



**Governance and Audit
Committee**

26 September 2023

Subject: Six Month Review of Strategic Risks

Report by:

Assistant Director People & Democratic Services

Contact Officer:

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Purpose / Summary:

To present to the G&A Committee for review, the strategic risks facing the Council as at September 2023

RECOMMENDATION(S):

For G&A Committee:

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/71/24/JA

There are no financial implications arising from this 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

Any changes to projects/services/policies would require their own EIA to be carried out.

Data Protection Implications: None

Climate Related Risks and Opportunities:

The Strategic Risk register records, monitors and mitigates the risks of the Council not achieving its Corporate Plan and statutory objectives. This has been taken into account within these Strategic Risks in line with the Corporate Plan 2023-27.

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

x

Key Decision:

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

Yes

No

x

Summary of Strategic Risks – as at September 2023

Emma Foy	Inability to set a sustainable balanced budget	Our Council
	Cost related to the proposed asylum centre at Scampton has an adverse impact on financial sustainability	Our Council
Ady Selby	The quality of services do not meet customer expectations	Our Council
	Inability to maintain critical services and deal with emergency events	Overarching
Sally Grindrod-Smith	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
	The local economy does not grow sufficiently	Our Place
Nova Roberts	Insufficient action taken to create a cleaner and safer district	Our Place
	ICT Security and Information Governance arrangements are ineffective	Overarching
	Inability to maintain service delivery with the amount of change initiatives	Overarching
Jeanette McGarry	Inability for the Council's governance to support quality decision making	Our Council

	Failure to comply with legislation including Health and Safety matters	Overarching
Rachael Hughes	Central Lincolnshire Local Plan does not deliver land required for sustainable development to meet the needs of residents, businesses and communities	Overarching
	Inability to deliver our Climate change ambitions and not deliver net zero carbon emissions by 2050	Our Place

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. (Previously presented March 2023)

2 Monitoring Arrangements

- 2.1 The strategic risks are presented to the Council's Management Team 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 Following the production and adoption of the Council's new Corporate Plan 2023-2027, it has been necessary to revise the strategic risks facing the Council.
- 2.5 In revising the strategic risks, there has been a number of changes. Most changes are to the commentary, current controls or actions needed. However where changes have affected the score or it is a new risk these are noted below:

Strategic Risk	Change	Owner
Cost related to the proposed asylum centre at Scampton has an adverse impact on financial sustainability	New Risk	Emma Foy
Inability for the Council's governance to support quality decision making	Change to the likelihood score due to a new administration.	Jeanette McGarry
Central Lincolnshire Local Plan does not deliver land required for sustainable development to meet	New Risk	Rachael Hughes

the needs of residents, businesses and communities		
Inability to deliver our Climate change ambitions and not deliver net zero carbon emissions by 2050	New Risk	Rachael Hughes

2.6 The full detailed list of 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 	4 = Critical <ul style="list-style-type: none"> Total service loss for a significant period Fatality to employee, service user or other

<ul style="list-style-type: none"> • Adverse national media coverage • Failure to achieve Corporate Plan objective 	<ul style="list-style-type: none"> • Financial loss >£1m • Ministerial intervention in running service
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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. Recommendation

4.1 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?