

<b>SUBJECT:</b>	<b>STRATEGIC RISK REGISTER – QUARTERLY REVIEW</b>
<b>DIRECTORATE:</b>	<b>CHIEF EXECUTIVE AND TOWN CLERK</b>
<b>REPORT AUTHOR:</b>	<b>JACLYN GIBSON, CHIEF FINANCE OFFICER</b>

## **1. Purpose of Report**

- 1.1 To provide the Members with a status report of the revised Strategic Risk Register as at the end of the second quarter 2021/22.

## **2. Background**

- 2.1 An update of the Strategic Risk Register was developed under the risk management approach of 'risk appetite', was last presented Members in August 2021 and contained thirteen strategic risks.
- 2.2 Since reporting to Members in August, the Strategic Risk Register has been refreshed and updated by the Corporate Leadership Team. The Strategic Risk Register reflects the significant change in circumstances in which the Council has been operating since the onset of Covid19 and the different challenges and opportunities it now faces. This review has identified that there have been some positive movements in the register.
- 2.3 The updated Register is contained with Part B of this agenda, it contains thirteen strategic risks which are listed below, along with details of relevant mitigations.

## **3. Strategic Risks**

- 3.1 The Strategic Risk Register now contains thirteen existing 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 2025.
  - 2) Failure to deliver a sustainable Medium-Term Financial Strategy (that supports delivery of Vision 2025).
  - 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 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 deliver key strategic projects.
- 10) Failure of the Council's key contractors and partners to remain sustainable and continue to deliver value for money
- 11) Failure to put in place safe working practices and social distancing measures to protect officers and service users.
- 12) Failure to protect the vulnerable in relation to the Council's PREVENT and safeguarding duties.
- 13) Failure to mitigate against the risk of a successful cyber-attack against the council

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

- Risk No 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 – As from September the Council's New Ways of Working has commenced with officers adopting new workstyles, at the heart of this remains the focus on the customers needs. This has been supported by a new 'how to guide' along with FAQ's and support to managers. The Council's the intranet was also launched in September prompting the key values and Lincoln Charter.
- Risk No 8. Decline in the economic prosperity of the City Centre – the business case for Council's Central Market redevelopment scheme has been approved by the Towns Fund Investment Board for grant funding, the scheme will now progress to implementation, this represents a significant investment in the City Centre. In addition, the Towns Fund Board have approved a number of other schemes to be delivered by partner organisations. The Council has also been successful in securing Welcome Back funding which will be utilised during quarter 3 and 4.
- Risk No 10. Failure of the Council's key contractors and partners to remain sustainable and continue to deliver value for money – the Council continues to implement a range of measures including working alongside contractors to manage price risk, splitting contracts into smaller lot sizes, seeking bonds/guarantees etc In addition regular communication on the Council's website is undertaken to inform customers of potential delays e.g housing repairs.

- Risk No 11. Failure to put in place safe working practices and social distancing measures to protect officers and service users – all Council buildings have now reopened with appropriate measures in place; all services have remobilised with appropriate measures in place however in some instances different delivery models, in comparison to pre-pandemic methods, are now in place; and all staff have now returned to working in Council offices/buildings and have adapted their workstyles as part of the Council’s One Council ways of working.
- Risk No 12. Failure to protect the vulnerable in relation to the Council’s PREVENT and safeguarding duties – a recent Section 11 audit was undertaken which concluded in a positive result and report from LSCP.

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

- Risk 11 has been decreased from Amber: Hardly Ever/Major to Green Hardly Ever/Minor – as this now a green risk it will be monitored for 6 months and then removed from the SRR
- Risk 12 has decreased from Red: Probable/Critical to Amber: Possible/Critical.

The levels of assessed risks for all risks are summarised as follows:

<b>Risk No.</b>	<b>Risk Rating</b>	<b>Likelihood</b>	<b>Impact</b>
8	Red/High	Almost Certain	Critical
2, 3, 10 & 13	Red/High	Probable	Critical
7	Red/High	Almost Certain	Major
9	Amber/Medium	Probable	Major
12	Amber/Medium	Possible	Critical
1, 4, 5 & 6	Amber/Medium	Possible	Major
11	Green/Low	Hardly Ever	Minor

Control actions continue to be implemented and risks managed accordingly.

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 it’s functions in accordance with its expressed priorities, as set out in the Vision 2025, and that it does so in accordance with statutory requirements and within a balanced and sustainable budget and MTFS.

#### **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, the risk registers that support these are also being reviewed in light of the current financial challenges the Council is facing.

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.

### 5.3 Equality, Diversity and Human Rights

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities.

Due to the nature of the report, no specific Equality Impact Analysis is required.

## 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. Recommendation

7.1 Members are asked to note and comment on the Council's strategic risks as at the end quarter 2 2021/22.

<b>Is this a key decision?</b>	No
<b>Do the exempt information categories apply?</b>	No
<b>Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?</b>	No
<b>How many appendices does the report contain?</b>	None
<b>List of Background Papers:</b>	None

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