

SUBJECT: STRATEGIC RISK REGISTER - QUARTERLY REVIEW

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

LEAD OFFICER: JACLYN GIBSON, CHIEF FINANCE OFFICER

1. Purpose of Report

- 1.1 To provide Members with a status report of the revised Strategic Risk Register as at the end of the first quarter 2019-20.

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 this Committee in June 2019 and contained ten strategic risks.
- 2.2 Since reporting to Members in June 2019, the Strategic Risk Register has been reviewed and updated by the relevant Directors and Assistant Directors as part of an annual review of all strategic risks and horizon scanning. This review has identified that there have been some positive movement 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. Movements in the Strategic Risk Register

- 3.1 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 in 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 – a procurement exercise has taken place to replace the Council's core IT infrastructure including disaster recovery functionality, with implementation during the Autumn.

- Risk 5 – Failure to protect the local authority's vision 2020 due to changing structures and relationships in local government and impact on size, scale and scope of the Council – Further work is planned to maintain dialogue with partners at officer level and to assess the overall impact and consider alternative options for delivery.
- 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 – Project Boards have now been set up to focus on key areas of delivery underpinning One Council approach with a managers briefing to be held mid-August 19 to finalise the four pillars to support One Council approach. Research/visits are scheduled with relevant organisations to provide expertise/guidance in progressing the transformational journey linking in organisational development and future new ways of working.
- Risk 7 – Insufficient levels of resilience and capacity exist in order to deliver key strategic projects & services within the Council - A review to be undertaken by CLT to agree timelines for existing Vision 2020 and legacy projects in order to plan for Vision 2025.
- Risk 8. Decline in the economic prosperity within the City Centre – a continuous review pending a “no deal brexit” outcome. Proposals for Cornhill/Market and City Centre Vibrancy and renewal of Service Level Agreement with Lincoln BIG scheduled for quarter 2.

3.2 The above movement in control actions, and annual review of the register, has resulted in five changes to the assessed levels of likelihood and impact of risks identified on the risk register:

- Risk 5 has been increased from Amber: possible/major to Amber: probable/major.
- Risk 7 has increased from Amber: probable/major to Red: Almost certain/Major
- Risk 8 has increased from Amber: possible/major to Amber: probable/major
- Risk 9 has decreased from Amber: almost probable/major to Amber: possible/major.
- Risk 10 has been decreased from Amber: probable/major to Amber: possible/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
7	Red/High	Almost Certain	Major
3, 6 & 5, 8 & 10	Amber/Medium	Probable	Major
1, 4, & 9	Amber/Medium	Possible	Major

3.4 A revised Strategic Risk Register is contained with 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 is asked to:

- a) agree that all current risk challenges have been identified; and,
- b) ensure that any gaps in respect of controls and ownership are addressed.

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? One

List of Background Papers: N/A

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