Report To:	Audit & Governance Committee
Date:	22nd April 2025
Subject:	Quarter 3 Risk Report 24/25
Purpose:	To provide an update on risk as at the end of December 2024
Key Decision:	No
Portfolio Holder:	Councillor Anne Dorrian, Leader
Report Of:	John Medler, Assistant Director – Governance & Monitoring Officer
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 3 of 2024/25 (as at the end of December 2024).

Recommendations

That the Committee considers and notes the quarterly risk monitoring information for Q3 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 Q3, as at the end of December 2024. An additional column to track the delivery of actions has been added – Green where actions are on track, Amber where a date for the action needs to be added and Red where actions are off track. 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 Q3: Treatment and action reviewed		
BBC03: Local economy	Medium (9)	↔
Update in Q3: Treatment and action reviewed		
BBC05: Budget	High (16)	↔
Update in Q3: Target risk score reviewed		
BBC06: Civil contingency risks	Medium (8)	↔
BBC07: Infrastructure risks	Medium (8)	↔
Update in Q3: Action reviewed		
BBC08: Capital Programme	Medium (6)	↔
BBC09: General Fund Assets	Low (4)	↔
Update in Q3: Existing and planned mitigation reviewed		
BBC10: Cyber Incident	High (15)	↔
Comment in Q3: 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.		

Boston Strategic Risks	Risk score	Direction of travel
BBC11: Technology infrastructure failure	High (10)	↔
Comment in Q3: 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	Low (4)	↓
Update in Q3: Wording and scores reviewed. Comment in Q3: The recent government budget has provided a significant measure to reduce the risk around the introduction of the Extended Producer Responsibility (EPR) scheme by guaranteeing £1.1 billion in funding for local authorities1. This assurance helps local councils plan their budgets effectively and ensures they have the necessary resources to implement the scheme successfully. By securing this funding, the government aims to mitigate potential financial uncertainties and support the smooth rollout of EPR, which is crucial for enhancing recycling rates and managing waste more efficiently.		
BBC14: Identification and Suitability of future Depot Accommodation	High (15)	↔
BBC15: Waste Collection Round Pressures	Medium (9)	↔
BBC16: Capacity	High (12)	↔
Update in Q3: Action date added		
BBC17: Third Party Service Delivery	Medium (9)	↔
BBC18: External Communication	Medium (6)	↔
Update in Q3: Treatment reviewed; moved to tolerate as medium risk		
BBC19: Retention of staff	Medium (8)	↔
Update in Q3: Action complete - academy launched; wording and actions updated		
BBC20: Service Delivery	Medium (9)	↔
Update in Q3: Action and date added		
BBC21: Internal Communications	Medium (6)	↔
BBC22: Net Zero target	Medium (8)	↔
Update in Q3: Action date added		
BBC23: Business continuity	Medium (9)	↔
BBC24: Health and Safety	Medium (6)	↔
BBC25: Information	Medium (8)	↔
BBC26: Local Plan being considered out of date	Medium (6)	↔
BBC27: Safeguarding	Medium (8)	↔
BBC28: Local Government Reform (LGR) in Greater Lincolnshire	High (15)	New
Update in Q3: New risk		

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

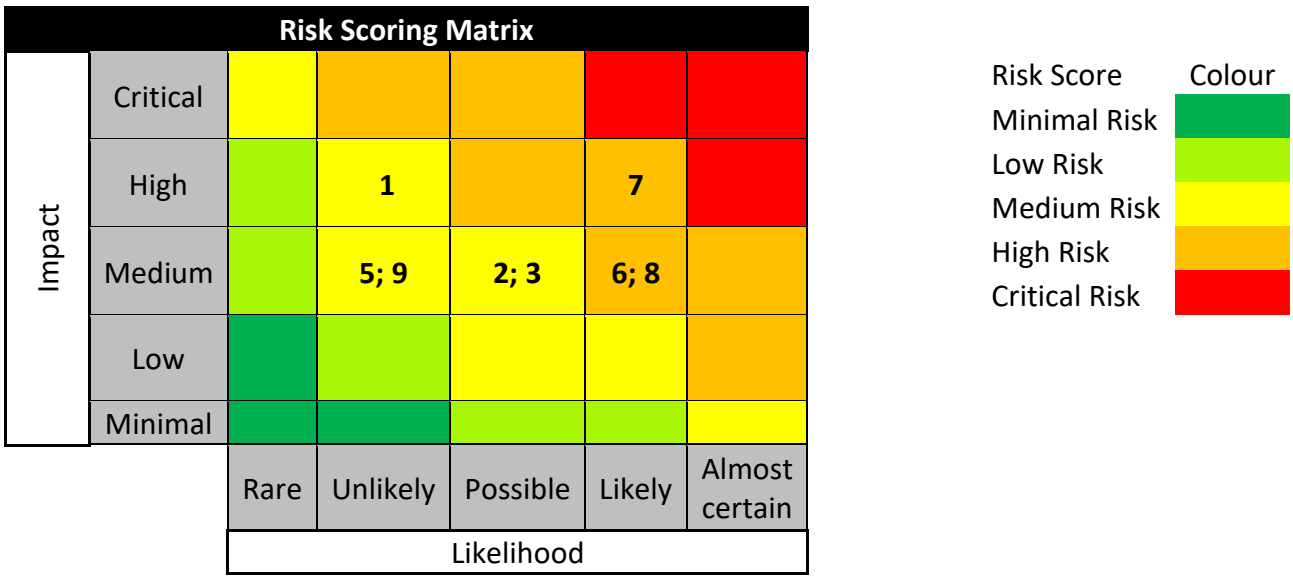
Risk Score	Colour
Minimal Risk	
Low Risk	
Medium Risk	
High Risk	
Critical Risk	

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

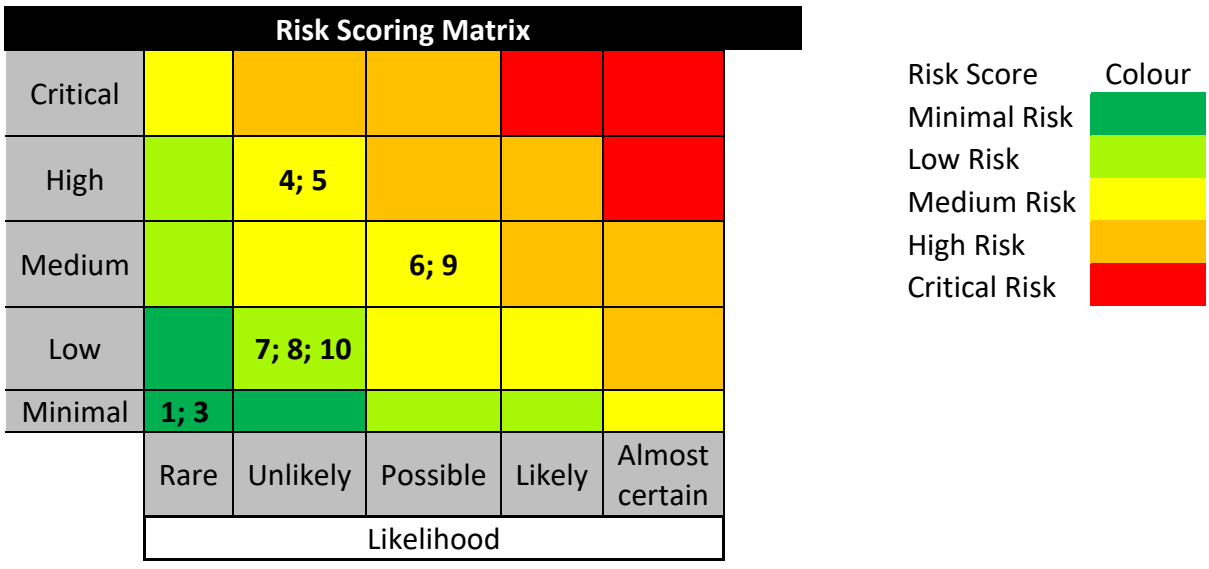
2.3 The strategic risks for the Partnership have also been reviewed for Q3, as at the end of December 2024. A summary of the Partnership risks and scores are set out in the table below, with full details in Appendix 1.

SELCP Partnership Risks	Risk score	Direction of travel
SELCP-01: Vision	Medium (8)	↔
Update in Q3: Target risk score reviewed		
SELCP-02: Trust	Medium (9)	↔
SELCP-03: Sovereignty	Medium (9)	↔
SELCP-05: Culture	Medium (6)	↔
SELCP-06: LGR	High (12)	↔
Update in Q3: Updated risk wording		
SELCP-07: Funding	High (16)	↔
Update in Q3: Action date added		
SELCP-08: Staffing	High (12)	↔
Update in Q3: Wording and actions updated and dates added		
SELCP-09: PSPS	Medium (6)	↔
Update in Q3: Target risk score reviewed		



2.4 The fraud risks have also been reviewed for Q3, as at the end of December 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)
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. Staff wellbeing risk

3.1. At the January meeting of the Audit & Governance Committee, it was agreed that it would be useful for have a better understanding of potential risks relating to staff welfare, health and well-being.

3.2. Aileen Whatmore, Head of HR and Organisational Development at PSPS has been invited to attend the meeting in March to provide further information and reassurance around the risks.

4. Conclusion

4.1. 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. The Committee's review of this report and its feedback enables the Committee to discharge its role in considering the effectiveness of the Council's risk management arrangements.

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, with a specific update from the Head of HR planned for the meeting itself.

Workforce Capacity Implications

No implications specific to this report. Risks relating to workforce capacity are included in the report, with a specific update from the Head of HR planned for the meeting itself.

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	Q3 risks
Appendix 2	Health and Wellbeing Overview

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	26th March 2025

Report Approval

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