



REPORT TO:	AUDIT AND GOVERNANCE COMMITTEE
DATE:	20 TH NOVEMBER 2023
SUBJECT:	RISK MANAGEMENT REPORT
PURPOSE:	TO PROVIDE AN UPDATE ON RISK MANAGEMENT
KEY DECISION:	NO
PORTFOLIO HOLDER:	COUNCILLOR DORRIAN, LEADER OF THE COUNCIL
REPORT OF:	JOHN MEDLER, ASSISTANT DIRECTOR – GOVERNANCE
REPORT AUTHOR:	SUZANNE ROLFE, GROUP MANAGER - INSIGHTS & TRANSFORMATION
WARD(S) AFFECTED:	ALL
EXEMPT REPORT?	NO

SUMMARY

This report provides an overview of risk management in the authority.

RECOMMENDATIONS

That the Committee considers and notes the report and comments on the draft Risk Management Framework.

REASONS FOR RECOMMENDATIONS

The Audit and Governance Committee is responsible for overseeing the effectiveness of the Council's risk management arrangements.

OTHER OPTIONS CONSIDERED

N/A

1. RISK MANAGEMENT

- 1.1 The Audit & Governance Committee is responsible for monitoring the effective development and operation of risk management in the Council according to its terms of reference.
- 1.2 A shared approach to risk management has been agreed across the Partnership with common formatting but not content. A revised Risk Management Framework has been drafted for the Partnership at Appendix B. This is presented for comment prior to Cabinet and then Council for approval.
- 1.3 Individual strategic and operational risk registers are in place for each of the Councils to reflect individual circumstances, locality and reporting. Strategic risks are high level, relating to corporate priorities. Operational risks are service specific. In addition, a new risk register of strategic risks to the Partnership has been developed and is set out below.
- 1.4 A quarterly corporate governance clinic is held with Assistant Directors to review risks.

2. STRATEGIC RISK REGISTER

- 2.1 The strategic risk register has been reviewed for Q2, as at the end of September 2023.
- 2.2 A summary of the risks, scores and changes since the last report are set out in the table below, with full details in Appendix A.

Risk	Risk score	Changes in Q2	Direction of travel
Economic hardship	High (12)	No change to risk score; A&G requested a review of the scoring - likelihood of 3 seems too low; The risk score is based on national, regional and local intelligence. More than happy to review though if there is further intelligence provided.	↔
Health	Medium (9)	No change to risk score; reference to dentistry added as requested by A&G	↔
Local economy	Medium (9)	No change to risk score; A&G requested a review of the score as medium seems low. The assessment is based on the information we have from various sources – local, regional and national. No change to the score recommended at this time. Planned action added: Strategic Economic Plan for the sub-region.	↔
Sustainability	Medium (6)	No change to risk score	↔
Budget	High (15)	No change to risk score	↔
Civil contingency risks	Medium (8)	No change to risk score	↔
Infrastructure risks	Medium (8)	No change to risk score. Planned action added: Strategic Economic Plan for the sub-region.	↔

Risk	Risk score	Changes in Q2	Direction of travel
Capital Programme	Medium (6)	No change to risk score	↔
General Fund Assets	Low (4)	No change to risk score. Engaged with partnership on progressing one I.T system and aligning other major works to ensure that we are utilising full resource	↔
Cyber Incident	High (15)	No change to risk score	↔
Technology infrastructure failure	High (10)	No change to risk score	↔
Implementation of the Environment Act 2021	High (16)	No change to risk score	↔
Introduction of Extended Producer Responsibility	Medium (9)	No change to risk score	↔
Identification and Suitability of future Depot Accommodation	Critical (20)	New risk	New
Waste Collection Round Pressures	Medium (9)	New risk	New
Capacity	High (12)	New risk identified across the partnership by SLT / peer review follow up	New
Third Party Service Delivery	Medium (9)	New risk identified across the partnership	New
External Communication	Medium (5)	New risk identified across the partnership	New
Retention of staff	Medium (8)	New risk identified across the partnership	New
Service Delivery	Medium (9)	New risk identified across the partnership	New
Internal Communications	High (12)	New risk identified across the partnership	New

2.3 A new register of strategic risks to the partnership has also been developed, based on the original business case. The partnership risks and scores are set out below, with full details in Appendix A.

Risk	Risk score
Vision	Medium (9)
Trust	Medium (9)
Sovereignty	Medium (9)
Takeover	Medium (9)
Culture	Medium (9)
LGR	High (12)
Funding	High (16)
Staffing	High (12)

2.4 A revised Risk Management Framework has been drafted for the Partnership at Appendix B. This is presented for comment prior to Cabinet and then Council for approval.

3. CONCLUSION

3.1 The risk management arrangements are designed to provide the Council with a clearer and fuller understanding of the key risks facing the organisation and how these are being managed. Strategic and operational risks continue to be managed in accordance with the Risk Management Framework.

EXPECTED BENEFITS TO THE PARTNERSHIP

The Strategic Risk Register has been reviewed and updated to reflect the strategic risks faced by the organisation. Aligning the format and reporting process for risks across the three sovereign councils will ensure that risk management continues to be efficient and effective across the Partnership. The additional risk register for Partnership risks will ensure that these are monitored and managed appropriately where there is synergy across the three councils.

IMPLICATIONS

SOUTH AND EAST LINCOLNSHIRE COUNCIL'S PARTNERSHIP

We are currently identifying strategic risks which are common across the Partnership. This will streamline the monitoring and management of shared partnership-wide risks where there is synergy across all.

We are also working on identifying risks to the Partnership itself, which will be monitored and reported in addition to the Council-specific and partnership-wide registers.

CORPORATE PRIORITIES

Effective risk management arrangements support all of the corporate priorities

STAFFING

None

CONSTITUTIONAL AND LEGAL IMPLICATIONS

None

DATA PROTECTION

None

FINANCIAL

None

RISK MANAGEMENT

Whole report

STAKEHOLDER / CONSULTATION / TIMESCALES

No consultation undertaken

REPUTATION

None

CONTRACTS

None

CRIME AND DISORDER

None

EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING

None

HEALTH AND WELL BEING

None

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

None

ACRONYMS

SLT: Senior Leadership Team

APPENDICES

Appendices are listed below and attached to the back of the report: -

APPENDIX A	Q2 strategic risks
APPENDIX B	Draft Risk Management Framework

BACKGROUND PAPERS

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

CHRONOLOGICAL HISTORY OF THIS REPORT

A report on this item has not been previously considered by a Council body

REPORT APPROVAL

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