliance with policies, procedures, laws and regulations and stakeholder expectations; and
- provide assurance to internal and external stakeholders that the Council is well-managed.

1.3. The risk management function assists the Council to identify, understand and manage its risks. The function reports twice a year to the Audit and Risk Committee to enable the Committee to monitor the effective development and operation of risk management in the Council.

2. Risk management activity

2.1. Recent risk management activities have included:

- Refresh of the Council's Principal Risk Register, including providing an update on the Council's Risk Management Framework and undertaking horizon scanning at GMTs as well as presenting the Council's Risk Management Framework and Principal Risk Register to Informal Cabinet.
- A detailed LGR RAID (Risks/Actions/Issues/Dependencies) log for Chelmsford has been developed from input by Senior Managers, MHCLG and LGA with support from the Digital Programme Manager and Audit Services Manager. This included a review of the LGR related risks affecting each service, the significance of the risks, and any associated actions to help prioritise what must be addressed before Vesting Day. Following the set-up of the Mid-Essex LGR Programme, each RAID log will be supported by a Programme Management Officer and reviewed at least every fortnight to update progress, reprioritise risks/actions, add any new items, identify blockers and escalated where needed to prioritise statutory legal and safe and customer critical services.
- A detailed update of the Council's Fraud Risk Register and Anti-bribery and Corruption Risk Register is currently in progress which supports the Council's robust assessment of its fraud and corruption risks, ensuring it includes horizon scanning of future potential risks, and takes into account the harm that fraud may do in the community.
- LGR has largely superseded some of the original objectives set out in the Risk Management Strategy 2025, especially in relation to the development of an in-house Risk Management system. Chelmsford will continue to liaise with Brentwood, Maldon and Essex to understand their Risk Management frameworks, systems and reporting mechanisms to help determine the future risk management approach in the new Mid-Essex Unitary Authority.

3. Principal Risk Summary

3.1. The Principal Risk Register is central to the risk management framework, owned by Management Team and covers the Council's strategic risks which require regular oversight at senior level to ensure that, where necessary, action is taken to further mitigate risks outside the Council's indicative risk appetite.

3.2. Corporate Risk Management (assisted by Basildon Council, who have the dedicated resources, capacity, and skills for this purpose) liaise with nominated Risk Owners, Service Managers and Directors to update each Principal Risk, and report bi-annually to Management Team and Audit and Risk Committee to facilitate their monitoring and oversight.

3.3. An update of the Principal Risk Register was undertaken during July/August 2026 to ensure it is up to date and reflects the current risk profile and risk appetite. The summary and heatmap is at Appendix A below.

3.4. Key areas to highlight are:

- **PRR 001 Cyber Security –** the risk remains very high; however, there is an increased risk of cyber-attacks due to LGR and an increase in phishing attacks. The Council continues to mitigate the risk by strengthening its overall cyber security position and taking actions which ensure the Council remains resilient against an evolving threat landscape.
- **PRR 012 Chelmer Waterside** – the risk remains very high; however, the Chelmer Waterside Programme is adapting the approach to bring development forward in a timely manner.
- **PRR 037 Building Control** – the overall risk rating is currently high following Building Safety Regulator review. The Council is addressing improvement actions.
- **PRR 038 Local Plan** – this has been added to the Principal Risk Register to reflect its strategic importance to the Council.
- **PRR 036 A12 Improvements –** the risk score has decreased following agreement of funding packages, reducing the overall risk rating to high.
- **PRR 023 Succession Planning –** this risk has been subsumed into the wider LGR Risk (PRR031) as the HR and Workforce workstream forms a key part of the LGR delivery programme.

3.5. The Risk Management process is a subjective management tool and is designed to assist the strategic direction, and operational running of the Council and ensure key issues are highlighted and resources allocated appropriately. It is essential to consider that:

- Some risks may be heavily influenced by external factors outside the Council's control
- Where inherent risk is increasing, additional work may have been undertaken to maintain the same current risk level.
- Risks are constantly changing.

4. Conclusion

4.1. The Principal Risk Summary is attached for Audit & Risk Committee to note.

List of appendices:

1. Principal Risk Summary and Heatmap

Background papers: None

Corporate Implications

Legal/Constitutional: The Council has a legal duty to ensure that it has a sound system of internal control, which includes effective arrangements for the management of risk

(Regulation 3 (Part 2) of the Audit and Accounts Regulations 2015). The risk management framework encourages risk owners to consider the potential legal and regulatory consequences, should a risk event occur.

Financial: The risk management framework encourages risk owners to consider the potential financial consequences, should a risk event occur.

Potential impact on climate change and the environment/ Contribution toward achieving a net zero carbon position by 2030: Reputational consequences set out within the risk management framework encourage risk owners to consider environmental aspects of their activities.

Personnel: The corporate risk management framework is being implemented within existing staff budgets.

Risk Management: Effective risk management is an essential part of good governance, providing assurance to internal and external stakeholders that the Council is well-managed. This report is intended to enable the Committee to fulfil its role in overseeing the effective operation and development of risk management at the Council.

Equality and Diversity: Equalities implications of Council activities are considered at initiative level.

Health and Safety: The risk management framework encourages risk owners to consider the potential safety, health and wellbeing implications for staff and/or service users, should a risk event occur.

Digital: Risks relating to cyber security are considered within the risk management framework

Other: None

Consultees: Management Team reviewed the Principal Risk update in August 2026

Relevant Policies and Strategies: None

Appendix 1

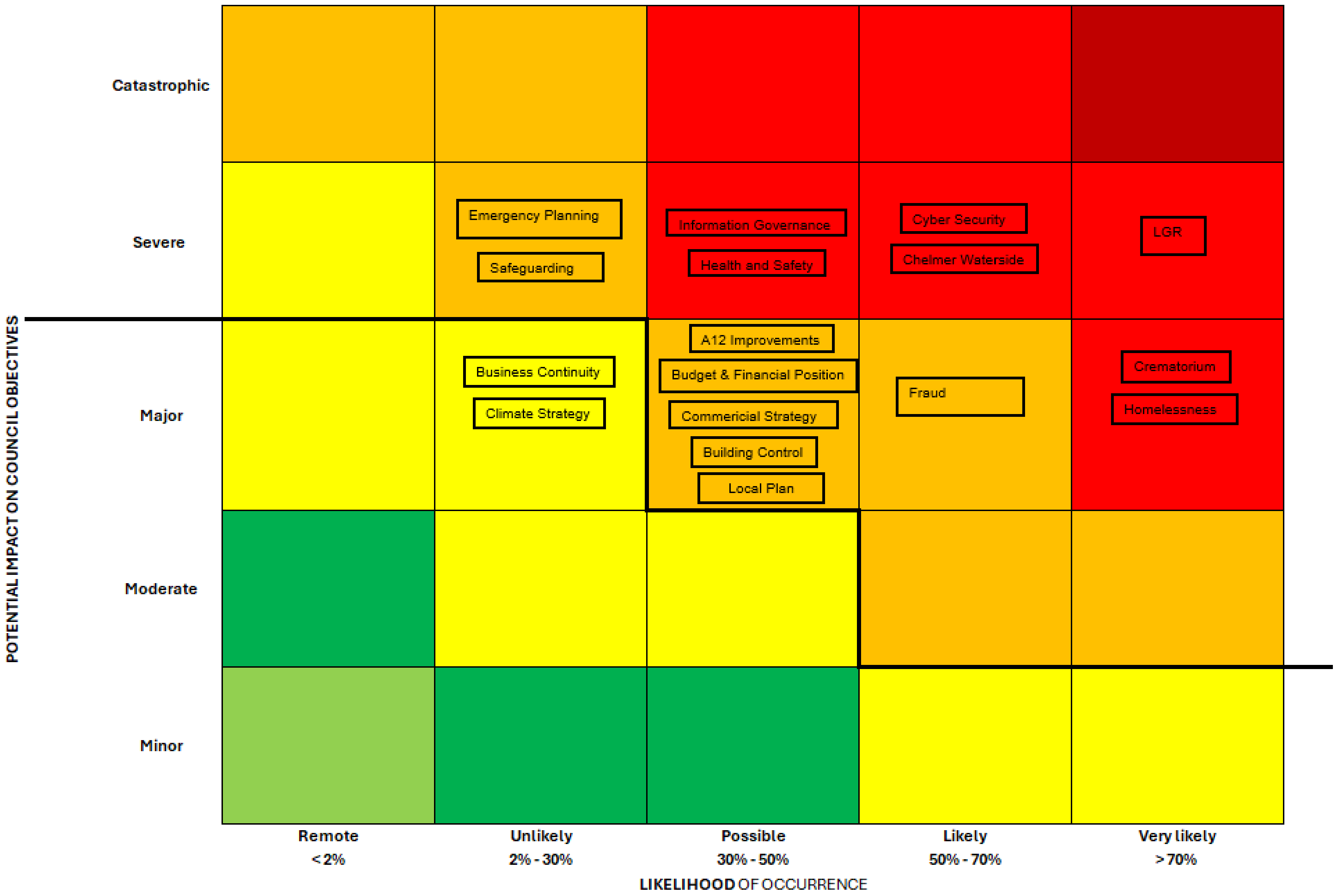
Principal Risk Register and Heat Map (August 2026)

Ref	Risk Title	Our Plan Theme	Risk Owner	Current Risk Rating	Risk Score	Direction of travel	Potential Risk Event
PRR 031	Local Government Reorganisation Programme	All Themes	Emma Noakes	Very High	24	↔	Local Government Reorganisation (LGR) may result in uncertainty and disruption during the transition to a new unitary authority, leading to a loss of organisational capacity, reduced service performance, ineffective transfer of assets, contracts and records, and failure to realise intended benefits of reorganisation.
PRR 001	Cyber Security	All Themes	Michael Sage	Very High	20	↑	A cyber security incident, including malicious attack, system compromise, ransomware, phishing, or unauthorised access to council systems and data, may result in disruption to council services, loss of sensitive information, financial loss, regulatory action, and reputational damage.
PRR 012	Chelmer Waterside	A fairer and more inclusive place	Joe Reidy	Very High	20	↑	Failure to deliver the Chelmer Waterside development as planned may result in financial and reputational loss, missed housing and funding opportunities, and impacted relationships with key partners.
PRR 006	Homelessness	All Themes	Paul Gayler	Very High	18	↔	Inability to effectively meet current and future housing needs across the district due to increasing demand, affordability pressures, limited housing supply and wider economic factors may result in increased homelessness and rough sleeping, insufficient affordable and specialist housing provision, increased use and cost of temporary accommodation, failure to meet statutory housing duties, and adverse impacts on vulnerable residents and communities.
PRR 034	Loss or damage to the crematorium	A greener and safer place	Paul Van Damme	Very High	18	↔	The Council may be unable to meet its responsibilities as the burial and cremation authority for the area.
PRR 016	Information Governance	All Themes	John Breen	Very High	16	↔	A serious data breach and/or other significant instance of non-compliance with data legislation may result in costly regulatory investigations leading to significant fines, and damage to the Council's reputation.
PRR 014	Health & Safety	A greener and safer place	Lewis Mould	Very High	16	↔	Failure to maintain effective health and safety arrangements across Council services, workplaces, contractors and activities, may result in injury, ill health or loss of life to employees, councillors, contractors, residents or visitors, leading to legal and regulatory action, financial loss, service disruption, and reputational damage.

Ref	Risk Title	Our Plan Theme	Risk Owner	Current Risk Rating	Risk Score	Direction of travel	Potential Risk Event
PRR 005	Fraud	All Themes	Elizabeth Brooks	High	15		Fraudulent activity may lead to significant financial loss, misallocation of limited resources, and reputational damage due to perceived inaction or poor oversight, as well as hindering the Council's obligations under the Economic Crime and Corporate Transparency Act (ECCTA) 2023 'Failure to Prevent Fraud' offence.
PRR 037	Building Control	A greener and safer place	Jeremy Potter	High	12		Inability to fulfil statutory building control obligations due to severe staffing shortages which may lead to legal challenges, ombudsman complaints, and/or building safety regulator intervention.
PRR 038	Local Plan	A greener and safer place	Jeremy Potter	High	12	NEW	The Council may be unable to maintain a sufficient housing land supply and/or progress the Local Plan Review in accordance with statutory requirements and planned timescales due to factors such as changing national planning policy, infrastructure limitations, land availability issues or reduced development viability.
PRR 036	A12 Improvements	A fairer and more inclusive place	Jeremy Potter	High	12		Failure to secure future infrastructure funding for A12 Junction 19 may lead to key strategic sites in the Local Plan not being deliverable, which may stall housing and economic growth as well as increasing congestion.
PRR 004	Emergency Planning	A greener and safer place	Lewis Mould	High	12		Ineffective emergency planning response(s) may lead to avoidable harm, extended disruption, reputational damage, and increased financial costs due to reactive management, as well as hindering the Council's statutory emergency response obligations under the Civil Contingencies Act.
PRR 015	Safeguarding	A greener and safer place	Lewis Mould	High	12		Failure in safeguarding responsibilities may result in serious harm to individuals, loss of public trust, and negative impacts on staff morale and the Council's reputation.
PRR 032	Budget and Financial Position	All Themes	Phil Reeves	High	12		The Council's financial position may become unsustainable due to ongoing budgetary pressures, reduced income streams, and increasing service demands, potentially impacting the delivery of statutory and discretionary services.
PRR 033	Commercial Strategy	A greener and safer place	Joe Reidy	High	12		Investment decisions driven by commercial strategy may expose the organisation to significant financial and reputational risks due to inadequate due diligence, excessive borrowing, poor diversification, weak governance, regulatory missteps, or external economic shocks.

Ref	Risk Title	Our Plan Theme	Risk Owner	Current Risk Rating	Risk Score	Direction of travel	Potential Risk Event
PRR 003	Business Continuity	All Themes	Lewis Mould	Medium	9		Ineffective business continuity response(s) may lead to prolonged disruption to core services, impacting residents, damaging the Council's reputation, and hindering its statutory emergency response obligations under the Civil Contingencies Act.
PRR 025	Climate & Ecological Emergency Strategy	A greener and safer place	Louise Goodwin	Medium	9		The Council's strategy to respond to, manage and monitor the Climate and Ecological Emergency (called at Full Council in July 2019) may not be clear, and/or include sufficient level of detail in an overall delivery/action plan which may impact on achievement of the required outcomes and its overall success.

Principal Risk Heat Map



Impact Scoring Criteria

Appendix 2

Score	Level	Financial	Operations	People	Reputation	Legal and regulatory	Major Projects	Equivalent Internal Audit Priorities
5	**Catastrophic**	Financial loss (>£20 million*)	Permanent cessation of core activities	Multiple fatalities	Future viability of the organisation threatened	External control of the Council assumed	Repeated failure of high-profile projects. All discretionary funding withdrawn	Critical Priority (Emerging Findings Note)
4	**Severe**	Financial loss (>£1 million*)	Extended disruption of core activities in excess of normal recovery timescales, with adverse impact on the wider community	Life-threatening or multiple serious injuries (to staff or service users) or prolonged workplace stress. Severe impact on morale/service performance. Mass strike actions etc.	Critical impact on the reputation or brand of the organisation. Intense political and media scrutiny i.e. national front-page headlines, TV	Possible criminal, or high-profile civil action against the Council, Members or officers. Statutory intervention triggered with impact across the whole Council. Critical breach in laws and regulations that could result in severe fines or consequences	Politically unacceptable increase on project budget/cost for high-profile project. Elected Members are required to intervene	
3	**Major**	Major financial loss. Service budgets exceeded (£200k to £1 million*)	Disruption to core activities. Some services compromised. Management Team action required to overcome medium-term difficulties	Serious injuries or stressful experience (for staff member or service user) requiring medical attention/ many workdays lost. Major impact on morale/performance	Major impact on the reputation or brand of the organisation. Unfavourable media coverage. Noticeable impact on public opinion	Major breach in laws and regulations resulting in major fines and consequences. Scrutiny required by external agencies	Key targets missed. Major increase on project budget/ cost. Major reduction to project scope or quality	High Priority recommendations (Limited to No Assurance)
2	**Moderate**	Moderate financial loss. Handled within the team (£50k to £200k*)	Significant short-term disruption of non-core activities. Standing Orders occasionally not complied with, or services do not fully meet needs. Service Manager action will be required	Injuries (to staff member or service user) or stress levels requiring some medical treatment, potentially some workdays lost. Some impact on morale/performance	Moderate impact on the reputation or brand of the organisation. Limited unfavourable media coverage	Moderate breach in laws and regulations resulting in fines and consequences. Scrutiny required by internal committees or internal audit to prevent escalation	Delays may impact project scope or quality (or overall project must be re-scheduled). Small increase on project budget/cost. Handled within the project team	Medium Priority recommendations (Moderate to Limited Assurance)
1	**Minor**	Minor financial loss (< £50k*)	Minor errors in systems/operations or processes requiring Service Manager or Team Leader action. Little or no impact on service users	Minor injuries or stress with no workdays lost or minimal medical treatment. No impact on staff morale	Minor impact on the reputation of the organisation	Minor breach in laws and regulations with limited consequences	Minor delay without impact on overall schedule. Minimal effect on project budget/cost or quality	Low Priority recommendations (Substantial to Moderate Assurance)