

<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 Executive with a status report of the revised Strategic Risk Register as at the end of the third 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 November 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 the 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 1. Failure to engage & influence effectively the Council's strategic partners, council staff and all stakeholders to deliver against the Council's Vision 2025 – The work to review Vision 2025 following the Covid19 pandemic has been completed and a draft Interim Review document and 3 year delivery plan has been prepared. These contain a greater focus on health inequalities. Consultation and scrutiny of the Interim Review are now scheduled for early 2022 with the final document being considered by Full Council in March 2022.
- Risk No 2. Failure to deliver a sustainable Medium-Term Financial Strategy (that supports delivery of Vision 2025) – following the announcement of the Spending Round 2021 and the Provisional Local Government Financial Settlement in quarter 3, the draft MTFS has now been prepared which presents a balanced and sustainable, over the medium term, budget proposal. Consultation and scrutiny of the MTFS are now scheduled for early 2022 with the final proposals being considered by Full Council in March 2022.
- Risk No 3. Failure to deliver the Towards Financial Sustainability Programme whilst ensuring the resilience of the Council – considerable progress has been made in achieving the current year target with over 90% of savings now secured. In light of additional one-off resources in the draft MTFS it is proposed that the level of savings targets in future years are lowered, with significant progress already in place to achieving these targets.

- 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 – new Ways of Working has been in place since the Autumn, although temporarily paused during new national restrictions. This has been supported by a new ‘how to guide’ along with FAQ’s and support to managers. In addition, the Chief Executive has met with every team in the Council as part of a series of reconnection events. The Lincoln Charter has now also been embedded in the annual appraisal process, this sets out the behaviours and expectations of the way we all work together to realise Vision 2025. In terms of the rollout of M365, this is now substantially complete with only two teams remaining.
- Risk No 7. Insufficient levels of resilience and capacity exist in order to deliver key strategic projects & services within the Council – linked into the Interim Review of Vision 2025 a revised 3-year delivery plan has been developed, which includes the allocation of additional resources in the draft MTFS to support some of the key projects.
- Risk No 8. Decline in the economic prosperity of the City Centre – a number of further schemes, to be delivered externally, have been approved through the Towns Fund Board. Work is progressing well to deliver a range of events and initiatives with Lincoln BIG and Visit Lincoln as part of the Welcome Back Fund. Work is also progressing well with the implementation of the Safer Streets funding including new CCTV cameras and app, designed to support the night-time economy. Unfortunately, though the Council’s bid for Levelling Up funding for the redevelopment of Wigford Way was unsuccessful. Work continues though, through the Towns Fund, to develop the feasibility study for this scheme.
- Risk No 13. Failure to mitigate against the risk of a successful cyber-attack against the council with significant / critical impact – work continues to deliver improvements, with enhanced malware protection implemented and improvements to vulnerabilities with internal scanning now implemented. Joint working is also ongoing with the East Midlands Warning, Advice and Reporting Point (WRAP).

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 3 has been decreased from Red: Critical/Probable to Amber: Major/Probable

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, 10 & 13	Red/High	Probable	Critical
7	Red/High	Almost Certain	Major
3 & 9	Amber/Medium	Probable	Major
12	Amber/Medium	Possible	Critical
1, 4, 5 & 6	Amber/Medium	Possible	Major

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 its 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 Executive are asked to note and comment on the Council's strategic risks as at the end quarter 3 2021/22.

**Is this a key decision?** No

**Do the exempt information categories apply?** No

**Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?** No

**How many appendices does the report contain?** None

**List of Background Papers:** None

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