Report To:	Audit & Governance Committee
Date:	27th January 2025
Subject:	Quarter 2 Risk Report 24/25
Purpose:	To provide an update on risk as at the end of September 2024
Key Decision:	No
Portfolio Holder:	Councillor Anne Dorrian, Leader
Report Of:	John Medler, Assistant Director – Governance
Report Author:	Suzanne Rolfe, Group Manager – Insights & Transformation
Ward(s) Affected:	All
Exempt Report:	No

Summary
This is the quarterly report covering risk monitoring information for Quarter 2 of 2024/25 (as at the end of September 2024).

Recommendations
That the Committee considers and notes the quarterly risk monitoring information for Q2 of 2024/25.

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

Other Options Considered
Alternative reporting arrangements.

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 Q2, as at the end of September 2024. A summary of the risks and scores are set out in the table below, with full details in Appendix 1.

Boston Strategic Risks	Risk score	Direction of travel
BBC02: Health	Medium (9)	↔
Update in Q2: risk wording updated by risk owner		
BBC03: Local economy	Medium (9)	↔
Update in Q2: risk reviewed by Director		
BBC05: Budget	High (16)	↔
BBC06: Civil contingency risks	Medium (8)	↔
Update in Q2: risk wording updated by risk owner		
BBC07: Infrastructure risks	Medium (8)	↔
Update in Q2: risk reviewed by Director		
BBC08: Capital Programme	Medium (6)	↔
BBC09: General Fund Assets	Low (4)	↔
BBC10: Cyber Incident	High (15)	↔
Update in Q2: These mitigations afford ICT awareness of emerging threats. We are about to commission an external validation of our cyber response plan for ICT. Score remains the same.		
BBC11: Technology infrastructure failure	High (10)	↔
Update in Q2: As part of business continuity planning, services are considering in detail how they would continue to operate should an ICT outage occur		
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)	↔

Boston Strategic Risks	Risk score	Direction of travel
Update in Q2: Discussions remain ongoing with services in regard to capacity and how through the change of working practices it may be possible to increase capacity		
BBC17: Third Party Service Delivery	Medium (9)	↔
BBC18: External Communication	Medium (6)	↔
BBC19: Retention of staff	Medium (8)	↔
Update in Q2: We are on the verge of launching our own recruitment academy which seeks to recruit and develop apprentices specifically in those services where it is harder to recruit.		
BBC20: Service Delivery	Medium (9)	↔
BBC21: Internal Communications	Medium (6)	↓
Update in Q2: Reduced likelihood and impact scores; overall risk score reduced from high (12) to medium (6)		
BBC22: Net Zero target	Medium (8)	↔
Update in Q2: risk wording updated by risk owner		
BBC23: Business continuity	Medium (9)	↔
Update in Q2: risk wording updated by risk owner		
BBC24: Health and Safety	Medium (6)	↔
Update in Q2: risk wording updated by risk owner		
BBC25: Information	Medium (8)	↔
BBC26: Local Plan being considered out of date	Medium (6)	New
Update in Q2: new risk		
BBC27: Safeguarding	Medium (8)	New
Update in Q2: new risk identified from review of risks across the partnership		

Risk Scoring Matrix

Impact	Rare	Unlikely	Possible	Likely	Almost certain
Critical		**11**	**10**		
High	**9**	**6; 7; 19; 25; 27**		**5; 12**	
Medium		**4; 8; 18; 21; 24**	**2; 3; 13; 15; 17; 20; 23**	**16**	**14**
Low			**26**	**22**	
Minimal					

Likelihood

Risk Score	Colour
Minimal Risk	
Low Risk	
Medium Risk	
High Risk	
Critical Risk	

2.2 As set out in the risk policy, we use the 4Ts of risk control:

- Terminate – rarely, we may be able to stop doing the activity altogether and thereby remove the risk altogether
- Tolerate – accept the risk and live with it because it is within our risk appetite and the cost of mitigating action would outweigh the benefits
- Transfer – move all or part of the risk to a third party or through insurance; however, sometimes accountability remains, particularly with a Council, so caution is advised

- Treat - take action to control the likelihood and/or impact and set a target to move the risk to within the risk appetite once the action has been implemented

2.3 The strategic risks for the Partnership have also been reviewed for Q2, as at the end of September 2024. A summary of the Partnership risks and scores are set out in the table below, with full details in Appendix 1.

SELCP Partnership Risks	Risk score	Direction of travel
SELCP-01: Vision	Medium (8)	↓
Update in Q2: Risk reviewed, likelihood reduced, impact increased. Overall risk remains medium (9 to 8)		
SELCP-02: Trust	Medium (9)	↔
SELCP-03: Sovereignty	Medium (9)	↔
~~SELCP-04: Takeover~~	~~Medium (9)~~	
Update in Q2: Proposed to be removed for Q2.		
SELCP-05: Culture	Medium (6)	↓
Update in Q2: Likelihood reduced. Overall risk remains medium (9 to 6)		
SELCP-06: LGR	High (12)	↔
SELCP-07: Funding	High (16)	↔
SELCP-08: Staffing	High (12)	↔
SELCP-09: PSPS	Medium (6)	New
Update in Q2: New risk		

Risk Scoring Matrix						
Impact	Critical				7	
	High		1			
	Medium		5; 9	2; 3; 4	6; 8	
	Low					
	Minimal					
		Rare	Unlikely	Possible	Likely	Almost certain
		Likelihood				

Risk Score	Colour
Minimal Risk	
Low Risk	
Medium Risk	
High Risk	
Critical Risk	

2.4 The fraud risks have also been reviewed for Q2, as at the end of September 2024. A summary of the fraud risks and scores are set out in the table below, with full details in Appendix 1. Further work is planned in relation to fraud risk in 2024/25.

Fraud Risks	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)

Fraud Risks	Risk score
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)

Risk Scoring Matrix					
Critical					
High		4; 5			
Medium			6; 9		
Low		7; 8; 10			
Minimal	1; 3				
	Rare	Unlikely	Possible	Likely	Almost certain
	Likelihood				

Risk Score	Colour
Minimal Risk	
Low Risk	
Medium Risk	
High Risk	
Critical Risk	

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.

Implications

South and East Lincolnshire Councils Partnership

A Partnership approach has been agreed for 2024/25.

Corporate Priorities

Whole report. Performance information is set out by priority.

Staffing

No implications specific to this report. Risks relating to staffing are included in the report.

Workforce Capacity Implications

No implications specific to this report. Risks relating to workforce capacity are included in the report.

Constitutional and Legal Implications

No implications specific to this report

Data Protection

No implications specific to this report

Financial

No implications specific to this report

Risk Management

Whole report

Stakeholder / Consultation / Timescales

Consultation with SLT

Reputation

No implications specific to this report. Potential reputational risks are included in the report.

Contracts

No implications specific to this report. Risks relating to contracts and procurement are included in the report.

Crime and Disorder

No implications specific to this report.

Equality and Diversity / Human Rights / Safeguarding

No implications specific to this report.

Health and Wellbeing

No implications specific to this report.

Climate Change and Environmental Implications

No implications specific to this report.

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 1	Q2 risks

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

Name of Body	**Date**
Cabinet	12th December 2024

Report Approval

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