

<b>SUBJECT:</b>	<b>STRATEGIC RISK REGISTER - QUARTERLY REVIEW</b>
<b>REPORT BY:</b>	<b>CHIEF EXECUTIVE AND TOWN CLERK</b>
<b>LEAD OFFICER:</b>	<b>JACLYN GIBSON, CHIEF FINANCE OFFICER</b>

## **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 third 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 November 2019 and contained ten strategic risks.
- 2.2 Since reporting in November 2019, the Strategic Risk Register has been reviewed and updated by the Corporate Leadership Team and has identified that there have been some positive movement in the Risk Register, as well as changes in the assessed level of x of the risks.
- 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 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 2020/2025.
  - 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 2020/2025 due to changing structures and relationships 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 2020/2025 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 1 - Failure to engage & influence effectively the Council's strategic partners, council staff and all stakeholders to deliver against e.g. Council's Vision 2020/2025. The Council's draft Vision 2025 has been developed, with a new 5<sup>th</sup> strategic priority, and has been subject to both internal and external consultation. The final document will be presented to Council for approval on 3<sup>rd</sup> March 2020.
- Risk 2 - Failure to deliver a sustainable Medium Term Financial Strategy (that supports delivery of Vision 2020 (Council plan)). The draft MTFS has prepared, based on revised financial planning assumptions (and with a new savings target) and is subject to public consultation and Member scrutiny during February. The MTFS will be approved in March 2020.
- 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 future Vision and the transformational journey to one Council approach. Staff Charter "The Lincoln Way" has been developed with staff consultation to commence in February 2020.
- Risk 7 – Insufficient levels of resilience and capacity exist in order to deliver key strategic projects and services. As part of the development of Vision 2025 timelines for existing, legacy projects have been undertaken along with scheduling of new projects to allow capacity to deliver.

3.3 Whilst positive progress has been made in relation to control actions, and these continue to be implemented and risks managed accordingly, there is one risk were the assessed levels of likelihood and impact has increased, that being:

- Risk 5 – has been increased from Amber: Probable/Major to Red: Almost Certain/Major.

3.4 The levels of assessed risks are summarised as follows:

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

#### **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 the new Vision 2025, 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 third quarter 19/20.

**Key Decision** No

**Do the Exempt Information Categories Apply?** No

**Call in and Urgency: Is the decision one to which Rule 15 of the** No

**Scrutiny Procedure  
Rules apply?**

**How many appendices  
does the report contain?**

None

**List of Background  
Papers:**

N/A

**Lead Officer:**

Jaclyn Gibson, Chief Finance Officer  
Telephone 01522 873258