

To: Audit and Governance Committee
Date: 21 October 2025
Report of: Nigel Kennedy – Group Finance Director
Title of Report: Risk Management Reporting at 30 September 2025

Summary and recommendations	
Decision being taken:	To update the Audit and Governance Committee on corporate and service risks as of 30 September 2025.
Key decision:	No
Cabinet Member:	Councillor Ed Turner, Deputy Leader (Statutory) - Finance and Asset Management
Corporate Priority:	A Well-run Council
Policy Framework:	None.

Recommendation(s): That the Audit and Governance Committee resolve to:
1. Review the Risk Management report and note its contents.

Information Exempt from Publication
Not applicable

Appendix No.	Appendix Title	Exempt from Publication
1	Corporate Risk Register – Risks and Controls	No
2	Corporate Risk Register – Risks Only	No
3	Service Risk Register – Risks and Controls	No
4	Service Risk Register – Risks Only	No

Introduction and background

1. The council undertakes quarterly reviews of risk registers. This report informs the Audit and Governance Committee of the outcome of the review that was completed at the end of September.

Risk Scoring Matrix

2. The Council employs a 'five-by-five' risk scoring matrix, assessing risks based on probability and impact.
3. An identical score can give different results in the matrix. If an event has a high probability but a low impact, it will receive a lower rating. However, the greater the potential impact score, the more likely the event will be categorised as an amber risk on the matrix.
4. The risk prioritisation matrix is below, showing scores for red, amber, and green risks.

Probability

Almost Certain	5	5	10	15	20	25
Likely	4	4	8	12	16	20
Possible	3	3	6	9	12	15
Unlikely	2	2	4	6	8	10
Rare	1	1	2	3	4	5
		1	2	3	4	5
		Insignificant	Minor	Moderate	Major	Severe
		Impact				

Risk Identification

5. **Corporate Risks** – The Corporate Leadership Team reviews the Corporate Risk Register (CRR) quarterly. Any new risks are incorporated into a revised version of the CRR. The Corporate Leadership Team reviewed the CRR on 18 September 2025.
6. **Service Risks** – Service-level risks are subject to periodic review by Directors and Service Managers. The Risk Management Group maintains oversight of all service risks and, during its meetings, assesses whether any should be escalated for inclusion in the CRR. On 26 August 2025, the Group reviewed the Legal, Governance and Strategy, and Planning and Regulation risk registers. The next meeting of the Risk Management Group will take place on 9 December 2025, at which the Finance and ICT service risk registers will be presented and reviewed.

Corporate Risk Register

7. The Audit and Governance Committee most recently reviewed the CRR on 23 July 2025. The CRR for 2025/26 is attached as Appendix 1, including controls, and Appendix 2 showing risks only.
8. The table below shows the number of corporate risks on 30 September 2025 compared with the previous reported quarter.

Current Risk	Q1 2025/26	Q2 2025/26
Red	6	6
Amber	8	8
Green	0	0
Total risks	14	14
New risks	10	0
Closed	8	0

CRR Red Risks

- **1 - Financial Stability**

This risk concerns the Council's ability to implement its strategic plans and corporate priorities amid increasing financial pressure. Key contributing factors include volatility in income and expenditure, inflation-driven cost escalation affecting materials for capital projects, rising service demands, such as temporary accommodation, and broader economic weaknesses, which may depress income streams such as commercial rents and business rates.

- **99 – A utilities infrastructure that does not meet the needs of the city**

This risk identifies that without further investment and partnership working, the city's utility infrastructure will come under increasing strain, adversely impacting citizens' wellbeing and the city's prosperity.

- **100 – Cybersecurity and IT infrastructure resilience**

The risk addresses the failure to prevent and respond to cyber-attacks and ensure that IT infrastructure is fit for purpose and adaptable to future needs.

- **102 – Addressing the causes and impacts of climate change**

This risk identifies the factors that could prevent the Council from prioritising efforts to tackle the causes of climate change and mitigate its effects. Failure to do so would harm both residents and the environment.

- **106 – A failure to deliver Temporary Accommodation strategies to meet demand and increases in homelessness**

This risk assesses the potential consequences if the Council fails to implement effective mitigation measures to control temporary accommodation costs or develop contingency plans to meet the increasing demand for homelessness.

prevention. It also considers the challenges of securing an adequate housing supply through the private rented sector and the Council's development programme.

- **107 – A failure to meet Social Housing (Regulation) Act customer/consumer standards**

This risk evaluates the potential impact if the Council, in its capacity as a landlord, fails to fully comply with the Social Housing (Regulation) Act customer standards, particularly the Safety and Quality Consumer Standard. Such a failure could result in a major incident that compromises tenant safety, leading to sanctions, regulatory intervention, and severe reputational damage.

CRR Amber Risks

- **3 – Workforce stability**

This risk relates to the Council's ability to achieve its future ambitions, which may be undermined by challenges in recruiting and retaining staff in key strategic corporate support areas such as Legal and ICT. It highlights the greater challenge of recruiting staff when there is uncertainty about Local Government Reorganisation.

- **6 – Failure to comply with governance requirements**

This risk addresses the possibility that the Council may fail to comply with the Constitution and governance requirements as set out in law.

- **9 – Political and partnership landscape – Local and national**

This risk concerns uncertainty about the future political landscape at both a national, regional, and local level, as Local Government Reorganisation and Devolution are progressed.

- **11 – Increased demand for services**

- There is a growing demand for Council services. This is driven by sustained cost-of-living pressures, rising accommodation costs, diminishing disposable income, and increasing levels of personal debt.

- **97 – Flood**

This risk highlights concerns over the Council's ability to respond effectively to a major flooding incident. An inadequate response could significantly compromise the Council's capacity to manage the situation. The risk has been reduced from red to amber based on the plans that the Council has and because it is experienced in implementing them.

- **98 – Adverse weather, terrorism, and utility outage**

This addresses the risks of adverse weather, terrorism, and utility outages, highlighting issues that would impact the Council's ability to respond effectively to a major incident.

- **104 – The workforce and public are healthy and safe**

This risk concerns the Council's ability to manage health and safety effectively. Failure to do so could put both employees and the public at risk, potentially resulting in injury, illness, or loss of life.

- **105 – A failure to deliver housing priorities and business plans**

This risk relates to the Council's ability to mitigate financial pressures within the Housing Revenue Account. These pressures will intensify if the Council, as the local housing authority, fails to meet its housing prevention priorities for homelessness or deliver its Housing Revenue Account business plan and Asset Strategy objectives.

CRR Green Risks

There are no green risks in the CRR.

Service Risk Registers

9. As part of the service planning process, all service risks are reviewed. Those no longer relevant are deleted, and any new ones added. The service risk register is attached as Appendix 3, showing risks and controls, and at Appendix 4, showing risks only.

10. The table below shows the number of service risks at 30 September 2025 compared with the previous reported quarters.

Current Risk	Q1 2024/25	Q3 2024/25	Q4 2024/25	Q1 2025/26
Red	11	11	10	12
Amber	43	42	52	56
Green	27	26	32	24
Total Risks	81	79	94	92
New Risks in the Quarter	10	0	25	0
Closed	0	2	10	2

11. Details of the red service risks are as follows:

- **27 - Planning**

External delays - Delays to Council projects arising from external agencies may impact overall Council performance, resulting in missed targets and reduced effectiveness.

- **33 – Property and Assets**

Quality of data and property knowledge – Failure to implement an asset management system capable of storing and analysing data may hinder the Council's ability to effectively plan and schedule work. This could result in delays

to property lettings, difficulties in providing timely insurance information, and increased risk of non-compliance.

- **34 – Law, Governance and Strategy**

Resilience of service – An inability to effectively deliver services required by the Council and to deliver critical projects and support statutory and non-statutory functions will have a direct impact on risk, compliance, expenditure, and income to the Council. Furthermore, inadequate staffing and the requirement for expertise in response to major incidents may necessitate increased reliance on external support or lead to operational delays.

- **35 – Planning**

If Government legislation requiring substantial changes in the planning system results in a need for redesigned processes, then there will be a lack of capacity to meet the changes, and the delivery of local policy objectives will be undermined.

- **46 – Law, Governance and Strategy**

The use of the budget is reactive and therefore, as unexpected corporate issues arise, external legal costs increase, which will lead to an overspend on the legal services budget, and potentially pressure on other service area budgets as they may need to fund work.

- **55 – Law, Governance and Strategy**

Income target not achieved – If the income target is not achieved, additional pressure will be placed on the overall legal services budget, leading to an overspend.

- **65 - Law and Governance**

If the Council's departments and suppliers do not safeguard data there is a risk of a data protection breach and non-compliance.

- **96 – Property Assets**

If there is a lack of legal support, the Council will be unable to meet income, capital receipt, and project targets. Alternatively, external legal spend will be more costly and will result in an increase in financial pressure.

- **112 – Housing**

If tenant involvement governance arrangements and activities are not fit for purpose and do not allow the tenant's voice to be heard, then the Council will fail to meet its responsibilities under the Social Housing (Regulation) Act.

- **113 – Housing**

A failure to evidence the implementation of and adherence to the social housing regulator's consumer standards across housing may result in a C3 grading following inspection.

- **125 – Committees and Citizen Services**

An ongoing contract management and partnership approach to the external leisure provision contract, to ensure stability with its financial performance.

- **126 – Communities and Citizen Services**

Financial savings from community centres. Failure to achieve the necessary savings may result in financial pressure on the Council and/or a decline in the quality of services delivered, as cost-cutting measures may need to be implemented.

Alternative Options Considered

12. None

Other implications

13. None

Financial implications

14. There are no financial implications directly associated with the risk registers, although the management of risk is essential to the operation of the Council, the pursuit of its priorities, and its financial integrity.

Legal issues

15. There are no legal implications directly arising from this report, but having proper arrangements to manage risk throughout the organisation is an important component of good corporate governance and good business management.

Level of risk

16. There is no further risk associated with this report.

Equalities impact

17. There are no equality impacts arising directly from this report.

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Background Papers:

None

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