



<b>REPORT TO:</b>	AUDIT AND GOVERNANCE COMMITTEE
<b>DATE:</b>	8 <sup>TH</sup> JULY 2024
<b>SUBJECT:</b>	Q4 RISK REPORT 2023/24
<b>PURPOSE:</b>	TO PROVIDE AN UPDATE ON RISK MANAGEMENT
<b>KEY DECISION:</b>	NO
<b>PORTFOLIO HOLDER:</b>	COUNCILLOR DORRIAN, LEADER OF THE COUNCIL
<b>REPORT OF:</b>	JOHN MEDLER, ASSISTANT DIRECTOR – GOVERNANCE
<b>REPORT AUTHOR:</b>	SUZANNE ROLFE, GROUP MANAGER - INSIGHTS & TRANSFORMATION
<b>WARD(S) AFFECTED:</b>	ALL
<b>EXEMPT REPORT?</b>	NO

#### **SUMMARY**

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

#### **RECOMMENDATIONS**

That the Committee considers and notes the report.

#### **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

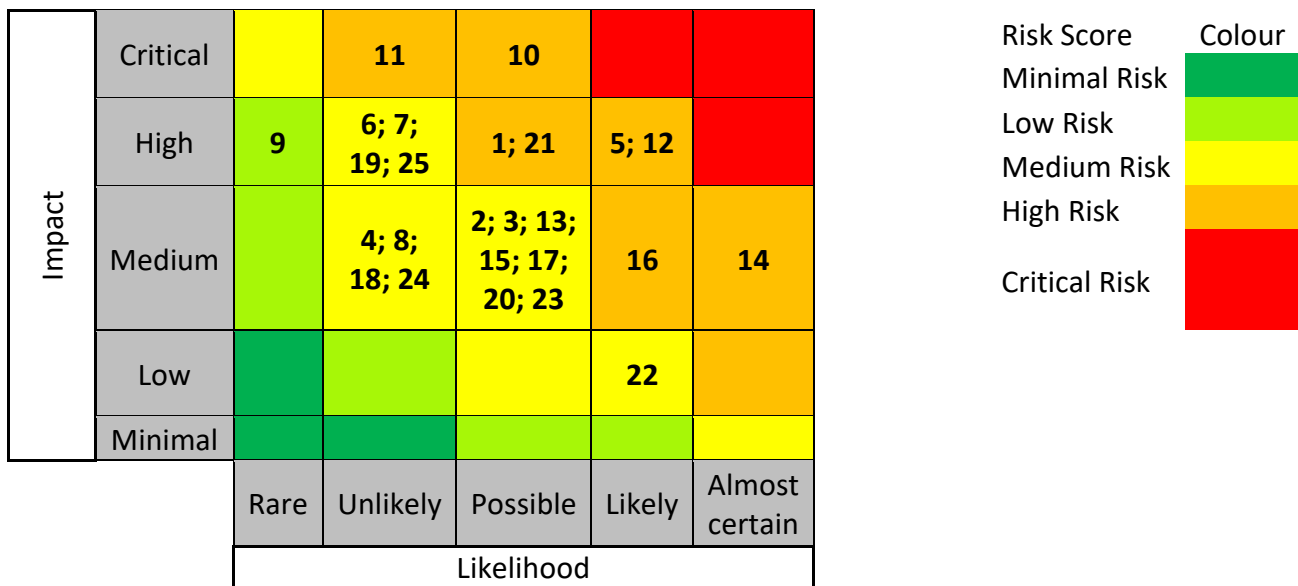
- 1.1 The Audit & Governance Committee is responsible for monitoring the effective development and operation of risk management in the Council according to its terms of reference.
- 1.2 A shared approach to risk management has been agreed across the Partnership with common formatting but not content. The revised Risk Management Framework has been agreed by all three Councils.
- 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 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 Q4, as at the end of March 2024.
- 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.

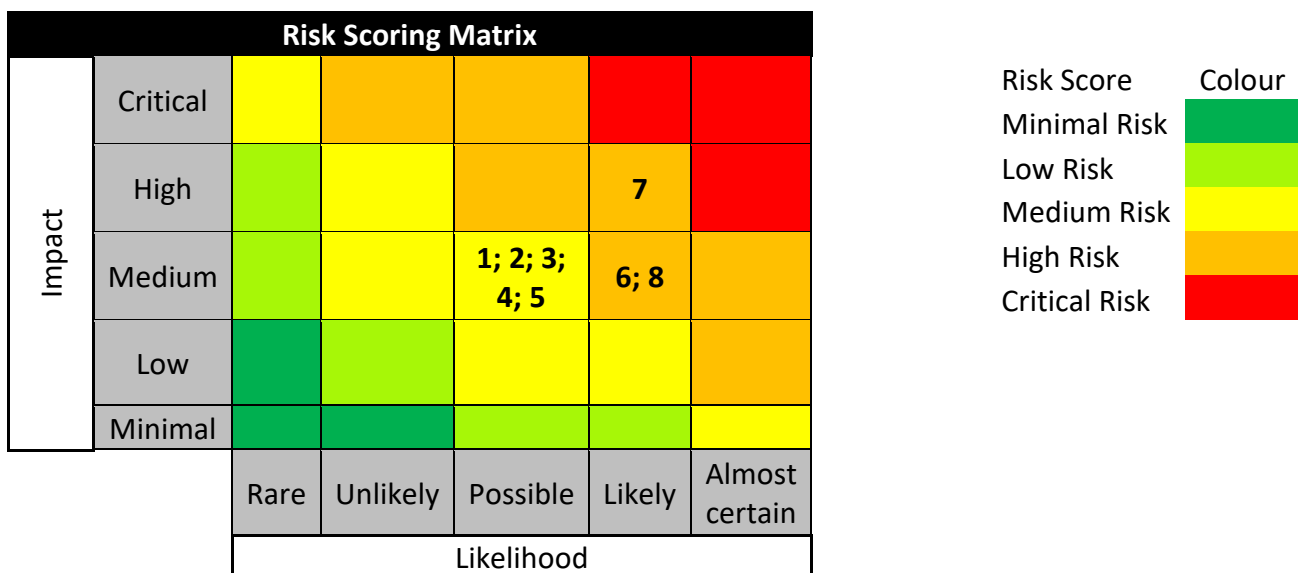
Risk	Risk score	Direction of travel
BBC01: Economic hardship	High (12)	↔
BBC02: Health	Medium (9)	↔
BBC03: Local economy	Medium (9)	↔
BBC05: Budget	High (16)	↔
BBC06: Civil contingency risks	Medium (8)	↔
BBC07: Infrastructure risks	Medium (8)	↔
BBC08: Capital Programme	Medium (6)	↔
BBC09: General Fund Assets	Low (4)	↔
BBC10: Cyber Incident	High (15)	↔
Change in Q4: Updated controls		
BBC11: Technology infrastructure failure	High (10)	↔
Change in Q4: Updated controls		
BBC12: Implementation of the Environment Act 2021	High (16)	↔
BBC13: Introduction of Extended Producer Responsibility	Medium (9)	↔
BBC14: Identification and Suitability of future Depot Accommodation	High (15)	↔
BBC15: Waste Collection Round Pressures	Medium (9)	↔
BBC16: Capacity	High (12)	↔
Change in Q4: Updated planned action. Encourage services to consider the transformation / capacity reserve for short term support where existing service capacity isn't sufficient.		
BBC17: Third Party Service Delivery	Medium (9)	↔
BBC18: External Communication	Medium (6)	↔
BBC19: Retention of staff	Medium (8)	↔
BBC20: Service Delivery	Medium (9)	↔
BBC21: Internal Communications	High (12)	↔
Change in Q4: Updated controls		

Risk	Risk score	Direction of travel
BBC22: Net Zero target	Medium (8)	↔
BBC23: Business continuity	Medium (9)	New
BBC24: Health and Safety	Medium (6)	New
BBC25: Information	Medium (8)	New



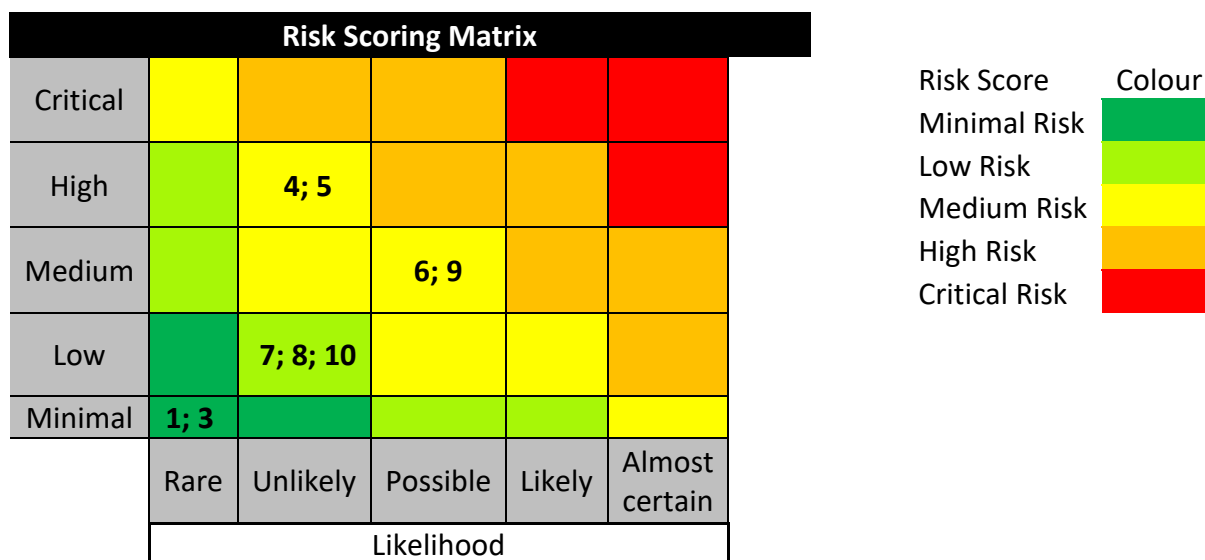
2.3 The strategic risks to the partnership have also been reviewed for Q4, as at the end of March 2024. The partnership risks and scores are set out below, with details in Appendix B.

Risk	Risk score	Changes in Q4	Direction of travel
SELCP-01: Vision	Medium (9)	No change to risk score	↔
SELCP-02: Trust	Medium (9)	No change to risk score	↔
SELCP-03: Sovereignty	Medium (9)	No change to risk score	↔
SELCP-04: Takeover	Medium (9)	No change to risk score	↔
SELCP-05: Culture	Medium (9)	No change to risk score	↔
SELCP-06: LGR	High (12)	No change to risk score	↔
SELCP-07: Funding	High (16)	No change to risk score	↔
SELCP-08: Staffing	High (12)	No change to risk score	↔



- 2.4 The high operational risks have been reviewed in Q4: ash tree dieback disease, recruitment and retention (operations), tree safety inspections and affordable housing. Mitigation and monitoring is in place.
- 2.5 Fraud risks have also been identified and reviewed in Q4. Again, mitigation and monitoring are in place, with more follow-up work planned in 2024/25.

Risk	Risk score
1: Asset - Equipment	Minimal (1)
3: Assets – Land and Property	Minimal (1)
4: Procurement – Contracts	Medium (8)
5: Procurement – Contract Payments	Medium (8)
6: Council Tax – Credit Refund and Income Fraud	Medium (9)
7: Council Tax Fraud	Low (4)
8: Council Tax Support Scheme	Low (4)
9: National Non-Domestic Rate (NNDR) Fraud	Medium (9)
10: Housing Benefit Fraud	Low (4)



### 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

- AD: Assistant Director
- DCX: Deputy Chief Executive
- SLT: Senior Leadership Team

## APPENDICES

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

APPENDIX A	Q4 strategic risks
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## 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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