

SUBJECT: STRATEGIC RISK REGISTER - QUARTERLY REVIEW

REPORT BY: CHIEF EXECUTIVE AND TOWN CLERK

LEAD OFFICER: JACLYN GIBSON, CHIEF FINANCE OFFICER

1. Purpose of Report

1.1 To provide the Executive with a status report of the revised Strategic Risk Register as at the end of the fourth quarter 2018/19.

2. Executive Summary

2.1 An update of the Strategic Risk Register, developed under the risk management approach of 'risk appetite', was last presented to the Executive in February 2019 and contained ten strategic risks.

2.2 Since reporting to the Executive in February 2019, the Strategic Risk Register has been reviewed and updated by the relevant Directors and Assistant Directors. This review has identified that there has been both positive and negative movements in the Risk Register.

2.3 The updated Register is contained with Part B of this agenda, it contains ten strategic risks which are listed below, along with details of relevant mitigations.

3. Strategic Risk Register

3.1 The Strategic Risk Register currently contains 10 risks, as follows:

- 1) Failure to engage & influence effectively the Council's strategic partners, council staff and all stakeholders to deliver against e.g. Council's Vision 2020.
- 2) Failure to deliver a sustainable Medium term Financial Strategy (that supports delivery of Vision 2020).
- 3) Failure to deliver the Towards Financial Sustainability Programme whilst ensuring the resilience of the Council.
- 4) Failure to ensure compliance with statutory duties/functions and appropriate governance arrangements are in place,
- 5) Failure to protect the local authority's vision 2020 due to changing structures in local government and impact on size, scale and scope of the Council.

- 6) Unable to meet the emerging changes required in the Council's culture, behaviour and skills to support the delivery of the council's Vision 2020 and the transformational journey to one Council approach.
- 7) Insufficient levels of resilience and capacity exist in order to deliver key strategic projects & services within the Council.
- 8) Decline in the economic prosperity within the City Centre.
- 9) Failure to mitigate against the implications for the Council following the outcome of Brexit.
- 10) Failure to deliver key strategic projects.

3.2 A number of control actions have now been progressed or completed and the key movements are outlined as follows:

- Risk 2. Failure to deliver a sustainable Medium Term Financial Strategy – the MTFs 2019-24 was approved March 2019, based on revised assumptions and with increased savings targets.
- Risk 3. Failure to deliver the Towards Financial Sustainability Programme whilst ensuring the resilience of the Council - Investment Strategy for property acquisition developed approved March 2019. Draft project plans developed and programme mapping complete for Phase 6. Key messages communicated in staff briefings and through presentations to CLT and SMTF. The Transformational Change lead has been appointed and in post, focusing on 'One Council' approach.
- Risk 4. To ensure compliance with statutory duties and appropriate governance arrangements are in place – Although a disaster recovery facility and procedure are in place, in light of aging infrastructure and the development of a new IT Strategy, a review of the ITDR arrangements and consistency with Business Continuity Plans is to be developed.
- Risk 6. Unable to meet the emerging changes required in the Council's culture, behavior and skills to support the delivery of the council's Vision 2020 and the transformational journey to one Council approach – Transformation lead recruited and in post scheduled to support, "One Council" approach. The staff recognition scheme is in progress and first winners have been announced along with an East Midlands Challenge Team put forward for future development opportunities. Award submissions have been put forward to LGC and MJ to promote rising stars and recognize the work of our teams – resulting in 6 finalists nominations.
- Risk 8. Decline in the economic prosperity within the City Centre – the 'working together to support those who are street homeless' conference was delivered in partnership with Compassionate Lincoln in March 2019, bringing together a range of partners from volunteering,

statutory, third and faith sectors. In addition an expression of interest was submitted in March 2019 to the Government's Future High Street Fund and is now awaiting response/feedback.

- Risk 9. Failure to mitigate against the implications for the Council following the outcome of Brexit – A localised Brexit exercise has been undertaken by LRF with partners/organisations in Feb 2019. A working group has been established to understand impacts on residents/governance including current partnerships/contracts pending delay of Brexit vote/Article 50 with an internal action plan/ developed and monitored through the working group. Work also continues in preparation for EU elections on 23 May with additional measures in place.

The above movement in control actions has resulted in two changes to the assessed levels of likelihood and impact of risks identified on the risk register:

- Risk 4 has been increased slightly from Amber: possible/major to Amber: probable/major.
- Risk 9 has decreased from Red: almost certain/major to Amber: probable/major.

Control actions continue to be implemented and risks managed accordingly.

3.3 The levels of assessed risks are summarised as follows:

Risk No.	Risk Rating	Likelihood	Impact
2	Red/High	Probable	Critical
5 & 10	Amber/Medium	Possible	Critical
3, 4, 6, 7 & 9	Amber/Medium	Probable	Major
1 & 8	Amber/Medium	Possible	Major

3.4 The revised Strategic Risk Register is contained within Part B of this agenda.

4. Strategic Priorities

4.1 Sound risk management is one way in which the Council ensures that it discharges its functions in accordance with its expressed priorities, as set out in the Vision 2020, and that it does so in accordance with statutory requirements.

5. Organisational Impacts

5.1 Finance – There are no direct financial implications arising as a result of this report. The Council's Strategic Risk Register contains two specific risks in relation to the Medium Term Financial Strategy and the Towards Financial Sustainability Programme.

5.2 Legal Implications including Procurement Rules – The Council is required under the Accounts and Audit Regulations 2011 to have a sound system of Internal Control which facilitates the effective exercise of the Council’s functions and which includes arrangements for the management of risk. The maintenance of a Strategic Risk Register and the control actions which the Council undertakes are part of the way in which the Council fulfils this duty.

6. Risk Implications

6.1 The Strategic Risk Register contains the key strategic risks to the delivery of the Council’s medium and longer term priorities. A failure to monitor the action that is being taken to manage these risks would undermine the Council’s governance arrangements.

7. Recommendations

7.1 The Executive are asked to note and comment on the Strategic Risk Register as at the end of the fourth quarter 18/19.

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Key Decision	No
Do the Exempt Information Categories Apply?	No
Call in and Urgency: Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply?	No
How many appendices does the report contain?	None
List of Background Papers:	N/A

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