

Audit and Governance Committee

12 October 2026

Risk Management Update

For Review and Consultation

Cabinet Member:

Cllr N Ireland, Leader, Climate, Performance, Communications and Safeguarding

Local Councillor(s):

N/A

Senior Leadership Team:

S Ford - Assistant Chief Executive

Report author and job title:

Chris Swain, Risk Management and Reporting Officer

Email:

chris.swain@dorsetcouncil.gov.uk

Statutory Authority:

Although there is no statutory requirement for a risk management update, Dorset Council's constitution and governance best practice set a clear expectation that the Audit and Governance Committee should receive and review regular updates on risk management and make recommendations on the adequacy of risk management arrangements.

Report status: Public (the exemption paragraph is N/A)

1. Executive summary

- 1.1 Dorset Council's Strategic Risk Profile improved during Quarter 1 2026-2027, with four Strategic Risks reducing in exposure and no risks deteriorating. Corporate Risk Register compliance remained at 100%, providing assurance that the council's risk profile continues to be actively monitored and reviewed.
- 1.2 This report provides a thematic review of Strategic Risk 29 (Emergency Planning), updates the committee on the current Strategic Risk position, and summarises progress in strengthening the council's Enterprise Risk Management (ERM) Framework.

- 1.3 Risk exposure remains significant in several externally influenced areas, including cyber security, health service reform, housing pressures, Dedicated Schools Grant (DSG), sustainability and climate adaptation.
- 1.4 The report also highlights key improvements to the ERM Framework, including implementation of a new Risk Scoring Matrix, development of a combined Risk and Audit Dashboard, risk management training, and stronger alignment between ERM and Business Continuity Planning (BCP) arrangements.
- 1.5 The committee is invited to review the thematic update, endorse the new Risk Scoring Matrix and identify any areas where further assurance may be required.

2. **Recommendation(s)**

- 2.1 The committee is asked to:
 - review the thematic update relating to Strategic Risk 29 and consider any implications arising from the Annual “Emergency Planning Report”.
 - endorse the new Risk Scoring Matrix and any consequential amendments to the ERM Framework.
 - note progress in strengthening the ERM Framework, including development of the Risk and Audit Dashboard, and note the offer of a demonstration for committee prior to the next Risk Management Update.
 - note Corporate Risk Register compliance and identify any areas where further assurance or future thematic risk reporting would be beneficial.

3. **Reason for the recommendation(s)**

- 3.1 To ensure that the council’s risk management approach enables informed, risk-based decision-making while remaining proportionate and aligned with organisational objectives and key deliverables.

4. **The report**

- 4.1 In response to the Audit and Governance Committee’s request for a thematic approach to risk management reporting and to compliment the committee’s work programme for 12 October 2026, which includes consideration of the Annual Emergency Planning Report, Strategic Risk 29 has been selected together with its associated Principal Risk and Risk Appetite for Data and Information Management.
- 4.2 Strategic Risk 29 highlights that organisational resilience remains dependent upon the availability, security and recoverability of infrastructure, critical information and technology to maintain service delivery during a disruption.

- 4.3 A summary of the selected Strategic Risk together with the associated Principal Risk and current risk rating, is set out below. The council's adopted Risk Appetite for Data and Information Management is:

"Dorset Council accepts that openness and information sharing is needed for effective operations in a controlled environment."

ID	Risk	Principal Risk	Risk Rating
29	Emergency Planning - Due to changes in the internal and/or external operating environment, business continuity arrangements may become outdated or ineffective, resulting in failure of one or more critical services during a disruption	Data and Information Management	Medium

- 4.4 Work is underway to strengthen the relationship between ERM, Business Impact Analysis (BIA) and BCP, which set out how critical services will continue or be restored during and following a disruption. This will improve understanding of organisational resilience and support more targeted oversight of services that are most vulnerable to disruption. The committee will be updated as this work progresses into 2027.

Risk Profile Movement

- 4.5 The council's full strategic risk profile is presented in Appendix A, Strategic Risks by Impact and Likelihood (Quarter 1 2026-2027).
- 4.6 As detailed in Appendix B, Dorset Council's strategic risk profile has improved since the previous report to Audit and Governance Committee on the 29 June 2026. In response to the committee's requests the appendix provides additional detail on the areas where improvements have been made, together with a summary explanation of the factors contributing to those changes.
- 4.7 Despite this overall improvement, Dorset Council continues to carry material exposure in several externally driven risk areas including local government finance, social care demand, housing pressures, climate adaptation and cyber security. These remain areas where risk reduction is dependent upon national policy, funding decisions and wider partnership arrangements rather than actions solely within the council's control.

New Risk Scoring Matrix

- 4.8 Following Senior Leadership Team (SLT) review and approval on 15 September, Appendix C provides the committee with a final draft of the New Risk Scoring Matrix that was shared in draft format in the Risk Management

Update on the 29 June 2026. The committee is invited to review and endorse the New Risk Scoring Matrix.

- 4.9 The revised matrix provides a more consistent and proportionate method for assessing risk, enabling clearer identification of priority risks and improving the quality of information available to support strategic decision-making, resource allocation and organisational assurance.

Continued Development of the Risk Management Framework

- 4.10 Several initiatives are progressing to strengthen Dorset Council's ERM Framework and improve the organisations risk maturity. The Audit and Governance Committee will be kept up to date on the progress made on the following initiatives.

Initiative	Strategic Benefit	Status
New Risk Scoring Matrix (Appendix C)	Better quality and consistency of risk reporting	Quarter 3 implementation
Combined Risk and Audit Dashboard	Improved assurance mapping, accountability and oversight, linked to Dorset Council's risk profile.	Quarter 3 implementation
Risk E-Learning Module	Improved management accountability and risk culture.	Quarter 4 implementation
ERM / BCP Alignment	Stronger organisational resilience	Scoping phase

Risk Reporting

- 4.11 Corporate Risk Register compliance remains strong with 100% of entries being reviewed in accordance with the ERM Framework in quarter 1. This provides assurance that the council's risk profile continues to be actively monitored and reported.
- 4.12 The committee is invited to note this position and to identify any areas where it may wish to request further assurance, or propose topics for future focus, in advance of the Risk Management Update scheduled for 25 January 2027.

- 4.13 The next Risk Management Update will present quarter 2 risk data at the committee meeting on 25 January 2027.

5. Alternative options considered

- 5.1 None

6. Legal considerations

- 6.1 There are no direct legal implications arising from this report. However, unmanaged risks could compromise Dorset Council's ability to meet its statutory obligations.

7. Financial implications

- 7.1 There are no direct financial implications arising from this report. However, unmanaged risks could threaten Dorset Council's financial stability. In addition, implementing risk controls may have budgetary impacts, which would be progressed through the appropriate governance in accordance with the Scheme of Delegation and the Council's Constitution.

8. Natural environment, climate & ecology implications

- 8.1 There are no specific implications for the natural environment, climate, or ecology arising from this report; however, the Corporate Risk Register does identify several risks within this category.

9. Well-being and health implications

- 9.1 There are no specific health or well-being implications arising from this report; however, the Corporate Risk Register does identify several risks within this category.

10. Other implications

- 10.1 None

11. Risk implications

- 11.1 HAVING CONSIDERED: the risks associated with this decision; the level of risk has been identified as:

Current Risk: N/A

Residual Risk: N/A

This report outlines Dorset Council's ERM Framework, along with its Strategic Risks. As the report is for information only, it does not require a risk decision rating. The appendix provides an update on the current strategic risks and future developments of the risk management framework.

12. Equalities

- 12.1 There are no specific equality implications arising from this report; however, the Corporate Risk Register does identify several risks within this category.

13. Appendices

- 13.1 Appendix A – Strategic Risks by Impact and Likelihood (Quarter 1 2026-2027)
- 13.2 Appendix B – Improving Strategic Risk Profile (Quarter 1 2026-2027)
- 13.3 Appendix C – Dorset Council's New Risk Scoring Matrix

14. Background papers

- 14.1 [Audit and Governance Committee Risk Management Update 29 June 2026](#)
- 14.2 [Risk Management Framework - Dorset Council](#)

15. Report sign-off

- 15.1 This report has been through the internal report clearance process and has been signed off by the Director for Assurance & Governance (Monitoring Officer), the Director for Resources (Section 151 Officer) and the appropriate Cabinet Member(s)

APPENDIX SECTION

Audit and Governance Committee

12 October 2026



Appendix A – Strategic Risks by Impact and Likelihood (Quarter 1 2026-2027)

The table illustrates the current profile of Strategic Risks, identified by their reference numbers, based on their assessed impact and likelihood scores.

All Strategic Risks are subject to regular reporting to the Senior Leadership Team (SLT) and the relevant Scrutiny Committees. Strategic Risks linked to Council Plan priorities are additionally monitored and reported through the Council Plan Performance Monitoring Dashboards.

Impact	Catastrophic			194	91	
	Major		39, 314	92, 106, 127, 158, 164, 167, 245	22	200
	Moderate		169, 195, 231, 265, 285	29, 82, 89, 90, 140, 161, 197, 233, 235, 242, 244, 313	145, 146	
	Slight	81	151	199, 294		
	Limited	182	179	196		
		Very Unlikely	Unlikely	Possible	Likely	Almost Certain
		Likelihood				

The following pages provide further detail on the Strategic Risks and present them according to their respective Directorates. Appendix B summarises those risks that have shown an improving profile since the last Risk Management Update presented on the 29 June 2026.

Adult Social Care

ID	Risk	Risk Rating	Trend Since Quarter 4	Strategic Priority	Principal Risk(s)
140	Due to high levels of adult safeguarding referrals, Dorset Council may fail to keep adults safe who have care and support needs, leading to potential harm or abuse	Medium	No Change	Communities for all	Legal; Operations; Reputation
145	The impact on the Adult Social Care Service user budget of funding for people who previously funded their own care in residential/nursing care settings and now require funding by the local authority.	High	No Change	Communities for all	Finance; Operations
146	Due to the demand on hospital bed stock, patients with higher complexity needs may be delayed hospital admission, leading to increased demand for Council run services	High	No Change	Communities for all	Operations; Reputation
151	As a result of capacity in the voluntary and community sector, Dorset council may not be able to provide sufficient care and support to residents, leading to a failure to deliver communities for all	Low	No Change	Communities for all	Commercial; Operations; Reputation
167	Due to the abolition of NHS England, commissioning arrangements for local health services may be disrupted, leading to service	High	No Change	Communities for all	Commercial; Finance; Operations

	delivery and financial sustainability consequences for social care				
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ID	Risk	Risk Rating	Trend Since Quarter 4	Strategic Priority	Principal Risk(s)
22	Due to a failure to effectively migrate and manage digital information, Dorset Council may be unable to access or trust its data, leading to disruptions in business operations and decision making	High	No Change	Key organisational deliverable	Data and information management; Operations; Reputation; Security; Technology
29	Emergency Planning - Due to changes in the internal and/or external operating environment, business continuity arrangements may become outdated or ineffective, resulting in failure of one or more critical services during a disruption	Medium	No Change	Key organisational deliverable	Data and information management; Legal; Operations; Reputation; Security; Technology
39	Information Compliance - Due to lack of compliance with mandatory NHS Data Security and Protection Toolkit requirements, DC may lose access to health data, impacting it's ability to deliver integrated care and strategic partnership objectives	Medium	No Change	Key organisational deliverable	Data and information management; Security; Technology

ID	Risk	Risk Rating	Trend Since Quarter 4	Strategic Priority	Principal Risk(s)
89	Due to local government funding arrangements, Dorset Council may have to reduce its workforce in lieu of transformation, leading to insufficient resource to deliver services	Medium	No Change	Key organisational deliverable	Finance; Operations; People
90	As a result of the impact of change due to transformation, Dorset Council may be unable to retain necessary staff and maintain employee wellbeing, leading to a skills gap and reduced organisational resilience	Medium	No Change	Key organisational deliverable	Operations; People
106	Due to the effects of climate change and extreme weather events, Dorset Council may be unable to adapt its services and infrastructure leading to reduced resilience in service delivery to residents and in our communities	High	No Change	Respond to the climate and nature crisis	Finance; Legal; Property; Reputation

Children's Services

ID	Risk	Risk Rating	Trend Since Quarter 4	Strategic Priority	Principal Risk(s)
169	Difficulty recruiting or retaining qualified staff, may lead to service gaps, weakened safeguarding, and failure to meet children's needs early, increasing the likelihood of poor outcomes for children and families	Medium	No Change	Communities for all; Key organisational deliverable	Finance; Legal; Operations; People; Reputation
179	Due to low engagement in education, employment or training, care leavers may develop social and/or economic isolation, leading to poorer life outcomes and increased demand for local services	Low	No Change	Communities for all	Finance; Operations; Reputation
182	As a result of insufficient strategic or financial commitment, the Early Help Partnership may be undermined, increasing demand for statutory services including children's protection and care placements	Low	No Change	Communities for all	Finance; Operations; Reputation
194	Instability in the High Needs Block budget may create an increased deficit in the Dedicated Schools Grant (DSG) resulting in a deficit in Dorset Councils financial position.	High	No Change	Key organisational deliverable	Finance; Legal; Reputation
195	Due to demand for service provision, Education, Health and Care Plans may not be delivered within statutory timescales, leading to a failure to deliver children's	Medium	No Change	Communities for all	Legal; Operations; Reputation

ID	Risk	Risk Rating	Trend Since Quarter 4	Strategic Priority	Principal Risk(s)
	educational needs and an increase in SEND tribunals				
196	Due to the transition of some schools to Academy Trusts, Dorset Council may face challenges in influencing KS2 attainment, potentially resulting in a limited ability to improve results beyond the national average	Low	No Change	Communities for all	Operations; Reputation
197	Due to the expansion of early education entitlements for more children, there may be insufficient early education places available	Medium	No Change	Communities for all	Operations; Reputation

Economy and Environment

ID	Risk	Risk Rating	Trend Since Quarter 4	Strategic Priority	Principal Risk(s)
231	Due to extreme weather events driven by climate change, Dorset Council may not have the resources to adapt its land drainage and waste water assets, leading to increased, flooding, environmental and Public Health hazards	Medium	No Change	Respond to the climate and nature crisis	Finance; Legal; Operations; Project / programme; Reputation
233	Due to a failure to adhere to existing protocols, Dorset Council may be unable to provide assurance around building safety, leading to harm to public health and potential penalties	Medium	No Change	Key organisational deliverable	Finance; Legal; Property; Reputation
235	Due to functional discontinuity in resource, systems and process, Dorset Council may not be able to demonstrate sustained best practice across the leased Estate Management Service, leading to financial and legal penalties	Medium	No Change	Key organisational deliverable	Finance; Legal; Property; Reputation
242	As a result of the ambition within the Council Plan, Dorset Council may have inadequate resources to deliver economic growth priorities, leading to missed investment and reduced productivity	Medium	No Change	Grow our economy	Commercial; Finance; Reputation

ID	Risk	Risk Rating	Trend Since Quarter 4	Strategic Priority	Principal Risk(s)
244	Due to a declining youth population and limited higher education opportunities, Dorset may be unable to build a skilled local workforce, leading to an increased skills gap and business relocation	Medium	No Change	Grow our economy; Communities for all	Finance; Project / programme; Reputation
245	As a result of sea level rise and extreme weather events driven by climate change, Dorset Council may not have the resources to adapt its coastal defences, leading to low lying areas of the county being uneconomical to defend	High	No Change	Respond to the climate and nature crisis	Finance; Legal; Property; Reputation; Project / programme; Operations
265	Due to increased EV uptake and scale of LTP programmes, Dorset Council may not deliver sufficient charging and transport infrastructure, leading to reduced growth, public health, environmental deterioration, and limits on housing targets	Medium	No Change	Grow our economy; Respond to the climate and nature crisis; Provide high quality and affordable housing	Finance; Reputation
285	Due to pressures on land management and usage, Dorset Council may not meet Council Plan nature positive targets, leading to a decline in biodiversity	Medium	No Change	Respond to the climate and nature crisis; Communities for all	Legal; Finance; Reputation

ID	Risk	Risk Rating	Trend Since Quarter 4	Strategic Priority	Principal Risk(s)
294	Due to contractor failure and volatility in the waste disposal market, Dorset Council may be unable to secure reliable disposal routes, resulting in use of less favourable options and increased costs	Medium	No Change	Respond to the climate and nature crisis; Key organisational deliverable	Commercial; Operations; Reputation; Finance
313	High nutrient loads in protected wetland catchments may face delayed mitigation due to complexities around securing cross-agency mitigation solutions, resulting in planning consent delays for housing and economic development	Medium	Improving	Grow our economy; Provide high quality and affordable housing; Respond to the climate and nature crisis	Finance; Legal; Operations; Reputation
314	Due to timescales for submitting the Local Plan, Dorset Council may not have sufficient evidence to deliver a legally compliant and sound plan, delaying the Council's ability to adopt a holistic, comprehensive plan, which achieves sustainable development	Medium	Improving	Communities for all; Grow our economy; Provide high quality and affordable housing; Respond to the climate and nature crisis	Finance; Legal; Operations; Project / programme; Reputation

Housing, Communities & Prevention

ID	Risk	Risk Rating	Trend Since Quarter 4	Strategic Priority	Principal Risk(s)
158	The supply of homes and temporary accommodation is insufficient to meet demand	High	No Change	Provide high quality and affordable housing	Commercial; Operations; Project / programme; Property; Reputation
161	Poor quality private rented sector housing may lead to increased social, health and economic pressure on households and therefore higher demand for Council services	Medium	No Change	Provide high quality and affordable housing	Project / programme; Property; Reputation
164	Due to corporate, market and partnership conditions, the home-in on housing programme may not achieve the housing strategy objectives, leading residents being unable to access affordable, suitable, secure homes	High	No Change	Provide high quality and affordable housing	Finance; Operations; Reputation
199	Due to gaps in intelligence and early warning information, highly potent synthetic opioids may contaminate the local illegal drug supply chain undetected, leading to population harm, fatalities, and disruption to Public Health and partner agencies	Medium	No Change	Communities for all	Operations; Reputation

ID	Risk	Risk Rating	Trend Since Quarter 4	Strategic Priority	Principal Risk(s)
200	As a result of health service reform, Dorset Council may incur additional unprovisioned responsibilities, leading to increased resourcing & budgetary pressures, unmet health needs and potential harm to individuals	Very High	No Change	Communities for all; Key organisational deliverable; Grow our economy; Provide high quality and affordable housing; Respond to the climate and nature crisis	Commercial; Finance; Legal; Operations; Reputation

Modernisation & Customer Delivery

ID	Risk	Risk Rating	Trend Since Quarter 4	Strategic Priority	Principal Risk(s)
91	As a result of a successful cyber-security breach, Dorset Council may experience sustained loss or compromise of its ICT infrastructure, leading to disruption and compromise to service delivery, systems and data	Very High	No Change	Key organisational deliverable; Communities for all; Grow our economy; Provide high quality and affordable housing; Respond to the climate and nature crisis	Data and information management; Finance; Legal; Operations; Security
92	Because of a disruption such as a power failure, Dorset Council's ICT recovery may be delayed, leading to operational disruption	High	Improving	Key organisational deliverable	Data and information management; Finance; Legal; Operations; Reputation; Technology; Security
127	Because of competing demands for organisational resources, Dorset Council's transformation work may not achieve its objectives, leading to incomplete benefits to service delivery, customer experience and cost savings	High	No Change	Key organisational deliverable	Finance; Operations; People; Project / programme; Reputation

Resources

ID	Risk	Risk Rating	Trend Since Quarter 4	Strategic Priority	Principal Risk(s)
81	As a result of slower economic growth, Dorset Council may see a stagnation in revenue streams, creating budget pressures that impact the Council's ability to fund services	Low	No Change	Grow our economy	Finance; Reputation
82	Due to a breach in the oversight and control framework, contract and expenditure approvals may breach constitutional requirements, resulting in overspends and financial mismanagement	Medium	Improving	Key organisational deliverable	Commercial; Finance; Legal; Reputation; Security

Appendix B – Improving Strategic Risk Profile (Quarter 1 2026-2027)

The following table details the Strategic Risks from Appendix A that show an improving trend since Quarter 4.

ID	Risk	Summary
82	Due to a breach in the oversight and control framework, contract and expenditure approvals may breach constitutional requirements, resulting in overspends and financial mismanagement	The risk has reduced as strengthened financial and procurement controls, enhanced oversight arrangements, and additional specialist capacity have improved compliance, transparency and accountability. Governance arrangements continue to mature, with further work underway to embed values-based decision-making and support effective scrutiny.
92	Because of a disruption such as a power failure, Dorset Council's ICT recovery may be delayed, leading to operational disruption	Assurance has increased through regular resilience, recovery and service continuity testing, which has demonstrated that key controls are operating as intended across critical services hosted by the council. Testing completed during 2025 and 2026, including previously untested scenarios, has strengthened confidence in existing arrangements, with further exercises planned to inform a future review of the risk score.
313	High nutrient loads in protected wetland catchments may face delayed mitigation due to complexities around securing cross-agency mitigation solutions, resulting in planning consent delays for housing and economic development	Improvement has been made because of joint working arrangements, government funding, and established nutrient credit delivery systems are now in place and operating effectively. Pending decisions on future government strategic mitigation packages, local solutions continue to provide an effective interim approach.
314	Due to timescales for submitting the Local Plan, Dorset Council may not have sufficient evidence to deliver a legally compliant and sound plan, delaying the Council's ability to	Risk exposure has reduced following the decision to prepare the Local Plan under the new planning system, which provides a more achievable timetable and strengthened programme oversight through gateway reviews. Additional resources, external support and ongoing stakeholder

ID	Risk	Summary
	adopt a holistic, comprehensive plan, which achieves sustainable development	engagement continue to support delivery and management of key planning risks.

Appendix C – Dorset Council’s New Risk Scoring Matrix

Dorset Council’s New Impact Scoring Matrix

Assessing Risk Impact - Dorset Council						
The overall impact score will be the highest score across all dimensions						
Impact		Compliance	Financial	Operations and Delivery	Reputational	Stakeholders and Community
	Critical Score 5	Severe legal or regulatory breach; Enforcement action, loss of authority, service cessation, or unlawful safeguarding/SEND conduct	>8% adverse budget variance, or wipeout of the General Fund balance	Complete failure of a critical service, with knock-on impacts overwhelming contingency arrangements or operational capacity	Sustained national multi-platform media coverage of sensitive or polarising issues, causing severe loss of public trust	Widespread harm to vulnerable groups, or loss of access to essential services for over 50% of those affected
	Significant Score 4	Material non-compliance; Regulatory censure, statutory direction, enforced remediation, or sustained failure to meet statutory service levels	>4% to ≤8% adverse budget variance	Significant disruption to critical service(s), with delays or reduced capacity requiring intervention and resource diversion	Coordinated social media or disinformation activity on contentious public-interest issues, escalating into mainstream media	Significant harm to multiple stakeholder groups, or loss of access to essential services for 25–50% of those affected
	Moderate Score 3	Documented non-compliance or control weaknesses; Potential regulatory action if unaddressed, or short-term statutory non-compliance	>2% to ≤4% adverse budget variance	Partial disruption to critical service(s), short-term interruptions, or temporary performance dips	Media or social media coverage gaining momentum around perceived service failure, requiring coordinated communications management	Service delays, or reduced service quality affecting 10–25% of users, or adverse impact on key stakeholder relationships
	Minor Score 2	Minor policy or procedural deviation below statutory thresholds, low external scrutiny, and easily resolved locally	>1% to ≤2% adverse budget variance	Minor delays or reduced performance in non-critical services, but resolved locally within the service area	Single negative media or social media item with minimal public interest	Minor, localised inconvenience or dissatisfaction among stakeholders
	Minimal Score 1	Compliance fully met with negligible residual risk, supported by effective controls	≤1% adverse budget variance	Negligible operational impact with nominal service disruption, and no effect on statutory duties or delivery	Isolated low-level complaints with no media attention, resolved through routine communication	No meaningful impact on stakeholders or community

Dorset Council's New Likelihood Scoring Matrix

Assessing Risk Likelihood - Dorset Council						
Likelihood	The overall likelihood score will be the mean average across all dimensions rounded to the nearest integer					
		Delivery Capability and Resilience	External Pressures	Frequency of Occurrence	Nature of Operations	Process Maturity and Governance
	Expected Score 5	Insufficient skills or expertise to manage the risk, and / or no effective contingency plans in place	Highly volatile external conditions; Regulatory change, stakeholder opposition, funding loss, and / or international disruption	Risk materialised within the last year, or recurring, indicating a clear pattern	Highly complex cross-functional operations, significant external dependencies, and / or frequent changes in demand	Manual, fragmented processes, multiple hand-offs, unclear ownership, and / or weak or overlapping governance
	Probable Score 4	Risk knowledge is concentrated in a small team, and / or low resilience in the event of employee absence	Signals of tighter regulatory oversight or policy change, emerging organised opposition, and / or significant reductions in national funding	Risk materialised in the past 1–2 years, or probable under current conditions	Complex, multi-stakeholder operations, moderate external dependencies, and / or variable demand or regulatory interpretation	Mostly manual processes, inconsistent ownership, and / or partial understanding of decision-making processes with reactive governance
	Possible Score 3	Some employee awareness of controls, processes not fully embedded, and / or resilience vulnerable to employee turnover	Intermittent regulatory developments and / or sporadic stakeholder challenge, moderate but inconsistent external pressure	Risk last materialised 2–3 years ago, or could occur under current conditions	Moderately complex operations, occasional external dependencies, and / or some operational variability	Hybrid manual and automated processes, some ownership clarity, and / or inconsistent governance application
	Unlikely Score 2	Broad employee understanding, embedded training, clear accountability, and / or strong resilience to employee turnover	Stable regulatory conditions, and / or minimal external challenge	Risk last materialised 3–5 years ago, or is unlikely due to strong mitigating controls	Routine operations, limited external dependencies, and / or largely predictable outputs	Well-defined, automated processes with clear ownership, and / or proactive governance
	Rare Score 1	Broad employee competence, fully embedded processes, and / or effective employee succession planning	Strong multi-level alignment, supportive regulators, cooperative stakeholders, and / or a stable, low-volatility environment	No occurrence in over 5 years, or strong controls making occurrence highly improbable except in exceptional circumstances	Highly standardised operations, minimal external dependency and / or consistent, well-controlled outputs	Fully automated, streamlined processes and / or robust governance with clear organisation-wide understanding

Dorset Council's New Risk Scoring Heatmap

Impact	Critical					Capacity (High)
	Significant					
	Moderate			Tolerance (Medium)		
	Minor					
	Minimal	Appetite (Low)				
		Rare	Unlikely	Possible	Probable	Expected
		Likelihood				

Risk Rating	Definition	Review Frequency
Capacity (High)	The risk is at the maximum level the council can bear and threatens the delivery of Council Plan priorities or key organisational objectives. Risk management action is required by council leadership unless a conscious decision is made to tolerate or terminate the risk.	Every 90 days
Tolerance (Medium)	The risk exceeds the council's normal appetite but can be tolerated provided it is actively monitored and managed. Targeted action should be taken at directorate level to reduce exposure where appropriate and prevent escalation towards capacity.	Every 90 days
Appetite (Low)	The risk is within the level that Dorset Council is willing to accept in pursuit of its objectives. Risks within appetite can be managed through existing controls and routine monitoring and are considered business as usual.	Every 180 days