

EVALUATION OF RISK – KEY RISK REGISTER

Risk Management Framework

The Risk Management Framework (RMF) sets out the Board's policy, strategy and methodology for managing risk. The purpose of this Register is to inform those responsible for managing risks about actions taken and planned to mitigate them. In accordance with the RMF, each risk is scored for both probability (PS) and impact (IS) using scales based on Defra definitions (below) and these scores are multiplied together to arrive at a total score (TS). Scores are calculated for 'Inherent Risk' and for 'Residual Risk' i.e. both before and after any mitigation. This enables the Board to identify those risks which require urgent attention, and the level at which they should be addressed.

Probability Score (PS)

<i>Rating</i>	<i>Likelihood</i>	<i>Definition</i>	<i>Score</i>
Very Low	Rare	The risk may occur in exceptional circumstances	1
Low	Possible	The risk may occur in the next three years	2
Medium	Likely	The risk is likely to occur more than once in the next three years	3
High	Almost certain	The risk is likely to occur this year or at frequent intervals	4

Impact Score (IS)

<i>Rating</i>	<i>Definition</i>	<i>Score</i>
Very Low	No financial loss; service delivery unaffected; no legal implications; unlikely to damage reputation	1
Low	Small financial loss (e.g. up to £10k); re-prioritising of delivery required; minor legal concerns raised; short-term damage to reputation.	2
Medium	Significant financial loss (e.g. £10k-£50k); deadlines re-negotiated with customers; potentially serious legal implications (e.g. successful legal challenge); longer-term damage to reputation	3
High	Major financial loss (e.g. over £50k); key deadlines missed; very serious legal concerns (e.g. high risk of successful legal challenge), with substantial implications for the Board; loss of public confidence	4

Description of Tables

Table 1 is the risk register for 2025-2026. Table 2 is the summary of 2025-2026 risks compared to historic areas of risk. Table 3 lists other potential areas of significant risk which have been considered, but which are currently assessed at a Residual Risk Rating of less than 6.

Table 1: Risk Register

	Inherent Risk	Inherent Risk Rating			Controls in Place	Residual Risk Rating			Further Action Planned	Target Date	Owner
		PS	IS	TS		PS	IS	TS			
1. Core Funding Base	DEFRA only offer a one-year rollover/flat award (2025/26), in line with the Comprehensive Spending Review (2025) – impacts CNL's business planning abilities. Three-year determination still unknown, limiting any ability to plan ahead.	4	4	16	Continued dialogue with DEFRA to ensure advanced notification of the 2025/26 settlement. Externally funded projects contribute to core organisational costs.	4	4	16	Confirm DEFRA funding settlements for 2025/26.	Mar-25	CEO
	The outcome of the Comprehensive Spending Review is no increase (or a decrease) in core funding.	3	3	9	Government response to the Landscapes Review identified the need to increase National Landscape resources. DEFRA committed to 'levelling up' being part of their CSR business case strategy.	3	3	9	Ensure enough resources are made available to support DEFRA's business case for CSR, including providing metrics, case studies, funding breakdown, etc.	Ongoing	CEO, Head of Finance
	DEFRA increase core funding but fail to remove or reduce the requirement for 20% match funding The 80/20 rule with respect to funding from Defra being conditional on it being no more than 80% of our overall funding. The remaining 20% of core funds comes from local authorities. This could be a significant concern for the future.	3	3	9	The Management Accountant has been in contact with the 15 local authorities regarding potential funding increase in line with inflation (CPIH). Overall, half the respondents confirmed the increase, three are trying to get us an increase (including potential £13k increase from CDC) and five are still to respond. Funding received in 2024/25 was £145k. Current budget assumption is £150k, however depending on the responses this can be between £147k (worst case) and £161k (best case scenario).	3	3	9	Management Accountant to continue to engage and chase outstanding local authorities we have not yet heard back from.	Ongoing	CEO, Chair supported by Management Accountant

	Local authorities respond to their own financial challenges by reducing their funding to the Board	3	3	9	Ongoing discussions with local authority members and senior role-holders	3	3	9	Continue to engage with local authority Board Members, Leaders, CEOs, etc.	Ongoing	CEO, Chair
	Natural England funding for the Cotswold Way National Trail fails to increase and/or fails to provide capital element.	4	3	12	Positive dialogue and engagement with Natural England, the Cotswold Trails and Access Partnership, other National Trails. Positive liaison with National Trails UK (charity), who are lobbying government on behalf of the National Trails network. The Voluntary Wardens are highly committed to ensuring that the Cotswold Way is well managed.	3	3	9	Continue to liaise with Natural England and NTUK to demonstrate the value of the National Trail network and the need to increase core funding in light of escalating salaries and other associated costs.	Mar-25	CEO, Access and Volunteer Lead
2. Non-Core Funding (post March 2025)	<u>DEFRA</u> The FiPL grants programme finishing. It is unknown what, if anything, will replace this programme in future years. Timing of the Defra funding / grants paid is often difficult to predict and there may be delays in approving claims and payments.	4	4	16	Senior team involved in national discussions about the role of PLs in farming post FiPL.	3	4	12	Continue close liaison with DEFRA and demonstrate the value of the FiPL programme across the CNL. Seek new and alternative funding sources / large scale project funding, e.g. National Lottery Heritage Fund and Green Finance opportunities.	Apr-25	CEO, Land Management Lead, Partnerships Lead, Head of Finance
	<u>THAMES WATER</u> Failure to secure an extension/expansion to the Smarter Water Catchments funded programme, meaning we lose our educational outreach project.	4	3	12	Reputation has been built as a willing, collaborative partner with exceptional delivery outcomes.	3	3	9	Continue to liaise with TW and understand their AMP8 (2025-30) funding period priorities.	Apr-25	CEO, Partnerships Lead

	SEVERN TRENT WATER/WESSEX WATER Failure to secure Wessex Water funding to in effect replace existing Severn Trent Water funding on the Great Big Nature Boost funded project.	4	3	12	Reputation has been built as a willing, collaborative partner with exceptional delivery outcomes.	3	3	9	Continue to liaise with Wessex Water and capitalise on the timing of their AMP8 (2025-30) funding period.	Apr-25	CEO, GCG team
3. Operational Delivery	Not being able to find a long-term office solution within the set budget.	3	3	9	New office accommodation secured, removing the risks associated with the Greystones and that a cost-effective lease is secured to retain Robinswood. CEO liaising with GWT to minimise cost of Robinswood lease and seeking new property options.	3	3	9	Further reduce property costs by exiting the licence agreement at Cotswold Business Centre in March 2025 and finding alternative to Greystones.	Jun-25	CEO
	Local Government Reform impacts on local authorities capacity to contribute to the Board in the short/medium terms and eventually impacts on size and structure of Board in longer-term.	3	3	9	Discussed at January Executive and agreed paper will be put to June Board and Executive.	3	4	12	Engage with Defra and National Landscapes Association along with constituent local authorities to pre-empt and work through impacts.	Jun-25	CEO
4. Financial Reserves	A shortfall in Reserves constrains Board activities.	3	4	12	The Board has adopted a Reserves Policy to reflect the growth of the organisation.	3	3	9	Review Reserves Policy and seek Board's support for any suggested changes.	Jun-25	Head of Finance
	A reduction in income post March 2025 negatively impacts on the useable Reserves position	3	4	12	Budgets prepared and approved annually, management accounts produced monthly and two reforecasts prepared.	3	3	9	Invest longer term cash holdings to ensure a safe and consistent financial return/income stream.	Ongoing	Head of Finance
	The impact of the pay award being higher than the assumed 3% (in an attempt to keep up with high inflation) reduces CNL's General Fund.	3	4	12	Effective Finance and Governance Committee, providing more scrutiny of financial performance, management and decision making.	3	3	9	Ensure a 'minimum operating model' is designed and budgeted so that the organisation can act swiftly to minimise the impact of reduced non-core funding post March 2025.	Apr-25	CEO, Head of Finance

	The Development Fund (Designated Reserve) fails to grow.	3	4	12	A new KPI is focused on the Development Fund, as it is the key measure of the organisation's ability to grow.	3	4	12	Continue to prioritise the growth of the Development Fund, whilst maintaining general Fund at £70-£75k.	Ongoing	CEO, Head of Finance
5. Employee Retention	Failure to retain highly skilled and high performing team members due to cessation of non-core funding streams	3	3	9	Open channels of communication with all team members who will shortly be entering the last 12 months of their fixed term contracts.	3	2	6	Consider alternative job opportunities with the organisation, e.g. green finance.	Ongoing	CEO, Line Managers
	Early departure of team members as they secure new roles elsewhere, leaving the projects under-resourced and at risk of a successful conclusion.	3	3	9	Open channels of communication with all team members who will shortly be entering the last 12 months of their fixed term contracts.	3	3	9			
	Any staff departures requiring redundancy costs.	2	2	4	Open channels of communication with all team members.	2	2	4	Liaise with Publica to understand the redundancy liability.	Mar-25	CEO
6. Reputational Management	With Climate Action being a new and priority area of work there is a risk of significant reputational damage if the Board's positions, actions and statements lack the required balance, or are mis-interpreted by its intended audiences.	3	3	9	<p>The Climate Action Working Group is operating effectively.</p> <p>The stakeholder engagement workshops were successful and demonstrated the Board's willingness to listen and learn.</p> <p>The CNL Board adopted the 3Keel report, which is then published – setting out clearly the Board's position on how it intends to work collaboratively.</p> <p>The 3Keel report and pathway is reviewed and findings considered & implemented.</p>	2	3	6	<p>The Climate Action team will work with other CNL teams to develop implementation approach to the climate action work.</p> <p>A comms and PR strategy will continue to be developed to support this area of work.</p>	<p>Apr-25</p> <p>Apr-25</p>	<p>CEO</p> <p>CEO, Climate Action Lead</p> <p>Climate Action Lead, Comms Lead</p>

	Climate Lead leaving in September 2025 means capacity to delivery is adversely impacted.	3	3	9	Climate Action Officer has been recruited and transition being planned.	2	3	6			
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TABLE 2: HISTORIC AREAS OF KEY RISK

January 2023

RANK	RISK	INHERENT RISK RATING	RESIDUAL RISK RATING
1	Leased Premises	16	12
2	Financial Reserves	16	9
3	Core Funding Base	12	6
4	Non-Core Funding Streams	9	6
5	Reputational Management	9	6
	Total Score	62	39

January 2024

RANK	RISK	INHERENT RISK RATING	RESIDUAL RISK RATING
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1	Non-Core Funding Base (post March 2025)	16	12
2	Financial Reserves	12	9
3	Employee Retention (<i>new area of 'key risk'</i>)	9	6
4	Core Funding Base	8	6
5	Reputational Management	9	6
	Total Score	54	39

January 2025

RANK	RISK	INHERENT RISK RATING	RESIDUAL RISK RATING
1	Core Funding Base	16	16
2	Non-Core Funding Base (post March 2025)	16	12
3	Operational Delivery	9	12
4	Financial Reserves	12	9
5	Employee Retention	9	6
6	Reputational Management	9	6
	Total Score	78	58

TABLE 3: RISKS ALSO CONSIDERED

The following areas of risk have been reviewed and show a Residual Risk Total Score of five or less. As such, they are not considered to warrant detailed reporting. They will however continue to be actively monitored, and if their risk level appears to rise in future, they will be added to the Key Risk Register.

Area	P S	IS	T S	Evaluation
Covid-19/ Other Pandemics	2	2	4	Evidence that the impacts of Covid-19 on the Board's operations have been well managed since the pandemic started.
Cash Flow	2	2	4	Arrangements are in place to monitor and manage cash flow. Unused cash invested in low-risk deposits. Conversations ongoing with DEFRA FiPL team in regards to timing of payments for Year 4. This risk will be reviewed in light of outcome of those discussions.
Information Technology	2	2	4	Significant upgrades to the Board's technology infrastructure are currently being progressed, including cyber security. New Managed Service Provider in place with Orbits IT.
Insurance	2	2	4	Appropriate cover is provided by Zurich. This includes employers' liability, public liability, contents, material damage, libel and slander, motor vehicles, fidelity guarantee, professional indemnity, travel and personal accident.
Well-motivated Team	2	2	4	The Board has implemented appropriate management systems and a safe and healthy work environment. Currently seeking Investor's in People assessment and accreditation.
Theft and Fraud	2	2	4	Inventories of property are maintained. Anti-Fraud and Corruption Policy in place. Insurance cover in place.
CNL Management Plan	2	2	4	The current Management Plan (2023-25) was adopted in February 2023 and endorsements received from all local authorities. The next Plan (2025-30) is now being finalised with consideration being given to: changes in legislation, net zero pathway, national outcomes/targets, new management plan guidance. Senior members of the CNL team are regularly involved in these national discussions.

Area	P S	IS	T S	Evaluation
Covid-19/ Other Pandemics	2	2	4	Evidence that the impacts of Covid-19 on the Board's operations have been well managed since the pandemic started.
Conduct	1	3	3	The Board has appropriate controls in place to manage issues in relation to member and employee conduct.
Financial Management	1	3	3	Arrangements are in place to ensure sound financial management. Successive audit reports indicate a good record of financial management. Finance team structure reviewed and updated in 2023.
Non-compliance	1	3	3	Arrangements in place to ensure compliance with regulation, policies and procedures. Audit reports indicate a good record of compliance.
Voluntary Warden Activity	2	1	2	Appropriate risk assessments and control measures are implemented for Voluntary Warden activity. Voluntary wardens have a good track record and public reputation. Public and Employee Liability and Personal Accident Insurance are in place to cover Voluntary Wardens.
Work Programme	2	1	2	The Business Plan and performance management systems are in place and reviewed regularly by the Executive Committee and Board.
Pensions	1	1	1	The Board has an approved pensions policy.

*Employee Retention has been escalated to a Key Risk due to the uncertainty of non-core funding beyond March 2025.