



**Governance and Audit
Committee**

12 April 2022

Subject: Review of Strategic Risks (March 2022)

Report by:	Assistant Director People & Democratic Services
Contact Officer:	Emma Redwood Assistant Director People & Democratic Services Emma.redwood@west-lindsey.gov.uk
Purpose / Summary:	To present to the G&A Committee for review, the strategic risks facing the Council as at March 2022

RECOMMENDATION(S):

Members are asked to review the register and to consider:

- Do any additional risks of a strategic nature exist?
- Are current controls and proposed actions sufficiently robust?

IMPLICATIONS

Legal: None

(N.B.) Where there are legal implications the report **MUST** be seen by the MO

Financial: FIN/9/23

There are no financial implications arising from the report.

(N.B.) All committee reports **MUST** have a Fin Ref

Staffing: None

(N.B.) Where there are staffing implications the report **MUST** have a HR Ref

Equality and Diversity including Human Rights: None

NB: Please explain how you have considered the policy's impact on different groups (for example: young people, elderly, ethnic minorities, LGBT community, rural residents, disabled, others).

Data Protection Implications: None

Climate Related Risks and Opportunities: None

Section 17 Crime and Disorder Considerations: None

Health Implications: None

Title and Location of any Background Papers used in the preparation of this report :

<https://www.west-lindsey.gov.uk/my-council/how-the-council-works/key-plans-policies-and-strategies/risk-management/>

Risk Management Strategy 2019-2023

Risk Assessment: None

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

Summary of Strategic Risks – as at March 2022

<https://itshared.sharepoint.com/sites/Minerva/hub/Lists/RiskRegister/AllItems.aspx>

Tracey Bircumshaw	Inability to set a sustainable balanced budget	Our Council
Ady Selby	The quality of services do not meet customer expectations	Our Council
	Insufficient action taken to create a cleaner and safer district	Our Place
	Inability to maintain critical services and deal with emergency events	Overarching
Diane Krochmal	Inability to raise local educational attainment and skills levels	Our People
	Inadequate support is provided for vulnerable groups and communities	Our People
	Health and wellbeing of the District's residents does not improve.	Our People
	The local housing market and the Council's housing related services do not meet demand	Our Place
Sally Grindrod Smith	The local economy does not grow sufficiently	Our Place
Nova Roberts	ICT Security and Information Governance arrangements are ineffective	Overarching
	Inability to maintain service delivery with the amount of change initiatives	Overarching
Emma Redwood	Inability for the Council's governance to support quality decision making	Our Council
	Failure to comply with legislation including Health and Safety matters	Overarching

1 Introduction

- 1.1 Strategic risks are considered as being those faced by the Council that, if materialised, would adversely impact the delivery of corporate priorities.
- 1.2 This approach reflects the guidance provided by the Association of Local Authority Risk Managers (ALARM). This body advocates that strategic risks should focus on the long-term objectives of the organisation, which can be affected by areas such as financial concerns, political risks, legal and regulatory changes and changes in the physical environment.
- 1.3 The Governance and Audit Committee review the strategic risks on a six-monthly basis.

2 Monitoring Arrangements

- 2.1 The strategic risks are presented to the Council's Management Team on a quarterly basis for review.
- 2.2 The Management Team review the risks, control measures and future actions to ensure that they remain sufficiently robust to mitigate the identified risks.
- 2.3 Where corrective action is required and/or additional risks are identified, the strategic risk register is updated accordingly.
- 2.4 During their reviews of the strategic risk register, one additional strategic risk has been added. The strategic risks are presented in Appendix One.

3. Risk Matrix

- 3.1 To assess the severity of potential risks, the Council uses the following matrix based on the relationship between the likelihood and impact of risks arising.

I m p a c t	Critical	4	8	12	16
	Major	3	6	9	12
	Minor	2	4	6	8
	Negligible	1	2	3	4
		Hardly Ever	Possible	Probable	Almost Certain
		Likelihood			

- 3.2 The following guidance is available to determine which classification is applied:

You should assign a number in the range 1-4 as follows:
Likelihood: 1 = Hardly Ever (<5%)

2= Possible (5-35%) 3= Probable (35-75%) 4= Almost Certain (>75%)	
1 = Negligible Impact: <ul style="list-style-type: none"> • Minor service disruption • Minor Injury • Financial loss < £250k • Isolated complaints 	2 = Minor Impact <ul style="list-style-type: none"> • Service disruption • Loss time injury • Financial loss >£250k - £500k • Adverse local media coverage • Failure to achieve a service plan objective
3 = Major Impact <ul style="list-style-type: none"> • Significant service disruption • Major/disabling injury • Financial loss >£500k - £1m • Adverse national media coverage • Failure to achieve Corporate Plan objective 	4 = Critical <ul style="list-style-type: none"> • Total service loss for a significant period • Fatality to employee, service user or other • Financial loss >£1m • Ministerial intervention in running service

3.3 This methodology enables each risk to be categorised as either low, medium or high in nature and prioritisation as regards mitigations can be applied.

3.4 Using the methodology, the Council's Risk Strategy (2019-2023) sets out the requirement for risk owners to score the current (inherent) risk and the target (residual) risk once mitigations have been applied.

4. Points to Note

4.1 Covid19 - the pandemic has been a major disruptive force on the operations of the Council over the last eighteen months. Its impact has been felt across most, if not all Council operations, both front-facing and internal.

4.2 To reflect this, the impact of and response to the pandemic has been distributed across all relevant risks, as opposed to adding Covid19 as a separate individual risk entry. In fact, as the pandemic and its effects are currently very real, it has been treated as an issue rather than a risk.

5. Recommendation

5.1 Members are asked to review the register and to consider:

- Do any additional risks of a strategic nature exist?
- Are current controls and proposed actions sufficiently robust?